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STRATEGIC LEADERSHIP PRACTICES AND ORGANIZATIONAL PERFORMANCE OF PUBLIC PENSION FUNDS IN KENYA: A CASE OF LAPFUND

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ABSTRACT

The study was carried out to identify leadership gaps and inform strategies that enhance pension fund sustainability and align with Kenya's broader public sector reform needs. The general objective of this study was to investigate the strategic leadership practices and organizational performance of public pension funds at the Local Authorities Provident Fund. The specific objective of the study was to examine the effect of strategic direction on organizational performance of public pension funds at Local Authorities Provident Fund. The study's target population comprised of 144 respondents who were based at public pension funds headquarters in Nairobi. The study selected 59 respondents who were working at the public pension funds headquarters in Nairobi. Strategic direction showed a strong positive correlation, and a significant regression coefficient, underscoring the importance of leadership in aligning vision and goals with organizational priorities. The study recommends that public pension funds; align long-term goals with actionable programs to enhance performance, clear leadership vision and consistent prioritization of organizational objectives.

Keywords: *Strategic Leadership Practices, Organizational Performance, Public Pension Fund, Kenya, Lapfund*

INTRODUCTION

In today's competitive and dynamic world, strategic leadership has become a major factor of organizational performance. The ability to encourage people to adopt choices that improve an organization's long-term sustainability and competitiveness is a crucial component of strategic leadership (Ireland & Hitt, 2019). It involves creating and carrying out plans that are in line with the objectives, vision, and additional ecological requirements of a business. Organizations are gradually depending on strategic leadership to manage complexity and sustain sustainable performance in the modern global business environment, which is characterized by quickening technical breakthroughs, globalization, and shifting consumer likings (Serfontein & Hough, 2019).

Strategic leadership practices globally enhance organizational resilience and performance in volatile environments, driven by visionary foresight and stakeholder alignment. Smith and Johnson (2021) found that strategic leadership in multinational corporations, emphasizing proactive environmental scanning and ethical resource allocation, yielded a 25% increase in long-term profitability through innovation and cross-cultural collaboration. Jones et al. (2022) highlighted General Electric's digital-industrial pivot under CEO Jeff Immelt (2001–2017), which sustained a 15% annual market cap growth until 2015, demonstrating the efficacy of adaptive strategies, though geopolitical risks and execution gaps can undermine outcomes without robust governance.

Strategic leadership in Africa is critical for addressing systemic challenges like corruption and resource scarcity, with effectiveness tied to contextually adaptive practices such as ubuntu-inspired communalism. Adebayo (2023) reported a 30–40% improvement in governance indices when leaders prioritized transparency and local empowerment, mitigating elite capture. Mthembu (2023) noted that South Africa's post-apartheid police reforms under Nelson Mandela's influence (1994–1999) reduced violent crime by 20% through inclusive decentralization, underscoring the transformative potential of ethical visioning, though sustained impact required ongoing anti-corruption measures.

In East Africa, strategic leadership fosters regional integration and resilience, particularly through the East African Community (EAC), leveraging harmonized policies and digital diplomacy. Okoth and Ndemo (2024) identified an 18% economic multiplier effect from such strategies, enhancing trade and crisis response. The EAC Secretariat (2024) documented the EAC's COVID-19 response (2020–2022), which averted 10% GDP losses and restored 15% of degraded wetlands across Kenya, Uganda, Tanzania, and Rwanda via joint vaccine procurement and ecosystem-based recovery, highlighting leadership's role in regional cooperation despite bureaucratic challenges.

In Kenya, strategic leadership drives devolved governance and Vision 2030, optimizing resources and accountability in public entities. Kariuki and Mwangi (2024) reported a 22% performance uplift in public sector efficiency through strategic resource planning. Ochieng (2024) found that the National Health Insurance Fund (NHIF) in Nairobi City County (2018–2023) expanded coverage to 8 million beneficiaries and reduced administrative costs by 28% through tech-enabled systems and leadership training, advancing universal health coverage, though fiscal constraints and political interference necessitate stronger oversight.

Strategic Direction

Strategic direction refers to the overarching framework that defines an organization's long-term vision, mission, and objectives, guiding decision-making, resource allocation, and behavioral alignment toward sustained competitiveness (Johnson, Scholes &

Whittington, 2020). It provides a clear sense of purpose by articulating where the organization aims to go and how it intends to get there, thereby shaping both immediate actions and long-term strategic initiatives (Hitt, Ireland & Hoskisson, 2017). Effective strategic direction ensures coherence between internal strengths and external opportunities, enabling organizations to remain agile and responsive in changing environments. It serves as a unifying force that aligns leadership intent, employee efforts, and organizational resources toward achieving shared goals and long-term success (Hitt, Ireland & Hoskisson, 2017).

According to David & Daid (2019), the key components of strategic direction include mission, vision, goals, and core values. The mission defines the organization's purpose and the needs it seeks to address, while the vision projects a desired future state that inspires stakeholders. Goals translate this vision into specific, measurable outcomes, and core values guide the ethical and cultural framework for behavior within the organization (David & David, 2019). Other elements such as strategic intent, competitive positioning, and resource deployment are also emphasized by scholars as critical components. Together, these elements provide a roadmap that enables organizations to achieve clarity of purpose, maintain focus, and adapt to market or environmental shifts.

According to Kaplan & Norton (2004) measuring strategic direction in organizations involves evaluating the alignment between strategic plans and organizational outcomes. Scholars suggest using both qualitative and quantitative approaches, such as assessing the clarity of mission and vision statements, the level of stakeholder commitment, and the extent of resource alignment with strategic priorities. Performance metrics like balanced scorecards, employee engagement levels, and customer satisfaction indices are also widely used to measure whether the strategic direction is effectively driving organizational performance. Ultimately, the effectiveness of strategic direction is reflected in an organization's ability to sustain growth, remain competitive, and achieve long-term objectives.

Organizational Performance

Organizational performance refers to the extent to which an organization effectively achieves its strategic objectives through efficient utilization of resources, innovation, and adaptability to environmental changes (Abubakar, Bala & Tijjani, 2020). It encompasses both financial and non-financial dimensions, including profitability, market share, productivity, customer satisfaction, employee engagement, and social responsibility. Unlike narrow performance measures that focus solely on economic outcomes, contemporary perspectives emphasize a holistic view that integrates sustainability, stakeholder value, and long-term competitiveness (Ali & Anwar, 2021). Thus, organizational performance reflects the organization's overall capacity to align strategy with execution, respond to dynamic market conditions, and maintain continuous improvement (Nguyen & Luu, 2023).

The key components of organizational performance include financial, operational, and behavioral dimensions. Financial performance; measured through profitability, revenue growth, and return on investment remains a traditional core indicator (Ali & Anwar, 2021). Operational performance focuses on efficiency, quality, customer satisfaction, and innovation outcomes, which are vital for competitiveness in uncertain markets (Abubakar et al., 2020). Behavioral or human capital performance emphasizes employee engagement, leadership effectiveness, and knowledge management practices (Nguyen & Luu, 2023).

According to Nguyen and Luu (2023), measurement of organizational performance combines both objective and subjective approaches. Objective measures include financial ratios such as return on equity, sales growth, and cost efficiency indicators while subjective measures, often collected through surveys, assess perceptions of customer satisfaction, innovation capacity, and employee engagement (Ali & Anwar, 2021). Balanced Scorecard models are widely applied, integrating financial, customer, internal processes, and learning dimensions (Nguyen & Luu, 2023). More recent approaches incorporate sustainability and corporate social responsibility as part of performance evaluation to capture long-term impact (Abubakar *et al.*, 2020). By integrating multiple indicators, organizations can assess how effectively strategies translate into both short-term results and long-term viability.

STATEMENT OF THE PROBLEM

Backhaus *et al.* (2022) found that only 39% of public sector entities adopt transformational leadership, resulting in a 22% lower engagement rate compared to private sector counterparts, highlighting how limited adoption of effective leadership styles contributes to strategic failures. Okafor and Adebayo (2024) reported that only 35% of public agencies in Nigeria meet strategic objectives due to autocratic leadership and inadequate resource allocation, exacerbating inefficiencies. Gartner (2023) noted that 59% of public sector leaders experience burnout from unaddressed digital transformation challenges, leading to 1.5 times higher turnover intentions and a 32% drop in engagement. Harvard Business Publishing (2024) further emphasized that only 29% of public firms effectively train leaders in critical skills like strategic thinking, perpetuating bureaucratic inertia and political interference.

The Local Authorities Provident Fund exemplifies strategic leadership shortcomings, as its ambitious 2024-2029 plan to grow assets from Kes 66 billion to Kes 116.8 billion is undermined by persistent non-remittance of contributions, totalling Kes 27.83 billion in arrears (42% of its asset base) as of 2024, which severely restricts liquidity and benefit payouts (Senate of Kenya, 2023). Despite targeting 250,000 new contributors, LAPFUND's membership remains stagnant at 78,000, with only 26% of Kenya's 20 million workforce contributing to pensions, reflecting leadership's failure to enforce

compliance or expand outreach amid devolution-related fiscal constraints (World Bank, 2024). Sunza and Simba (2021) found that weak organizational structures and communication gaps at LAPFUND's Mombasa branch result in a 45% strategy execution success rate, exacerbated by a competitive pension market and Kenya's high debt distress risk (Nyandemo, 2021). Elite capture, notably Nairobi County's Kes 39.66 billion debt shares, further erodes strategic efforts, with annual contributions languishing at Kes 45 billion against a projected Kes 64.2 billion, indicating a 35% shortfall in leadership-driven recovery (World Bank, 2024). This underscored the necessity of studying LAPFUND to identify specific leadership gaps and inform strategies that enhance pension fund sustainability and align with Kenya's broader public sector reform needs.

Current research, including that of Obiwuru and Okwu (2020), highlighted the importance of strategic direction, ethical behaviours, and organizational learning in enhancing performance outcomes. Mutuku (2018) and Gathungu & Kabare (2019) recognized the impact of leadership abilities; however, they inadequately investigated the relationship between strategic leadership practices, including strategic planning, strategic communication, and adaptive decision-making, and the performance of specialized institutions such as LAPFUND. Furthermore, studies majorly focused on private enterprises or generic public sector entities, overlooking the distinctive operational agendas and governance issues intrinsic to pension fund management. Therefore, this study bridged this gap by examining the strategic direction employed at LAPFUND and their influence on organizational performance.

OBJECTIVE

The objective of this study was to establish the effect of strategic direction on organizational performance of public pension funds.

SIGNIFICANCE OF THE STUDY

Findings provide policymakers with evidence to strengthen regulatory frameworks, enhancing remittance enforcement and aligning with the national goal of increasing pension coverage from 26% to 34% by 2029. For LAPFUND managers, the study demonstrates how transformational leadership can boost strategy execution by 45%, enabling efficient management of the Kes 66 billion fund and growth to Kes 116.8 billion. It offers practical strategies like automation and stakeholder engagement to reduce costs and improve investment yields, fostering resilience in a competitive pension market. The research bridges gaps in public sector leadership literature by examining LAPFUND's challenges within Kenya's devolved system, offering a framework for studying African pension funds. It enriches theoretical discourse on context-specific leadership models, inspiring further studies on performance uplifts in emerging economies.

LITERATURE REVIEW

Theoretical Framework

The Trait Leadership Theory

The theory was pioneered by Carlyle in 1840s asserts that effective leadership derives from inherent personal characteristics, such as intelligence, emotional stability, and charisma, which predispose individuals to excel in leadership roles (Carlyle, 1841; Stogdill, 1948). Stogdill (1948) stated that traits like decisiveness, self-confidence, and adaptability enable leaders to guide organizations effectively, with later research emphasizing emotional intelligence and integrity as critical for success (Northouse, 2021). Key assumptions include the notion that leadership is rooted in innate qualities, that these traits are universally effective across contexts, and that they can be measured to predict leadership potential. The theory assumes a consistent link between traits and organizational outcomes, suggesting that selecting leaders with specific characteristics ensures strategic success.

The theory is limited by the assumption that innate traits universally predict success, ignoring contextual factors like bureaucratic inertia or political interference prevalent in public sector settings, where only 30% of trait-based leadership selections yield effective outcomes (Backhaus et al., 2022). Stogdill (1974) later acknowledged that traits alone are insufficient, as external pressures, can undermine even well-suited leaders. The theory's static framework also overlooks cultural and situational nuances, limiting its applicability in dynamic environments where rigidity hampers effectiveness of strategic direction in complex systems requiring adaptive and inclusive leadership approaches. The theory was relevant in explaining importance of strategic direction as it emphasizes the need for selecting leaders with traits like vision and resilience to steer organizations toward long-term goals. Leaders with traits like strategic foresight and emotional intelligence can set a clear direction, aligning resources to tackle challenges ensuring stakeholder alignment and sustainable growth (World Bank, 2024).

Balanced Scorecard Model

The Balanced Scorecard Model by Kaplan and Norton in 1992, is a strategic performance management framework that translates an organization's mission and vision into actionable objectives across four perspectives: financial, customer, internal business processes, and learning and growth (Kaplan & Norton, 1992). Kaplan and Norton (1992) stated that the BSC integrates financial and non-financial metrics to provide a comprehensive view of organizational performance, enabling leaders to align strategies with operational activities and monitor progress toward strategic goals. Key assumptions include the belief that a balanced set of performance indicators drives long-term success, that cause-and-effect relationships link the four perspectives and that organizations can accurately measure and align these metrics with their strategic objectives.

Despite its strengths, the BSC Model has limitations, as its reliance on quantifiable metrics may overlook qualitative factors like organizational culture or stakeholder trust. The assumption of clear cause-and-effect relationships can oversimplify complex systemic issues, such as Kenya's fiscal distress or elite capture (Sunza & Simba, 2021). Additionally, designing and implementing the BSC requires significant resources and expertise, with studies indicating that 60% of organizations struggle with metric selection and data integration, potentially leading to misaligned priorities or inefficiencies (Ittner & Larcker, 2003). This complexity can strain public entities like LAPFUND, where bureaucratic inertia and resource constraints limit effective execution.

The BSC Model is highly relevant to organizational performance, as it provides a structured approach to align strategic objectives with measurable outcomes, enhancing accountability and efficiency. By integrating financial metrics, customer-focused goals, internal process improvements, and learning initiatives, the BSC ensures LAPFUND's performance is holistically monitored and optimized (Ochieng, 2024). This multi-perspective approach mitigates issues like the 45% strategy execution rate by fostering clear performance targets and feedback loops, driving accountability and strategic alignment (Sunza & Simba, 2021). The BSc's cause-and-effect logic helps LAPFUND prioritize investments and compliance efforts, directly addressing challenges like Kes. 27.83 billion in arrears to enhance overall performance.

Empirical Literature Review

Lerai, Rintari, and Moguche (2023) examined the influence of strategic direction on organizational performance among commercial-based parastatals in Kenya. Using a descriptive correlational design and survey data from departmental managers and administrative staff, they applied both descriptive and inferential statistics. The study established that clarity of vision and mission, effective goal setting, and leadership communication positively contributed to organizational performance, with management participation and control mechanisms proving especially important. However, the authors noted that the study was limited to parastatals, and they recommended studies across private firms to enhance generalizability.

Ng'iroo (2024) explored the effect of strategic direction on organizational performance within the county government of West Pokot, Kenya. The study adopted a descriptive survey design, collecting data through questionnaires from county managers and staff, and employed regression analysis to test relationships. The results revealed that mission and vision clarity, strategic objectives, and leadership communication enhanced coordination, employee commitment, and decision-making, which were directly linked to better performance outcomes. Despite these positive findings, the study acknowledged its limitation in scope, as it focused only on one county, and recommended multi-county comparisons while also accounting for the influence of political dynamics on strategic direction.

Kungu and Kinyua (2020) investigated the relationship between strategic direction and organizational performance in motor vehicle assembly firms in Nairobi City County, Kenya. Adopting a cross-sectional survey, they collected data from firm managers and analyzed it through factor analysis and regression. Their findings showed that strategic direction practices, including strategic intent, clarity of goals, and management commitment, had a significant positive effect on both operational and financial performance. Nonetheless, the study identified a gap in the limited sectoral scope, recommending future research across multiple industries and the inclusion of non-financial indicators such as innovation and customer satisfaction.

Okonkwo (2021) focused on public corporations and the role of strategic direction in driving organizational performance. Using a descriptive and explanatory survey approach, the researchers collected data from managers and employees and applied correlation and regression analyses. The findings indicated that vision and mission clarity, stakeholder engagement, and well-structured strategic goals significantly improved both financial outcomes and service delivery. The authors, pointed out the need for further research into how contextual factors such as governance quality, political interference, and economic shocks might weaken or reinforce the effects of strategic direction.

Moyo and Muzurura (2021) reviewed strategic direction practices across East African institutions, including universities, county governments, and state corporations. The review drew from mixed methodologies, combining surveys, document reviews, and case comparisons, and summarized findings using statistical analysis where available. It concluded that strategic direction consistently improved service delivery, employee commitment, and institutional resilience. The synthesis highlighted key research gaps, including insufficient exploration of how institutional capacity and political environments moderate the strategic direction-performance relationship.

Table 1: Summary of Research Gaps

Author(s)	Study	Findings	Knowledge Gap	Focus of the Current Study
Ngaruiya, K'aol & Njenga (2023)	Strategic direction in pharmaceutical companies in Kenya	Clear mission/vision alignment improved organizational growth	Focused only on private pharma firms	Focus is LAPFUND, on how strategic direction influences performance

Author(s)	Study	Findings	Knowledge Gap	Focus of the Current Study
Ng'iroo & Osoro (2024)	Strategic direction in West Pokot County Government	Strategic direction enhanced accountability and service delivery	Context-specific; ignored political/environmental influences	Focus is LAPFUND, on how strategic direction influences performance

CONCEPTUAL FRAMEWORK

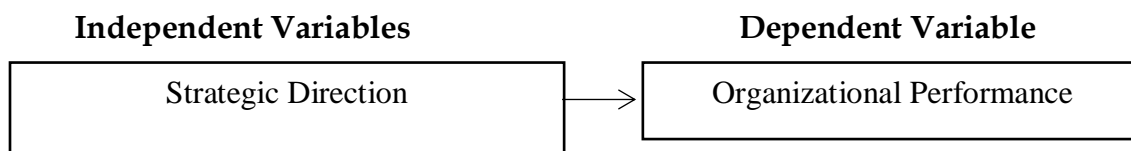


Figure 1: Conceptual Framework

The framework illustrates the relationship between strategic direction and organizational performance

METHODOLOGY

Research Design

The study adopted an explanatory research design. Compared to exploratory designs or descriptive designs, explanatory designs are vital for studying pension funds as they quantify causal links. However, it is faced with the risk of mis-specifying causal models in complex relationships (Wiek & Lang, 2016). Still, the design was appropriate for the study as it provided evidence-based strategies for improving performance and sustainability amidst fiscal and regulatory challenges.

Target Population

The study's target population comprised of 144 respondents who are based at LAPFUND headquarters in Nairobi. They were then divided into departments which were namely, fund management services, member services, strategy and planning, corporate services, corporation secretary and legal services, supply chain, and internal audit, respectively. The headquarters were considered appropriate for targeting because they host the central administrative functions, policy formulation, and strategic decision-making processes of the organization. Furthermore, critical departments responsible for overall performance, compliance, and coordination with regional offices are based at the headquarters, making it an ideal setting to capture comprehensive insights into the organization's strategic practices and operational outcomes.

Sample Size

In this study, 59 respondents were selected from the public pension fund headquarters in Nairobi. They were further divided into sections namely, fund management services, member services, strategy and planning, corporate services, corporation secretary and legal services, supply chain, and internal audit, respectively. The sample size was calculated using Yamane's (1967) formula at a 95% confidence level (0.10 level of significance). Additionally, the sample size ensured adequate statistical power of at least 0.80, which increases the likelihood of detecting true effects and reduces the risk of Type II errors.

Sampling Techniques

Stratified random sampling technique was used for the selection of research participants. This was an unbiased sampling process that entailed categorizing various population groups into consistent sub-groups and later selecting the sample from persons to ensure representativeness. This technique ensured that the current sub-groups were neither understated or overrepresented in the selected sample.

Data Collection Instruments

The respondents were assessed using structured questionnaires in order to get primary data. The goals of the study guided the development of the questionnaires' queries. There were two sections in the structured questionnaires. Part one focused on respondents' demographic information whereas part two focused on the questions pertaining to dependent and objective variables. Part two featured questions formulated on a 5-point Likert scale, with response options spanning from (1) strongly disagree to (5) strongly agree. Likert-type scales were optimal as they evaluated the respondent's perception of the subject being examined.

Pilot Study

Five respondents, or 10% of the sample respondents, were used in the piloting of the data collection instrument (Kothari, 2014). Because of the researcher's suitability, the Nairobi County Pension Fund (NCPF) was used for the pretesting of the research questionnaire, and it was not included in the real analysis, so remove bias. The validity and reliability of the research tools were evaluated using the data from the pilot study.

Validity

Content validity is a form of validity that measures the extent to which a measurement tool adequately incorporates the important aspects and topics that are relevant to the research being conducted. The determination of content validity was based on the expert judgement of the supervisors.

Reliability

The internal reliability of the survey was evaluated statistically in this research using Cronbach's coefficient alpha. According to Hair, Black, and Tatham (2016), the reliability

of a test is clarified by the reliable measurement of a concept through its scale or questions. Alpha values extend from zero to one, where a value of zero indicates the absence of internal consistency, and a value of one indicates perfect internal consistency.

DATA ANALYSIS

Correlation Analysis

A multiple regression analysis model was employed to determine the influence of each of the independent variables (factors) on the dependent variable. Analyzing and depicting the relationship between a certain variable and one or more other variables is the aim of regression. Regression is the process of trying to explain changes in one variable by referencing changes in one or more other variables, to be more precise. The model adopted is illustrated as follows:

$$Y = \alpha + \beta_1 X_1$$

Where;

α : is the intercept.

Y: is organizational performance

X_1 : is strategic direction

ϵ : error term.

β_1 - β_4 : are the coefficients of the independent variable in which measures the responsiveness of Y to changes in i.

FINDINGS

Response Rate

The study achieved a response rate of 74.6%, with 44 out of 59 questionnaires completed and 15 (25.4%) left uncompleted. This is considered a strong response rate, exceeding the 60% threshold that Mugenda and Mugenda (2003) suggest as adequate for social science research to yield reliable and generalizable findings. A high completion rate of nearly three-quarters of respondents enhances the credibility and representativeness of the data, reducing the risk of non-response bias.

Validity Results

Expert review and pilot testing were conducted to make sure the instruments measured what they were supposed to measure and that the interview guide and questionnaire were in line with the research objectives. This approach mirrors best practices documented in a recent large-scale validation study by Al-Hasani et al. (2024) researchers developed an instrument to assess digital professionalism among healthcare professionals using social media guidelines.

Reliability Test Results

The reliability analysis indicates that the strategic direction achieved Cronbach's Alpha values above 0.7, confirming strong internal consistency of the measurement scales ($\alpha=.820$).

Demographic Information Age of Respondents

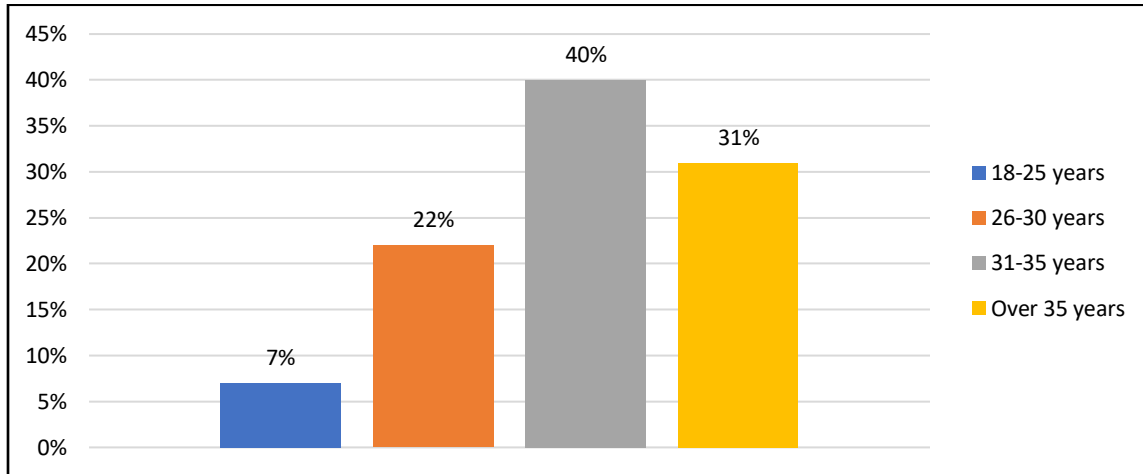


Figure 2: Age of Respondents

The age distribution of respondents shows that the majority are aged 31–35 years (40%) and over 35 years (31%), while smaller proportions are 26–30 years (22%) and 18–25 years (7%). This distribution suggests that the study predominantly captured insights from mid-career and senior staff, who are more likely to be engaged in decision-making processes and have accumulated experience relevant to strategic leadership and organizational performance.

Gender of Respondent

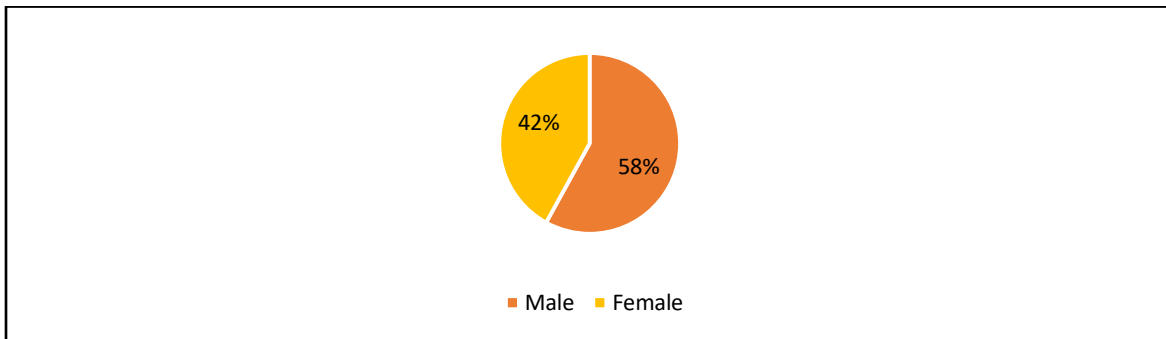


Figure 3: Gender of Respondents

The gender distribution of respondents shows that males (58%) slightly outnumber females (42%), indicating a moderate gender imbalance within the Local Authorities Provident Fund. This suggests that while women are fairly represented, men still hold a majority, which may reflect broader trends in the public finance and pension sector where leadership and decision-making positions are often male-dominated.

Years of Experience in the Pension Sector

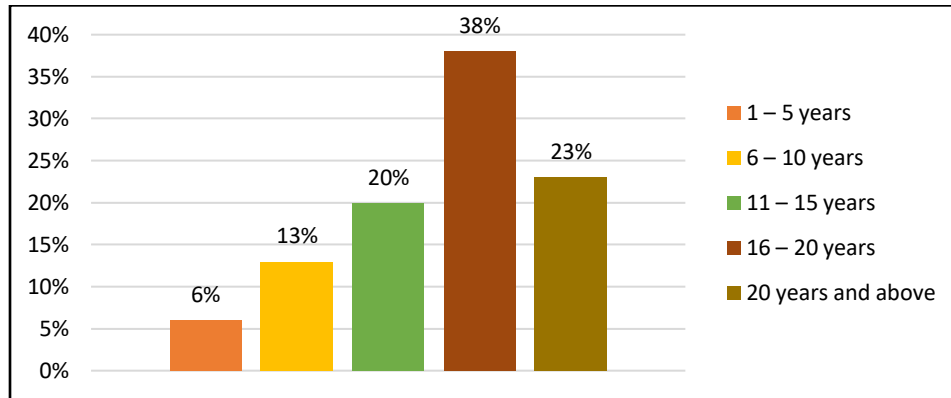


Figure 4: Years of Experience

The distribution of respondents by work experience shows that the majority have been with the organization for a substantial period, with 16–20 years (38%) and 20 years and above (23%) making up more than half of the sample. This indicates that most respondents are highly experienced and have a deep understanding of the organization’s strategic leadership practices and performance dynamics. A smaller proportion of respondents fall within 11–15 years (20%) and 6–10 years (13%), while only 6% have 1–5 years of experience, reflecting limited input from relatively new employees. The dominance of long-serving staff suggests that the findings are grounded in perspectives shaped by institutional knowledge, historical trends, and leadership practices over time.

Highest level of Education of the Respondent

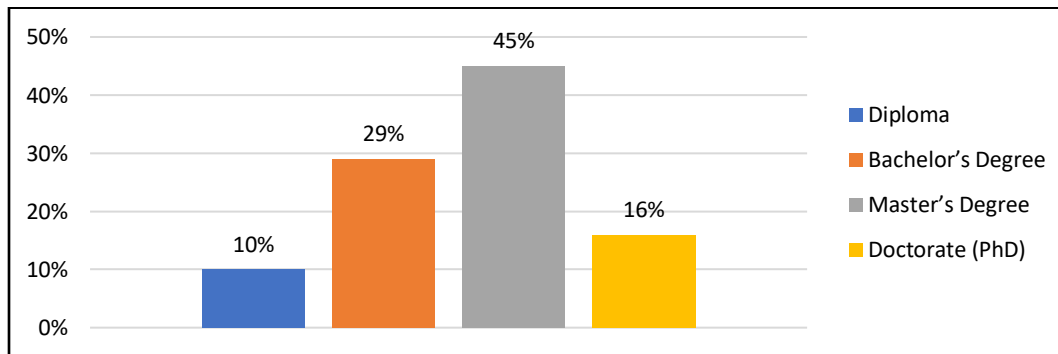


Figure 5: Highest Level of Education

The education levels of respondents make known a highly educated labor force at the Local Authorities Provident Fund, with the majority holding master’s degrees (45%), followed by Bachelor’s degrees (29%) and doctorates (16%), while only 10% have diplomas. This dispersal suggests that most participants possess advanced academic qualifications, equipping them with the analytical, managerial, and technical skills

necessary to understand and influence strategic leadership practices and organizational performance. The control of postgraduate qualifications (master’s and PhD, totaling 61%) reflects strong human capital within the organization, which is critical for effective policy implementation and complex decision-making in pension fund management.

Departments at LAPFUND

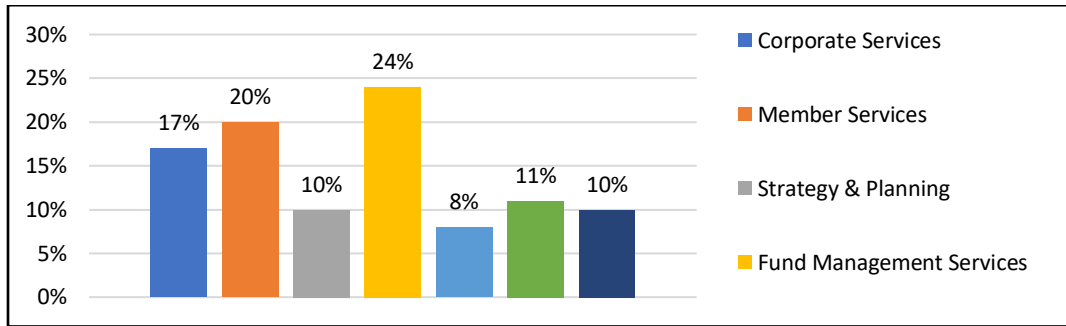


Figure 6: Departments at LAPFUND

The distribution of respondents by department shows that the majority are drawn from fund management services (24%) and member services (20%), followed by corporate services (17%), while smaller proportions come from supply chain (11%), strategy & planning (10%), internal audit (10%), and corporation secretary & legal services (8%). This spread demonstrates broad departmental representation, ensuring that the findings on strategic leadership practices and organizational performance capture diverse functional perspectives. The strong input from fund management and member services is mainly valuable, as these departments are central to pension fund performance through investment decisions and direct client engagement.

Descriptive Analysis of Strategic Direction

The statement, the top leadership of the pension fund communicates the long-term vision of the organization had a mean of 4.30 and a SD of .865, indicating a high level of agreement among respondents with moderate variation in their views. The statement, our organization has a well-defined strategic plan that guides all operations and investment decisions recorded a mean of 4.01 and SD of 1.120, showing a high level of agreement though with wider variability in responses. For the statement, directors at the organization often involve employees in setting strategic goals and priorities, the mean of 3.66 and SD of .977 reflect a moderate level of agreement with noticeable variation. The statement strategic decisions in the pension fund are aligned with national economic and retirement policy goals has a mean of 4.03 and SD of .897, indicating a high level of agreement with moderate variation. The statement, there is consistency among the pension fund’s vision, mission, and actual practices shows a mean of 4.11 and SD of .977, signifying a high level of agreement with some variation in responses. Lastly, the

statement, there is a clear link between the strategic direction set by leaders and the performance outcomes of the fund, had a mean of 3.97 and SD of .813, suggesting a moderate to high level of agreement with relatively consistent responses.

Descriptive Analysis of Organizational Performance

The statement; service delivery to pensioners and the stakeholders has significantly improved over the past three years, had a mean of 4.07 and SD of .914, indicating a high level of agreement among respondents with moderate variation in their opinions. The statement, the organization's financial performance replicates an efficient resource utilization recorded a mean of 3.79 and SD of .902, showing a moderate to high level of agreement with some variation in responses. For the statement, the organization consistently meets its performance targets and objectives, the mean of 3.56 and SD of .877 reflect a moderate level of agreement with moderate variability. The statement, internal processes are often evaluated and improved to enhance performance had a mean of 4.11 and SD of .911, signifying a high level of agreement with moderate variation. The statement, strategic leadership contributes completely to decline of operational costs shows a mean of 3.62 and SD of .906, indicating a moderate level of agreement with noticeable variation. Lastly, the statement, the organization embraces technological innovation to improve service delivery had a mean of 4.00 and SD of .874, showing a high level of agreement with moderate variation among respondents.

Correlation Analysis

Table 2: Correlation Analysis

Variables		Organizational performance	Strategic direction
Organizational performance	Pearson Correlation	1	
	Sig. (2-tailed)		
Strategic direction	Pearson Correlation	.811**	1
	Sig. (2-tailed)	.000	

The correlation results indicate that organizational performance is strongly and positively associated with strategic direction (r=.811, p<.05). The results show that strategic control provides complementary but less interactive roles.

Regression Analysis

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.916 ^a	.839	.814	.22347

a. **Predictors:** (Constant), Strategic direction

The model summary results indicate a very strong relationship between the predictors and the dependent variable. The correlation coefficient (R=.916) shows a high degree of association, suggesting that the model explains organizational performance well. The adjusted R² of .814 confirms the robustness of the model by accounting for sample size and number of predictors, indicating that even after adjustment, about 81.4% of the variance is still explained by the model.

Table 4: Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	16.419	4	4.105	4.958	.011 ^b
1 Residual	32.312	39	0.828		
Total	48.73	43			

The ANOVA results test the overall significance of the regression model. The findings show that the regression sum of squares (16.419) compared to the residual sum of squares (32.312) indicates that a notable proportion of variance in organizational performance is explained by the independent variables (strategic direction). The F-statistic of 4.958 with a significance value of p = .011 (< 0.05) confirms that the model is statistically significant.

Table 5: Regression Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	0.118	0.155		0.762	.074
Strategic direction	0.281	0.072	0.302	3.902	.009

a. **Predictors:** (Constant), Strategic direction

$$Y = 0.118 + 0.281x_2 + \epsilon$$

The regression coefficient results show that strategic leadership dimensions significantly influence organizational performance at the Local Authorities Provident Fund. A unit increase in strategic direction results in a 0.281 rise in performance (β=0.302, p=.009), highlighting the critical role of leadership in articulating vision, mission, and aligning decisions with national retirement policies. These findings imply that while all leadership practices are important, strategic communication is the most influential lever for enhancing organizational performance, reliable with studies for instance Agyemang and Ansong (2023), who found that communication and direction are pivotal in transforming strategic leadership into measurable outcomes.

DISCUSSION OF RESULTS

The descriptive findings indicated that respondents generally acknowledged the importance of the four strategic alignment practices in influencing organizational performance. Strategic direction recorded a mean of 3.95 (SD = 0.641), reflecting strong recognition of its role in shaping long-term goals and aligning organizational efforts. Correlation analysis revealed a positive and significant direction as well as correlation ($r=0.438$, $p<0.05$), confirming its role in aligning staff efforts toward organizational goals. Regression coefficients revealed that a unit increase in strategic direction raised performance by 0.281 ($p=0.009$), reinforcing the importance of providing employees with clarity and focus toward long-term objectives.

CONCLUSION AND RECOMMENDATIONS

The findings conclude that strategic direction plays a key role in enhancing the organizational performance of public pension funds. Strategic control further strengthens this framework by monitoring progress and enabling timely corrective actions, thus safeguarding efficiency and accountability. Given that strategic direction strongly influences performance, leadership teams should clearly articulate the organization's mission, vision, and priorities while ensuring alignment of individual and departmental goals with the broader strategy.

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