**Influence of Getting on the Balcony Behavior on Digital Transformation of Insurance Firms in Kenya**

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**Abstract**

*This paper examines the influence of getting on the balcony behavior on digital transformation of insurance firms in Kenya within the framework of adaptive leadership theory. The study acknowledges the pivotal role of adaptive leadership behavior in fostering leader-organization value-congruence, perspective-taking, and self-awareness. A positivist approach and a descriptive research design were employed; targeting a population of 392 supervisors from the 56 registered insurance firms listed by the Insurance Regulatory Authority. Using a stratified random sampling technique, a final sample of 127 respondents was obtained, representing a response rate of 63% from the initial study sample of 198. Getting on the balcony behavior was operationalized through value congruence, perspective taking, and self-awareness dimensions. At the same time, digital transformation was assessed using digital innovation, customer experience, and returns on assets capabilities metrics. Descriptive and inferential statistical analyses, including means, standard deviation, correlation analysis, chi-square test, one-way ANOVA, and ordinal logistic regression, were employed to analyze the research data and to test the study hypothesis. The ordinal logistic regression analysis findings, represented by the Nagelkerke Pseudo R-square coefficient, indicated that getting on the balcony behavior explains 37.2% of the variance in digital transformation (Nagelkerke Pseudo R² = .372). Furthermore, the parameter estimates derived from the ordinal regression analysis revealed that getting on the balcony behavior predicted digital transformation, with a significant beta coefficient of -4.100, p≤.05. In conclusion, this study establishes a substantial connection between "getting on the balcony" behavior, encompassing value congruence, perspective taking, and self-awareness, and the digital transformation of insurance firms in Kenya. Specifically, when leaders actively pursue value congruence through perspective-taking and self-awareness practices, this adaptive leadership behavior significantly and positively influences digital transformation. Consequently, the study recommends insurance leaders to proactively embrace getting on the balcony behavior by implementing policies and practices that promote value congruence, enhance perspective-taking, and establish self-awareness. Further, the adaptive leadership framework should be evaluated in broader financial services sector and other industries and regions.*

**Key Words**: Adaptive leadership, getting on the balcony, digital transformation, value congruence, perspective-taking, self-awareness.

**Introduction**

According to Hawley (2021) getting on the balcony represents an adaptive leadership behavior that metaphorically signifies the act of examining organizational change from multiple perspectives. This behavior emphasizes the recognition of how such change affects various stakeholders and the resulting value contradictions. Therefore, this behavior encompasses dynamic leader strategic thinking by shifting perspective between the field and the balcony views. The leader accomplishes this by gathering various perspectives from the balcony area and returning to the field to coach and mentor the newly acquired strategy (Northouse, 2019). Because the adaptive environment is dynamic, the leader must constantly shift between strategic and operational perspectives, adjust the strategy, and manage value discordance in response to field changes. Additionally, the adaptive leader also needs to be self-aware, able to think critically, comfortable with ambiguity, and capable of acting quickly.

Digital transformation is a strategic imperative for financial services providers, encompassing the application of technological platforms in the systemic restructuring of businesses regarding value creation, value proposition, and customer interaction (Dehnert, 2020). By integrating digital technologies such as the Internet of Things, digital platforms, cloud computing, social media, artificial intelligence, machine learning, and big data, financial firms can enhance operational efficiency and productivity, leading to increased asset returns (Cortellazzo et al., 2019). This value creation is achieved by incorporating digital changes into the business model, products, services, and organizational structures, optimizing performance (Nadkarni & Prügl, 2021). In addition to driving efficiency gains, digital transformation enables financial service providers to develop innovative products, platforms, services, and business models, creating new value propositions for their clients (Wang et al., 2020). Additionally, digital technologies have transformed customer interaction, with web-based and mobile applications revolutionizing sales, marketing, and customer service touch points (Cappiello, 2020). A seamless and personalized customer experience is crucial for success, and organizations that prioritize customer-centric digital initiatives can differentiate themselves and gain a competitive advantage. Therefore, in evaluating digital transformation in financial services, measuring constructs such as return on assets, digital innovation, and customer experience capabilities provides valuable insights for firms seeking to navigate the evolving digital landscape and meet the needs of their clients (Dehnert, 2020; Yamamoto, 2020).

Globally, the United Nations recognizes digital transformation as critical for nations to accelerate their sustainable development goals (David-West & Nwagwu, 2018). According to Pazarbasioglu et al. (2020), while financial services play a critical role in alleviating poverty and driving economic growth, the advent of digital transformation has the potential to radically reshape the industry by reducing operational costs and enhancing service delivery in terms of speed, security, and transparency. In the insurance sector, this transformation poses significant adaptive challenges for leaders of traditional financial organizations, as more agile FinTech firms disrupt the industry with their digital services and superior value propositions (Anagnostopoulos et al., 2018). Amidst the challenges posed by digital transformation, scholars have highlighted the importance of new leadership styles and behaviors exhibited by digital newcomers, which foster a culture of collaboration, rapid experimentation, and matrix organizational structures (Goncalves et al., 2020). According to Han et al. (2020), adaptive leadership, as a conceptual framework, emphasizes the importance of an outward focus and flexibility for leaders in the financial industry. This enables them to navigate the ever-changing landscape of digital transformation with effectiveness and adaptability. Regionally several scholars building upon this conceptualization of adaptive leaders, and posit that value congruence, perspective-taking, and self-awareness are associated with success in digital transformation initiatives (Muluneh & Gedifew, 2018; Donkor & Zhou, 2019). Locally, the Insurance Regulatory Authority entrusted with the growth and development of Kenya's insurance industry, explicitly called upon industry leaders to accelerate the implementation of digital transformation strategies to foster sustainable business practices (IRA, 2020). Nevertheless, despite the abundance of previous studies investigating conventional leadership styles and their influence on organizational performance within the Kenyan insurance sector, there is a notable dearth of research on contemporary leadership styles, specifically adaptive leadership, particularly in the context of leading digital transformation initiatives (Azegele et al., 2021; Wamburu et al., 2022). Based on the identified contextual, conceptual, and policy gaps, this study aims to address the critical question: "To what extent does getting on the balcony behavior influence the digital transformation of insurance firms in Kenya?" The study is premised on the following hypothesis:

H1: Getting on the balcony behavior significantly influences the digital transformation of insurance firms in Kenya.

**Literature Review**

Getting on the balcony behavior involves leaders diagnosing adaptive challenges through self-awareness, stakeholder perspective-taking, and resolving value mismatches (Northouse, 2019). This allows leaders to gain a comprehensive view of the organization, and identify patterns, trends, and challenges (Cote, 2021). Furthermore, Heifetz and Laurie (1997) suggested that leaders should delve deeper to identify visible and hidden value conflicts that indicate adaptive organizational challenges. To facilitate this process, Northouse (2019) emphasized the value of self-awareness steps such as taking quiet time, engaging in quiet observations, and seeking feedback from others. Moreover, Raei (2018) underscored the need for leaders to conduct critical, holistic, and systemic cognitive assessments, emphasizing that considering one's cognitive processes leads to greater self-awareness. In summary, leaders can effectively navigate adaptive challenges and enhance their leadership effectiveness through self-awareness, stakeholder perspective-taking and cognitive self-assessment.

In China the study by Zheng et al. (2019) evaluated the impact of leader-organization value congruence on employees' innovation outcomes within the context of construction projects in China. The research design involved a survey of 217 project managers using a Likert scale questionnaire. Before hypothesis testing, the researchers performed confirmatory factor analysis and common bias tests to establish the reliability and validity of the measurement models. Descriptive and inferential analyses were then employed to interpret the findings. The study's results revealed a significant positive influence of leader-organization value congruence on innovative organizational behavior. Conversely, incongruence, particularly at higher leadership levels, was associated with lower levels of innovative performance. The findings suggested that incongruence led to conflicts and increased stress among employees. Recognizing the dynamic and complex nature of project managers' work environments, the researchers recommended the adoption of adaptive leadership approaches to effectively address the adaptive situational challenges they encounter.

The above contrasted the research by Li et al. (2018) on the role of leadership in influencing perspective-taking within teams and its impact on innovative team performance. The study specifically targeted state-owned banks in China, with a sample comprising two banks in Shanghai and Beijing. A survey methodology was employed, utilizing self-reported questionnaires administered in two waves to 460 individuals in 98 teams, resulting in response rates of 65% for teams and 73% for individuals. Validated scales and a six-point Likert scale were utilized for measuring variables. Descriptive and inferential analyses were conducted to examine the data and derive the study's findings. The regression analysis demonstrated a positive and significant correlation between team perspective-taking and innovation, with a β value of 0.66 at p < 0.00. Based on these results, Li et al. (2018) concluded that team perspective-taking mediators between a leader's expert diversity and the team's innovative performance. The study's implications emphasized the importance of promoting team perspective-taking within organizations to cultivate a productive working climate and culture conducive to innovation.

In Kenya, Edewa (2021) conducted a study focusing on self-awareness within the financial services industry, with a sample size of 42 commercial banks. Through regression analysis of the collected data, the study revealed that self-awareness had a significant impact on the return on assets for Kenyan banks. The inferential analysis showed an R2 value of 0.298, indicating that elements of self-awareness within emotional intelligence could account for 29.88% of the variance in organizational performance, including returns on assets. In summary, the study findings emphasized the importance of self-awareness in changing management within Kenyan commercial banks. The results indicated that self-awareness, as a component of emotional intelligence, significantly influenced the banks' return on assets. This insight highlights the relevance of cultivating self-awareness among banks employees and leaders to enhance organizational performance.

**Methodology**  
The present study employed a post-positivist philosophical stance and utilized a descriptive correlational research design to investigate its objectives. The target population consisted of 392 supervisors from 56 registered insurance firms listed on the Insurance Regulatory Authority (IRA) website as of the conclusion of 2021. A stratified random sampling technique was employed to determine the sample size, resulting in the inclusion of 127 supervisors. Data was collected through a structured questionnaire, which underwent a pilot testing phase to ensure its appropriateness and effectiveness. Factor analysis was utilized to reduce the number of variables and identify latent constructs within the questionnaire. The collected data were analyzed using descriptive and inferential statistics, including correlation, chi-square, ANOVA analysis, and ordinal logistic regression. By employing this comprehensive research methodology, the study aimed to gather and analyze data systematically, thus ensuring the reliability and validity of its findings.

**Results**

Before conducting the main study, a pilot study was conducted to appraise the reliability and validity of the research instrument, therefore evaluating two key aspects.

***Reliability***

Regarding reliability, all the items corresponding to the variables investigated in the study demonstrated a Cronbach's Alpha coefficient surpassing the accepted threshold (α > 0.6), as depicted in Table 1. Furthermore, the Cronbach's Alpha (α) values for all the constructs exceeded 0.6, indicating a high level of reliability based on the Rule of Thumb (Taber, 2018).

***Table 1. Reliability Test for Getting on the Balcony Behavior***

|  |  |  |
| --- | --- | --- |
| **Variable** | **Construct** | **Cronbach's Alpha** |
| Getting on the balcony Behavior | Value Congruence | 0.848 |
| Perspective-taking | 0.673 |
| Self-awareness | 0.729 |

**Source:** Authors (2023)

***Validity***

Factor analysis, utilizing the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's test, was employed in this study to assess the feasibility of reducing the number of factors associated with the variable of adaptive leadership behavior. The results indicated high KMO values nearing 1 and significant p-values (p < 0.05) as presented in Table 2, suggesting that factor analysis successfully identified underlying factors within the dataset of the variable.

***Table 2. Validity Test for Getting on the Balcony Behavior***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Variable** | **KMO** | **Bartlett’s Test Of Sphericity** | | |
| Chi Square | Df | Sig Level p<0.05 |
| Getting on the balcony Behavior | 0.569 | 49.828 | 3 | 0.05 |

**Source:** Authors (2023)

***Descriptive Statistics***

The findings of the study as illustrated in Table 3, show that the getting on the balcony behavior variables have moderate to strong influences on various organizational outcomes such as RoA capability, customer experience capability, and digital innovation capacity. The mean scores of the getting on the balcony behavior variables suggest a moderate level of agreement. Respondents reported that their supervisors consistently identified and resolved organizational value conflicts for faster digital transformation (M = 3.61, SD = 1.084), considered and took different perspectives from their own to propel digital transformation (M = 3.75, SD = 0.845), and practiced insightful self-awareness for digital transformation (M = 3.74, SD = 0.875).

Regarding the influence on return on assets (RoA) capability, the mean scores suggest a moderate agreement. Respondents perceived that identifying and resolving value conflicts by their supervisors had a moderate influence on RoA capability (M = 3.46, SD = 0.795), while considering and taking employee perspectives had a slightly lower influence (M = 2.92, SD = 0.989). Practicing insightful self-awareness by the supervisor showed a relatively stronger influence on RoA capability (M = 3.71, SD = 1.047). In terms of the influence on customer experience capability, respondents reported a moderate agreement. Identifying and resolving value conflicts by the supervisor were perceived to have a moderate influence on customer experience capability (M = 3.49, SD = 1.278), while considering and taking employee perspectives had a slightly higher influence (M = 3.69, SD = 1.199). Practicing insightful self-awareness by the supervisor also had a moderate influence on customer experience capability (M = 3.60, SD = 1.100). Lastly, concerning the influence on digital innovation capacity, respondents indicated moderate agreement. Identifying and resolving value conflicts by the supervisor were perceived to moderate influence on digital innovation capability (M = 3.20, SD = 1.077), while considering and taking employee perspectives had a slightly higher influence (M = 3.50, SD = 0.872). Practicing insightful self-awareness by the supervisor showed the biggest influence on digital innovation capability (M = 3.76, SD = 0.852).

***Table 3. Mean and Standard Deviation for Getting on the Balcony Behavior and Digital Transformation***

|  |  |  |
| --- | --- | --- |
| **Getting on the Balcony Behavior** | **M** | **SD** |
| Supervisor provides consistent identification and resolution of organizational value conflicts for faster digital transformation | 3.61 | 1.084 |
| Supervisor considers and takes different perspectives from his own to propel digital transformation | 3.75 | 0.845 |
| Supervisor practices insightful self-awareness for digital transformation | 3.74 | 0.875 |
| **Influence of Getting on the Balcony Behavior on RoA Capability** | **M** | **SD** |
| - Identifying and resolving value conflicts by the supervisor | 3.46 | 0.795 |
| - Considering and taking employee perspectives by the supervisor | 2.92 | 0.989 |
| - Practicing insightful self-awareness by the supervisor | 3.71 | 1.047 |
| **Influence Of Getting on the Balcony Behavior On Customer Experience Capability** | **M** | **SD** |
| - Identifying and resolving value conflicts by the supervisor | 3.49 | 1.278 |
| - Considering and taking employee perspectives by the supervisor | 3.69 | 1.199 |
| - Practicing insightful self-awareness by the supervisor | 3.60 | 1.100 |
| **Influence Of Getting on the Balcony Behavior On Digital Innovation Capacity** | **M** | **SD** |
| - Identifying and resolving value conflicts by the supervisor | 3.20 | 1.077 |
| - Considering and taking employee perspectives by the supervisor | 3.50 | 0.872 |
| - Practicing insightful self-awareness by the supervisor | 3.76 | 0.852 |

**Source:** Authors (2023)

***Spearman’s Correlation Analysis***

Spearman's correlation analysis was conducted to examine the relationship between getting on the balcony behavior and digital transformation. The results in Table 4 indicate a significant positive and strong relationship between adaptive leadership behavior and digital transformation, with a correlation coefficient of *r* (127) = 0.490, *p* <=.05. This indicates a strong positive association between these two variables.

***Table 4. Correlation Analysis***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Variables** |  | **Getting on the Balcony Behavior** | | **Digital Transformation** |
| Getting on the balcony | Correlation Coefficient | 1.000 | | .490 |
|  | Sig. (2-tailed) | | . | <.001 |
|  | N | | 127 | 127 |
| Digital Transformation | Correlation Coefficient | | .490 | 1.000 |
|  | Sig. (2-tailed) | | <.001 | . |
|  | N | | 127 | 127 |

Correlation is significant at the 0.01 level (2-tailed)

**Source:** Authors (2023)

***Chi-square Analysis***

A Chi-square test (χ²) examined the association between getting on the balcony behavior and digital transformation. The results, in Table 5, indicate that there was a statistically significant association between the two variables, χ² (12, N = 127) = 103.234, *p* ≤ 0.05

***Table 5. Chi-Square Test for Getting on the Balcony Behavior and Digital Transformation***

|  |  |  |  |
| --- | --- | --- | --- |
| **Chi-Square Tests** | **Value** | **df** | **Asymp. Sig. (2-sided)** |
| Pearson Chi-Square | 103.234 | 12 | <.001 |
| Likelihood Ratio | 72.032 | 12 | <.001 |
| Linear-by-Linear Association | 30.278 | 1 | <.001 |
| N of Valid Cases | 127 |  |  |
| Chi-square is significant at *p* ≤ .05 (2-tailed) | | | |

**Source:** Authors (2023)

***One-Way ANOVA***

A one-way ANOVA analysis was conducted to investigate whether the means of the behavior of getting on the balcony varied significantly across demographic variables. The demographic variables included in the analysis were gender, age group, position, experience, and highest academic qualification. The outcomes of the one-way ANOVA are summarized in Table 6. The results indicate no statistically significant differences between the means of getting on the balcony behavior and the demographic variables. These findings suggest that the differences in the means of getting on the balcony behavior observed among the various demographic groups are not statistically significant and could have occurred by chance.

***Table 6. One-way ANOVA for Getting on the Balcony Behavior and Demographic Variables***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Variable** |  | **Sum of Squares** | **df** | **Mean Square** | **F** | **Sig.** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Leadership Role of Respondent | | Between Groups | 4.963 | | 6 | | 0.827 | | 1.443 | | 0.204 | |
|  | | Within Groups | 68.769 | | 120 | | 0.573 | |  | |  | |
|  | | Total | 73.732 | | 126 | |  | |  | |  | |
| Gender of respondents | Between Groups | | | 0.852 | | 1 | | 0.852 | | 1.461 | | 0.229 | |
|  | | Within Groups | 72.880 | | 125 | | 0.583 | |  | |  | |
|  | | Total | 73.732 | | 126 | |  | |  | |  | |
| Age-group | | Between Groups | 0.056 | | 2 | | 0.028 | | 0.047 | | 0.954 | |
|  | | Within Groups | 73.676 | | 124 | | 0.594 | |  | |  | |
|  | | Total | 73.732 | | 126 | |  | |  | |  | |
| Highest academic qualification | | Between Groups | 2.521 | | 2 | | 1.260 | | 2.195 | | 0.116 | |
|  | | Within Groups | 71.212 | | 124 | | 0.574 | |  | |  | |
|  | | Total | 73.732 | | 126 | |  | |  | |  | |
| Years of Experience | | Between Groups | 0.687 | | 2 | | 0.344 | | 0.583 | | 0.560 | |
|  | | Within Groups | 73.045 | | 124 | | 0.589 | |  | |  | |
|  | | Total | 73.732 | | 126 | |  | |  | |  | |

**Source:** Authors (2023)

**Pseudo R-Square**

A pseudo-R-square statistic was employed to evaluate the appropriateness of the regression model and examine the impact of getting on the balcony behavior on the digital transformation of insurance firms in Kenya. Table 7 presents the three pseudo-R-square coefficients associated with this behavior. The Nagelkerke Pseudo R-Square (R² = 0.372) revealed that getting on the balcony behavior accounted for 37.2% of the variance in digital transformation, indicating a significant influence on the digital transformation of insurance firms in Kenya.

***Table 7. Pseudo-R-Square for Influence of Getting on the Balcony Behavior***

|  |  |
| --- | --- |
| **Link function** | **Logit** |
| Cox and Snell | .338 |
| Nagelkerke | .372 |
| McFadden | .173 |

Link Function: Logit.

**Source:** Authors (2023)

**Parameter Estimates**

In this study, an ordinal logistic regression model was utilized to estimate the parameters and examine the log-odds ratio associated with a one-unit change in the digital transformation variable, while controlling for the getting on the balcony behavior predictor variable. The model depicts the relationship between getting on the balcony (X1) and digital transformation (YDT).

Logit [P (YDT ≤ j)] = αj – β1X1

***Table 8. Parameter Estimates***

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Estimate** | **Std Error** | **Wald** | **df** | **Sig** | **95% Confidence Interval** | |
|  |  |  |  |  |  |  | **Lower Limit** | **Upper Limit** |
| Threshold | YDT=2 | -6.547 | .823 | 63.261 | 1 | <.001 | -8.160 | -6.547 |
|  | YDT=3 | -4.191 | .766 | 29.922 | 1 | <.001 | -5.693 | -4.191 |
|  | YDT=4 | -0.612 | .506 | 1.464 | 1 | .226 | -1.605 | -.612 |
| Location | X1=1 | -24.990 | .000 | . | 1 | . | -24.990 | -24.990 |
|  | X1=2 | -5.656 | .988 | 32.749 | 1 | <.001 | -7.593 | -5.656 |
|  | X1=3 | -4.664 | .851 | 30.022 | 1 | <.001 | -6.333 | -4.664 |
|  | X1=4 | -4.100 | .774 | 28.025 | 1 | <.001 | -5.617 | -4.100 |
|  | X1=5 | 0a | . | . | 0 | . | . | 0 |

Link function: Logit.

a. This parameter is set to zero because it is redundant.

As shown in Table 8, parameter estimates revealed a significant relationship between getting on the balcony behavior and digital transformation, β1 = -4.100, p < .05. At a getting on the balcony behavior Likert score of large extent, X1= 4, for every one unit increase in this variable, there was a predicted decrease of 4.100 in the probability of the leaders scoring digital transformation at a lower level. This finding implies that getting on the balcony behavior had a significant influence on the digital transformation of insurance firms in Kenya.

**Discussion of Results**

This study aimed to examine the influence of getting on the balcony behavior on the digital transformation of insurance firms in Kenya, with getting on the balcony behavior consisting of perspective-taking, value congruence, and self-awareness constructs (Northouse, 2019). Correlational analysis demonstrated a significant positive relationship between getting on the balcony behavior and digital transformation (r = 0.490, p ≤ .05). These findings align with previous research, such as the work of Seggewiss et al. (2019), which found that higher value levels and leader-value congruence contribute to positive organizational outcomes. Thrasher et al. (2020) emphasized the importance of leader-follower relationships in influencing value congruence, highlighting the need for leaders to adopt a broader perspective to align individual and team values with organizational values.

Contrasting findings were presented by Zheng et al. (2019), who discovered that value incongruence at leadership levels correlates with lower innovative performance and organizational conflict. However, Thrasher et al. (2020) argued that value incongruence encompasses variables beyond leader-employee relationships, including open systems, internal processes, and rational goals, which should be considered in assessing value congruence and promoting organizational outcomes. Furthermore, other studies found weak positive correlations between self-awareness and financial performance, contributing to the broader understanding of the relationship between value congruence, self-awareness constructs, and organizational outcomes like digital transformation (Slavić et al., 2021; Zehir & Hemedan, 2020).

Regarding demographic variables, the one-way analysis of variance did not reveal significant differences in the means of getting on the balcony behavior across various levels of age group, gender, leadership role, academic level, and years of experience. Although previous studies on getting on the balcony behavior have shown contrasting results, common perspectives emerged from the research conducted by Beersma et al. (2018) and Zheng et al. (2019). Both studies emphasized the impact of demographic factors on leadership effectiveness and positive organizational outcomes, including digital innovation. Consequently, leaders and organizations should tailor their leadership styles and behaviors to resonate with specific organizational demographics to enhance digital transformation outcomes.

Ordinal logistic regression analysis indicated a strong association between getting on the balcony behavior and digital transformation, supported by a Nagelkerke Pseudo R² value of 0.372 and parameter estimates, β1 = -4.100, p ≤ .05. These findings align with previous studies that have investigated the relationship between value congruence, perspective-taking, self-awareness, and positive organizational outcomes. For example, Li et al. (2018) conducted a multi-team longitudinal study on perspective-taking. They found that it mediates the positive moderating effects of leadership on the relationship between expertise diversity and innovative performance, indicating a significant and positive correlation between perspective-taking and innovative performance, β = 1.84, p < 0.01.

In summary, the present study highlights the significant role of value congruence, perspective-taking, and self-awareness constructs within the getting on the balcony behavior in the digital transformation of insurance firms in Kenya. Previous research has also indicated the positive effects of value congruence, self-awareness, and perspective-taking on organizational outcomes. However, some studies have shown weak or negative correlations, suggesting the need for further investigation to fully comprehend the relationship between these variables and organizational outcomes. This study contributes to the growing body of research on adaptive leadership behaviors and underscores the importance of getting on the balcony behavior for successful digital transformation in insurance firms.

**Conclusion**

The correlation analysis revealed a significant positive correlation between the two variables, r = 0.490, p ≤ .05, which was further supported by the Chi-square test, χ² = 103.234, p ≤ .05. However, the one-way ANOVA did not show significant differences between the means of getting on the balcony behavior and demographic variables. Although the proportional odds assumption for ordinal regression was violated, χ² (8) = 26.760, p < .05, alternative non-parametric measures, including Spearman test correlation analysis and Chi-square results, supported proceeding with ordinal regression measures with caution. Still, the ordinal logistic regression model was a better fit than the intercept-only model, χ² (4) = 52.335, p ≤ .05. However, the model did not fit the observed data well, as indicated by the goodness-of-fit statistic, χ² = 39.806, p < .05. Further ordinal regression analysis revealed that getting on the balcony behavior accounted for 37.2% of the variance in digital transformation, as demonstrated by the Nagelkerke Pseudo R² value of .372. The parameter estimates indicated that getting on the balcony behavior predicted digital transformation, β1 = -4.100, p ≤ .05. Consequently, study hypothesis was accepted, and it was concluded that getting on the balcony behavior significantly influences the digital transformation of insurance firms in Kenya.

**Recommendations and Areas for Further Research**

The results of this study demonstrate that getting on the balcony behavior significantly influences the digital transformation of insurance firms in Kenya. This finding aligns with the adaptive leadership theory, which posits that effective leaders must take a broad organizational perspective, be self-aware, and achieve organizational value congruence to effectively orchestrate adaptive change and achieve their digital transformation goals. This study recommends that insurance firms implement leadership development programs focusing on developing competencies related to broad organizational perspective, self-awareness, and value congruence. By fostering these competencies, insurance firms can effectively drive digital transformation and bridge value gaps between individuals, teams, and the organization.

Furthermore, the findings of this study imply the necessity for additional empirical inquiry into the proposed conceptual framework of adaptive leadership. Subsequent research should delve into the potential mediating mechanisms and assess the influence of adaptive leadership on other outcome variables within the digital transformation context. Additionally, it is advisable to evaluate the framework's effectiveness in diverse organizational settings to identify any contextual disparities in the outcomes of digital transformation endeavors.

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