

**INFLUENCE OF CORPORATE RESPONSE STRATEGIES ON
PERFORMANCE OF COUNTY PENSION FUND IN NAIROBI COUNTY,
KENYA**

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DECLARATION AND APPROVAL

I declare that, this project is my own original work and has not been presented for award of any degree in any University.

Signed:



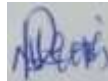
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DEDICATION

This project is dedicated to my husband, Andrew Lekisanyal, and my children, Lemayian and Melau, whose love and encouragement have been invaluable.



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Above all, I thank the Almighty God for His endless love, safety, health, wisdom and gift of life. I would like to thank my supervisor Dr Ruthwinnie Munene for all her help, advice, criticism and encouragement in the development of this project.



TABLE OF CONTENTS

DECLARATION AND APPROVAL	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF TABLES.....	viii
LIST OF FIGURES.....	viii
ABBREVIATIONS AND ACRONYMS	x
ABSTRACT	xi
CHAPTER ONE.....	1
INTRODUCTION	1
1.1 Background of the Study	1
1.1.1 Global perspective on county Pension Fund	2
1.1.2 Regional Perspective on County Pension.....	3
1.1.3 Local Perspective on County Pension	3
1.1.4 Corporate Response Strategy	4
1.1.5 Organizational Performance.....	5
1.1.6 County Pension Fund in Kenya.....	6
1.2 Statement of the Problem	8
1.3 Purpose of the study	10
1.3.1 Specific Objectives.....	10
1.5 Significance of the Study.....	11
1.6 Scope of the Study.....	12
1.7 Limitations of the Study.....	12
1.8 Delimitations of the Study.....	13
1.9 Assumptions of the Study.....	13
1.10 Operational Definition of Key terms	14
CHAPTER TWO.....	15
LITERATURE REVIEW	15
2.1 Introduction	15
2.2 Empirical Review	15
2.2.1 Product Diversification and Performance	19
2.2.2 Strategic Alliance and Performance	21

2.2.3 Employee Training and Development and Performance.....	24
2.2.4 Differentiation strategies and Performance	26
2.3 Theoretical Review	28
2.3.1 Social security Theory.....	28
2.3.2 Porter’s Five Forces theory.....	29
2.3.3 Resource Based View.....	30
2.3.4 Dynamic Capability Theory	33
2.3.5 Porter’s Five Forces theory	34
2.4 Conceptual Framework	36
2.5 Recap of Literature Review	37
CHAPTER THREE.....	38
RESEARCH METHODOLOGY	38
3.1 Introduction	38
3.2 Research Design	38
3.3 Target Population.....	38
3.4 Sample Technique and Sample Size.....	39
3.5 Data Collection Instrument	40
3.6 Data Collection Procedure	40
3.7 Pilot Testing.....	41
3.7.1 Validity of the study Instruments.....	41
3.7.2 Reliability of Study Instruments.....	41
3.8 Data Analysis and Presentation	42
3.9 Ethical Considerations.....	43
CHAPTER FOUR	44
RESEARCH FINDINGS AND DISCUSSION	44
4.1 Introduction	44
4.2 Pilot Test Results.....	44
4.3 Response Rate	45
4.4 Demographic Information	45
4.4.1 Respondents Age	45
4.4.2 Academic Qualification.....	46
4.4.3 Length of work experience in the organization	47
4.5 Descriptive Statistics	47
4.5.1 Influence of Product Diversification on performance at County Pension	

Fund, Kenya	48
4.5.2 Influence of Strategic alliance on performance of County Pension Fund..	50
4.5.3 Influence of Employee Training and development on performance of County Pension Fund.	52
4.5.4 Influence of differentiation on performance of County Pension Fund.....	53
4.5.5 Performance of County Pension Fund, Kenya.....	55
4.6 Diagnostic Test.....	56
4.6.1 Autocorrelation Assumption Test.....	56
4.6.3 Multicollinearity Test	58
4.6.4 Homoscedasticity Test Results.....	59
4.7 Inferential Statistics	60
4.7.1 Correlation Analysis	60
4.7.2 Regression Analysis	63
CHAPTER FIVE	67
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....	67
5.1 Introduction	67
5.2 Summary of Major Findings	67
5.2.1 Product diversification on performance at County Pension Fund, Kenya..	67
5.2.2 Strategic alliances on performance at County Pension Fund, Kenya	67
5.2.3 Influence of employee training and development on performance of County Pension Fund.	68
5. 5.4 Influence of differentiation on performance of County Pension Fund.	68
5.5.5 Performance of County Pension Fund, Kenya	69
5.3 Conclusions	69
5.4 Recommendations	70
5.5 Suggestion for further Studies	71
REFERENCES	72
APPENDICES.....	78
Appendix 1: Informed Consent Form	78
Appendix II: Questionnaire	80
Appendix III: ERC Clearance.....	84
Appendix IV: Introductory Letter.....	85
Appendix V: NACOSTI authorization Permit	86
Appendix VI: Similarity Index	88

LIST OF TABLES

Table 1: Target Population.....	39
Table 2: Sample Size.....	40
Table 3: Reliability Test Results	44
Table 4: Response Rate	45
Table 5: Respondents Age	46
Table 6: Academic Qualification.....	46
Table 7: Length of Work Experience Organization	47
Table 8 : Influence of product diversification on performance at County Pension Fund, Kenya	48
Table 9 : Influence of strategic alliance on performance of County Pension Fund, Kenya.....	50
Table 10 : Influence of employee training and development on performance of County Pension Fund, Kenya.....	52
Table 11 : Influence of differentiation on performance of County Pension Fund, Kenya.....	54
Table 13: Performance of County Pension Fund, Kenya.....	56
Table 14 : Autocorrelation Assumption Test Results.....	57
Table 15: Normality Assumption Test Results.....	58
Table 16: Multicollinearity Assumption Test Results.....	59
Table 17: Homoscedasticity Test Results.....	60
Table 18: Product diversification on performance at County Pension Fund, Kenya	61
Table 19: Strategic alliances on performance at County Pension Fund, Kenya	61
Table 20: Employee Training and development on performance at County Pension Fund, Kenya.....	62
Table 21: Differentiation strategy on performance at County Pension Fund, Kenya	63
Table 22: Model Summary	64
Table 23: ANOVA.....	64
Table 23: Regression Coefficients.....	65

LIST OF FIGURES

Figure 1: Conceptual Framework	36
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ABBREVIATIONS AND ACRONYMS

BSC	Balanced Scorecard
CPF	County Pension Fund
DF	Differentiation
PD	Product Diversification
RBA	Retirement Benefit Authority
RBV	Resource Based View Theory
SA	Strategic Alliance
SPSS	Statistical Package for Social Sciences
SWOT	Strengths, Weaknesses, Opportunities and Threats
TD	Training and Development of employees

ABSTRACT

Pension funds are very important to raise funds for employees and employers. However, Kenya's county pension funds are struggling with challenges mainly due to low employee morale, declining efficiency, lower profitability at the fund level and customer dissatisfaction. The main objective of this study was to determine the corporate response strategies that affect the performance of the Kenya County Pension Fund. The specific objective of the study was to find out the effect of product diversification; to strengthen the influence of the strategic alliance; assess the impact of staff training and development and identify the impact of differentiation in the Kenya County Pension Fund. The research was based on social security theory, Porter's five forces model, resource-based view and dynamic capability theory. This study adopted a descriptive design. The target group was 340 employees of the District Pension Fund. A sample size of 146 respondents was determined by proportional stratified random sampling. The research instrument of this study was questionnaires. A pilot test was conducted in Marsabit District to test the reliability and validity of the research instrument with Cronbach's alpha coefficients above 0.7. The collected data were presented in tables. Data analysis was performed using SPSS to generate descriptive statistics, which are means and standard deviations for regression and correlation analysis, as well as inferential statistics. Ethical considerations were followed at every stage of the study. Based on the results, the study concluded that there was a moderate positive and statistically significant correlation ($r = 0.579$; $p < 0.05$) between product diversification and performance of Kenya County Pension Fund. The study shows that there was a moderate positive and statistically significant correlation ($r = 0.568$; $p < 0.05$) between strategic alliances in Kenya County Pension Fund. The study shows that there was a moderate positive and statistically significant correlation ($r = 0.5718$; $p < 0.05$) between employee training and performance development in Kenya Pension Fund. The study shows that there was a moderate positive and statistically significant correlation ($r = 0.594$; $p < 0.05$) between the diversification strategy of Kenya County Pension Fund. This means that the diversification strategy will improve the performance of the Kenya Pension Fund. The researcher recommends entering a new market. The organization must respond to customer needs by developing new products and forming alliances with other organizations so that the organization can better serve the market and reduce costs. The organization should train staff with new skills to improve the performance of the Kenya County Pension Fund. This study suggests that future research should be conducted to establish product diversification strategies for the performance of the Pension Fund of Kenya.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Retirement income is a very important part of everyone's life cycle around the world. Pension income comes from one of the four pillars of old age: non-accumulated state pension (i.e. transfers from the current working population through the tax system), accumulated pension (i.e. savings accumulated in private sector pension systems), direct private savings and installments. retirement work. For most people in developed countries, the most important sources of retirement income are public and private pension systems. Good governance of the pension system is crucial for pension systems to be able to meet their obligations to their payers/members (World Bank, 2019). Lui et al (2018) assessed online response strategies and their impact on competitiveness. The main observation was that responding to the changing environment is the only way to ensure the competitiveness of organizations and thus also the performance. In Kenya, Nyanumba, Katula, and Okari (2016), assessing strategic responses to competitive advantage in the Kenyan banking sector, found that commercial banks adopted concentration and diversification strategies in response to a turbulent operating environment.

The National Council for Voluntary Organizations (NCVO) (2018) defines governance as “the systems and processes involved in ensuring the overall direction, effectiveness, control and accountability of an organization. Administration includes the board of the system; however, almost every activity in the system involves some degree of control. The Organization for Economic Cooperation and Development (OECD) notes in relation to corporate governance that governance provides a structure through which corporate goals are set and the means to achieve goals and

monitor performance are defined (OECD, 2018). Pension fund is one area that requires appropriate business response strategies to effectively serve clients' interests. Pension income is said to make up 68 percent of the total income of Kenyan retirees, compared to 44 percent in Austria, 45 percent in Australia, 80 percent in France and 75 percent in South Africa (Alliance Global Investors, 2015). Additionally, 82 percent of American retirees rely on retirement income. As a result, more and more attention is being paid to the management of pension systems and funds around the world. This is to ensure that the end beneficiaries benefit from increased income (Nyangeri, 2019).

1.1.1 Global perspective on county Pension Fund

Global indices show that pension assets are important for any economy. According to Alliance Global Investors (2017), pension assets in Australia are A\$1 billion (equivalent to 20% of GDP), while pension assets in Belgium were €140 billion in 2016. In 2018, pension assets in Canada were CAD 1.3 trillion (30 % of GDP: sta), while pension assets in China were RMB 714 billion (24% of GDP) in the same year. Pension assets accounted for 14% of UK GDP (1.9 trillion GDP) in 2018, while US pension assets were worth US\$14.5 trillion (37.7% of total household funding). assets). Closer to home, in Kenya and South Africa, pension assets were valued at KSH 130 billion in 2006, accounting for 30% of GDP (RBA 2017) and ZAR 1.098 billion in 2016 (Alliance Global Investors 2017). Pension funds are therefore important contributors to the gross domestic product of countries and should therefore be managed effectively. Elderly poverty rates are increasing in the 21st century. The Institute for Pensions Regulators (IFPS) (2018a) estimates the elderly poverty rates in Ireland at 30.6%, Australia 26.9%, USA 23.6%, Japan 22%, UK 10.3%, Germany 9.9% and 8.8%. This figure is much higher in France and 56

percent in Kenya and other African countries. Studies show that poverty among the elderly is due to the fact that 85 percent of the world's over-65 population has no pension at all (Holzman and Hinz 2021; Stewart and Yermo 2018).

1.1.2 Regional Perspective on County Pension

In sub-Saharan Africa, less than 10% of the population use a defined contribution pension plan to help them save for retirement (Palacios, 2020). Pension systems contribute significantly to reducing poverty among the elderly, as a large part of the income of pensioners comes from their previous pension arrangements (Kakwani, Sun, & Hinz, 2016). According to Alliance Global Investors (2017), 75 percent of the elderly population in South Africa depend on pension income, while 82 percent of pensioners in East African countries depend on it. Therefore, the organization of pension funds should be encouraged, so that a large population can save for retirement and thus reduce the level of elderly poverty.

1.1.3 Local Perspective on County Pension

In the Kenyan financial market, the pension fund sector is an important source of capital (Omondi, 2018). According to Ornondi, the pension funds invested in the amount of Ksh. 223 billion in Kenya's financial sector in 2007, of which Ksh. 77 billion euros were invested in government securities (22% of the balance of domestic debt). Kakwani et al (2016) reported that pension income accounts for 68% of the total income of Kenyan retirees. Therefore, pensions play an important role in breaking intergenerational cycles of poverty and thus increasing the life expectancy of older generations (Help Age International 2016; Keizi, 2017). Pension funds are therefore two important institutional investors and therefore must be effectively managed to fulfill their proper role in the national economy. In

Kenya, the County Pension Fund (CPF) has experienced an unprecedented decline in recent years, reflected in losses for 2019 and 2020. Challenges highlighted included poor management and demotivated staff. Therefore, response strategies were created to assist the recovery plan. The value of the system continued to decrease, and the result has not yet fully recovered by 2018. Therefore, there is a need to evaluate the relationship between the response strategies and a company's performance. Although the literature suggests that there is a relationship between response strategies and organizational performance, this has received little attention among researchers, which is the basis of this study.

1.1.4 Corporate Response Strategy

The constantly turbulent environment in which organizations operate requires changing the strategies formulated to achieve competitive advantage and thus efficiency. Response strategy refers to the units of action (game plans) that organizations develop to align strategies with the turbulent environment in which the organization operates. The need to adapt the activities of the organization to the changing environment provides the basis for response strategies in organizations. Responsive strategies appear to change the future environment in which firms operate to maintain their competitiveness and thereby their performance (Pollanen, , 20). According to Ansoff (2019), response strategies require companies to slightly deviate from their already formulated strategies in order to effectively adapt to a changing environment. Any mismatch between the formulated strategies and the changing environment would negatively affect the competitive position and organizational performance. This would also expose the organization to operational risks that would greatly affect performance (Doh and Makhija, 2017). Organizations trying to overcome the challenges of a constantly changing environment require

management to critically formulate strategies and their compatibility with the company's internal and external environment. Some of the main response strategies adopted by organizations when they perceive changes in their environment are product diversification, strategic alliances, employee training, product differentiation, new product innovation, mergers and acquisitions, technology integration and adoption (Isaac, 2016).

1.1.5 Organizational Performance

Performance is a broader concept that defines how well an organization achieves set goals and objectives over a given time horizon. Efficiency compares the value derived from the inputs passing through the system and the resulting output. Performance usually begins with the formulation of plans, goals and objectives, followed by the use of resources to ensure that these predetermined indicators are achieved. All these plans are prepared with a specific time horizon, which can be quarterly or annually. At the end of this time horizon, actual plans and goals are compared to those at the beginning to determine if the organization is performing better (Greerr and Hipp, 2016).

An organization can measure its performance by evaluating how resources are effectively used to create value for shareholders. An underperforming organization requires efforts to formulate performance improvement strategies. Company performance can be determined and expressed by the total market share or profitability of the company (Muogbo, 2013). An organization facing performance challenges means that management is always looking for the best way to improve performance (Short and Palmer, 2016). Angle and Perry (2015) show that firms aim to increase efficiency and effectiveness by improving their performance. Efficiency

refers to a company's desire to improve current processes and systems to increase productivity. Guajardo (2015) believes that the management of the company has the responsibility to motivate the team members to fulfill the set goals and objectives which are best seen as performance.

This study used several paradigms to determine the performance of the Kenya County Pension Fund. The first paradigm was employee satisfaction based on employee satisfaction in the organization (Aslan, 2017). Other paradigms used were employee workload and the level of efficiency described through the realization of their goals. Finally, the study used foundation-level profitability as another paradigm based on the idea that profitability clearly expresses the performance of organizational values.

1.1.6 County Pension Fund in Kenya

The creation of counties led to the creation of the County Pension Scheme Act 2016 to provide pensions for county government employees. The pension systems must manage district employee pensions, mainly due to the devolution that resulted in the separation of the national government and the 47 districts. The County Pension System Act (2016) contained uniform rules, regulations and standards, in addition to the payment of pension benefits to system members, administration and former municipal and state employees who transfer to county government service. , agency or county corporation. The law also emphasizes the need to protect the interests of county government employees by ensuring that the employer observes pension benefits to the greatest extent possible. Pension funds are in a very competitive environment today. Negative attitude of citizens towards pension savings, severe competition between pension institutions, lack of financial services and the decline of jobs in the informal

sector greatly affected the growth of pension funds (Kwena, 2016). sponsors, delays in insurance payments, poor implementation of pension laws, low coverage, high customer demands and the existing regulatory framework of the country which was not effective due to delays in resource allocation. Political instability and changes in county leadership are another challenge for pension systems, especially the financial services of the County Pension Fund (CPF), of which all 47 counties are members. . To achieve strategic fit, increased market share and competitive advantage threatened by these challenges, operations management practices and efficiency are paramount (Majukwa and Haddud, 2016).

The county pension fund was established in 2011 and became operational in 2012. The former district pension fund Lap continues to fulfill its pension obligations for persons in the service of colonial and autonomous governments. Ponce changes to the administration of pension benefits have made the industry more efficient, but the pension sector needs to earn its rightful place in the economy, including not paying membership fees in certain cases. Lap trust currently has 83 sponsors, consisting of 47 two branches of the county government and 36 water companies and related organizations. The Governing Council of the ECB launched the County Pension Fund (CPF) as a contributory pension scheme for county employees, where both the employer and the employee contribute to the employee's benefits.

County Pension Trust, formerly LAPTRUST, is a fully licensed and leading pension company in Kenya. It exists for more than 100 years. Kenya's pension administration environment has changed as a result of amendments that resulted in the formation of county government and the abolition of former local governments (CPF, 2015). In 2011, the National Treasury made recommendations for the abolition of compensation-

based staff and the introduction of paid staff for all county government employees (CPF, 2015). Amendments were made to the County Government Act 2012 (section 132) to create a new structure for the administration of pensions for employees of the county government system, together with staff supported by the national government. There was also an expanded market for pension management, which required deep thinking on how to capture the expanded market to achieve better overall financial performance (CPF, 2015).

In addition, the Pension Benefits Authority temporarily revoked CPF's license as the company sought to expand its operations. The changes and the temporary revocation of the business license led the company to develop new strategies to adapt its operations to the changing business environment. Therefore, the purpose of this study is to find out the effect of response strategies on the results of the County Pension Fund.

1.2 Statement of the Problem

Pension schemes play an important role in breaking intergenerational poverty cycles and thus increase the life expectancy of the elderly generation (Help Age International 2006; Keizi, 2017). According to Brunner, Hinz and Rocha (2018), the pension schemes in Kenya have been characterized by rampant mismanagement and misappropriation of funds that led to underperformance. This has ultimately contributed to the low growth of the pension schemes. In addition, the management strategies employed by the Kenyan fund managers have been questioned which points to the efficiency in application of corporate governance practices in the pension schemes. According to RBA (2019) most of the pension schemes in Kenya are grossly under-funded while others have poor investment strategies resulting to lack of prudence in the investment of pensioner's funds.

Pension funds play an important role by mobilizing funds from employers and employees that are effectively managed by competent fund managers for realization of returns. This directly impacts on the growth of any economic system. Despite this crucial role played by pension funds, County Pension Fund (CPF) is faced with challenges arising from low employee morale, decline in efficiency, lack of employee satisfaction and lower fund level profitability. In addition, the ever changing environment that pension funds operate in has impacted on their ability to generate revenues for better performance. For instance, the County Pension Fund's value reduced by 3.4% from Kshs 22.65 to Kshs 21.8 billion for the financial years 2015 and 2016 respectively (CPF, 2017). Further, the years 2015 and 2016 recorded increase in losses from 3 million to 23 million. The recovery from the poor performance had not been fully realized by the year 2017-2018. Thus, for survival and improved performance in the environment that pension funds in Kenya operate in, there should be proper strategies to curb this.

Various studies on response strategies and organizational performance have resulted into mixed results. For instance, Muchiri, Ombui and Iravo (2017) in an assessment of responses strategy employed by Kenyan oil marketing firms, formation of strategic alliances, differentiation of products and mergers and acquisitions came out strongly as key response strategies. The study however focused on oil marketing firms and not pension funds creating gap. On the other hand, Ogendi and Senaji (2017) looked at response strategies employed by sugar firms in Kenya arising from increased competitive pressure and established differentiation and formation of strategic alliances. However, in as much as comprehensive studies have been done on response strategies and performance, the results however are mixed with most of them being done in different contexts

including insurance, banking and sugar industry. Other studies simply focused on responses strategies and did not link them with performance which creates knowledge gaps.

In addition, the gross financial inefficiency that characterized most pension schemes in Kenya have resulted to higher costs of operation, low returns on investment and in extreme cases to the demise of the funds (Bikker and Dreu, 2019). Low investment returns and the closure of pension funds reduce the latter's contribution to the GDPs of countries. While previous empirical reports (Keizi, 2016; Rajan, 2013; Barrientos, 2017) have emphasized on the reasons for low coverage and suggestions to increase the coverage of pension schemes, they fail to explore the effectiveness of corporate governance practices and their effects on the growth of pension schemes in Kenya. This poses a knowledge gap which this study sought to fill. To fill these gaps, the current study sought to determine the effect of response strategies on performance at County Pension Fund, Kenya.

1.3 Purpose of the study

The main purpose of the study was to determine the impact of corporate response strategies on the performance of the Kenya District Pension Fund.

1.3.1 Specific Objectives

- i. Determine the influence of product diversification on performance of County Pension Fund, Kenya
- ii. To establish the influence of strategic alliance on performance of County Pension Fund, Kenya
- iii. To assess the influence of employee training and development on performance of County Pension Fund, Kenya

- iv. To identify the influence of differentiation on performance of County Pension Fund, Kenya

1.4 Research Questions

- i. Does product diversification influence performance of County Pension Fund, Kenya?
- ii. How does Strategic alliance influence performance of County Pension Fund, Kenya?
- iii. To what extent does employee training influence performance of County Pension Fund, Kenya?
- iv. How does differentiation strategy influence performance of County Pension Fund, Kenya?

1.5 Significance of the Study

This study will be useful to CPF senior management as the recommendations, if adopted, will help strengthen the governance of pension schemes and improve compliance with established laws. The management of pension systems will also benefit from this study, as the recommendations will help design a strategy to strengthen good governance and increase the growth and compliance of pension systems. The government will get policy direction for the pension sector from this study. It is easy for government decision makers to identify the following policy requirements if the industry remains relatively unproblematic. Researchers, researchers and academics interested in the study of pension systems and pension benefits will also benefit from the results of this study. The results of the study would be important for users who would use the information on how best to respond to environmental changes in strategies. It mainly helps them in decision-making and

implementation of adopted strategies. In this way, CPF could improve its performance. Practicing managers can have a clear understanding of response strategies and their impact on performance. This would provide a basis for the formulation of policies and regulations. New information on the implementation of corporate response strategies in relation to a county pension fund and its impact on its performance draws on the empirical literature. This study would serve as a benchmark for future research on firm performance.

1.6 Scope of the Study

The purpose of the study was to find out the effect of response strategies on performance. Specifically, the study assessed how product diversification, strategic alliance, employee training and differentiation affect CPF performance. The study focused on the Pension Fund of Kenya. The respondents were 146 CPF employees. The study was conducted from March 2024 to August 2024. The respondents were the finance, human resources, procurement, marketing, internal audit, strategy and legal departments, which have key information about the internal management of the county pension fund.

1.7 Limitations of the Study

This study faced the limitation of confidentiality of respondent information. This was mitigated by obtaining a cover letter from the university and a research permit from NACOST that explained the purpose of the research. The survey also had limitations in reaching respondents because the trustees of the respondents are mainly busy because they are involved in the operation of the county pension system. To address this issue, the researcher purposefully selected a sample of county pension systems that were available and willing to respond to the survey. In

addition, the researcher agreed with the relevant respondents to increase the response rate. Some respondents were reluctant to share information about response strategies for fear of victimization. To overcome these challenges, the researcher assured the respondents that the information collected is for academic purposes only.

1.8 Delimitations of the Study

The research was based on basic data collected through questionnaires. The disadvantage of using questionnaires is that some respondents did not complete all the questions, which affected the 100% response rate.

1.9 Assumptions of the Study

The research work was based on the assumption that the researcher reached the potential respondents and the respondents shared the necessary information without coherence. It was also assumed in the research that the research was done within the work plan and budget.

1.10 Operational Definition of Key terms

Strategy - This describes the overall goals and objectives that determine the future direction of the organization.

Corporate Response Strategy - Refers to the actions that a county pension fund takes after changes in the operating system.

County Pension Fund Development - This study determined that based on customer satisfaction and pension fund morale.

Product Diversification - This means expanding the range of products offered by an organization to reach more customers.

Strategic Alliance - This study evaluated this based on increased synergies, economies of scale and cost reduction.

Staff training - This exam looked at advanced skills, advanced knowledge and skills.

Differentiation is the modification of existing products, services by adding unique and distinctive features that differ from those offered to customers by competitors.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter provides an overview of the literature related to the researched topic. It also includes a conceptual framework and summarizes the literature review.

2.2 Empirical Review

According to OECD (2019), pension systems have grown rapidly in many OECD countries in recent years in emerging markets relative to GDP and relative to banks. The rapid growth of pension funds in many countries and their stimulus to the growth of capital markets suggests that their activity as a financial intermediary deserves considerable attention. According to Bodie and Davis (2020), "the growth of pension funds is an important factor because they complement and thus stimulate the development of capital markets by acting as substitutes for banks. Since withdrawals are generally limited or prohibited, pension funds have long been fixed-term liabilities that allow high risk and have high yield instruments.

As a result, pension funds invest money in a variety of financial assets, including corporate stocks, government bonds, real estate, corporate debt (in the form of loans or bonds), securitized loans, foreign stocks and the money market instruments and deposits. As forms of liquidity (IOPS, 2017), Davis (2015) defined pension funds as forms of institutional investors that accumulate funds and invest funds donated by donors and beneficiaries to ensure the 8 future pension rights of beneficiaries. They therefore provide a vehicle for individuals to accumulate savings during their working careers to finance consumption in retirement, either through a lump sum or an annuity, and at the same time provide finance to end users such as businesses,

other households (through securitization). Loans or governments for investment or consumption.

According to OEED (2019), pooling and diversification are key features of pension funds, due to their size and resulting economies of scale. In this regard, it is important to note that the mutually reinforcing development of the securitization of individual assets such as loans has produced ready assets in which pension funds can invest, instead of being held by banks on their balance sheets. In addition, IOPS (2017) notes that market participation costs can also play an important role in determining the demand for pension fund services.

According to Allen and Santomero (2018), pension schemes continued to grow because participation costs complement transaction costs and low transaction costs. The basic idea is that there are fixed costs associated with learning about a company, as well as ongoing costs of operating and staying current in the market, which can prevent individuals from owning enough stocks to diversify adequately. Furthermore, the skills required for risk management may be too costly for an individual (Davis, 2015).

Ndungu and Magutu (2012) used questionnaires to investigate operations management practices and their impact on operational efficiency of insurance brokers in the Nairobi Central Business District (CBD). The results suggested that especially service sector organizations that have organized and high-quality operations management practices will certainly do better than those that do not have such specific operations management initiatives in the organization. Customers in the service sector are interested in fast and accurate servicing of products and attentiveness of service personnel. Battistoni, Bonacelli, Colladon, and Schiraldi (2013) analyzed operations management practices and their impact on performance.

This study investigated the relationships between some optimization systems used in operations management and the performance of SMEs operating in the manufacturing sector of the Italian economy, especially SMEs. A model based on structured equation modeling was ideally used to analyze Italian SMEs. The study highlighted the importance of operations management in the Italian SME manufacturing sector, and the results showed that customers are interested in quality service with advanced and precise systems that promote speed and efficiency. Chalotra (2013) conducted a study on inventory management and small business growth, and his research results showed that companies with good inventory systems do better than those that do not want to establish highly effective management systems. Inventory in the organization. In contrast, Onyango (2014) studied the strategic management methods used in the Commercial Bank of Kenya and found that well-planned work motivates employees, which affects their performance. In Diamond Trust Bank, Mathore (2016) investigated strategy innovation and organizational effectiveness while Mbogo (2014) investigated how strategic management approaches affect performance in General Motors East Africa Limited (GM).

The results showed that the design of work tasks affects the performance of certain tasks and responsibilities. The study showed that work planning is a very critical part of operations management. Wafula (2016) investigated the operational management and performance practices of electricity efficiency organizations in Kenya using both primary (survey-collected) and secondary data. The results showed that employees really influence the improvement of organizational performance. The more aggressive, efficient and effective employees are, the more likely they will improve the performance of the organization and thereby deliver

better service to customers. Bosire and Owour (2018) investigated how operational strategies affect firm performance in the Kenyan automotive industry by applying a descriptive research design and purposive sampling. Data were collected through questionnaires.

The study showed that the variables were closely related especially to innovation strategies and performance. Innovation strategies are closely related to operational management practices. Gong (2018) in his research where he tried to determine the effect of service quality on customer satisfaction, loyalty and happiness in five selected Asian countries. In addition to questionnaires, the study used a survey to collect primary data. The analysis used not only descriptive statistics, but also inferential statistics. The results of the study showed that companies that practiced quality management activities, better supply chain management initiatives and quality inventory management decisions were more successful than companies that did not invest more in such operational management elements or that had challenges to practice efficient operations.

Gadwe and Sangode (2019) conducted research on the impact of operations management and performance in service organizations. The study was empirical in nature and used primary data collected through observation and field experience. The results of the study showed that the implementation of ERP activities had a very positive effect on operational factors such as quality improvement, responsiveness, productivity acceleration, cost reduction, sustainability, service delivery, and efficiency and effectiveness. In addition, many other companies did not pay much attention to their activities in operations management practices because they had many challenges in implementing standard operations management practices (Chaudhuri, 2019).

Omwaka and Malenya (2020) investigated financial risk and pension system performance using a survey of pension systems in Kenya. The results of the study showed that quality management was very important to ensure the efficiency and sustainability of pension companies. Therefore, the study showed that supply chain, inventory management and risk management were very important elements of operational management that improve the performance of the pension system. Swalehe, Odock and Wainaina (2020) conducted a study on operations management sustainability practices and competitive advantage of a manufacturing company using primary data collected through questionnaires. Kemboi (2021) stated that many organizations have problems and challenges in following operations management practices.

Pension funds just like many other financial institutions are faced with very many difficulties in ensuring proper operations. Well trained human resource has been a major challenge to most pension funds which in turn has led to countless training on the staff (Omwaka et al., 2020). This has been coupled with the fact that there is stiff competition and the customers' tastes and preferences keep on changing. Frequent changes both in political factors as well as legal factors have become a big issue to many institutions (Dira et al., 2020).

2.2.1 Product Diversification and Performance

differentiate their products to increase their market share and thereby increase available sales. Differentiation helps the company gain more market share. Through decentralization, the organization can grow and expand in other fields of activity that are slightly different from the current activity. Companies can use different growth strategies to gain competitive advantage in an increasingly turbulent

business environment. Mumanyi (2019) conducted a study to identify the main challenges faced by SACCOs due to the current decentralization system in Kenya. The model used in this study was explanatory and it was documented that SACCOs played an important role in the promotion of youth credit in the country. However, this study analyzed SACCOS, while the present study looked at county pension funds, which have different institutional frameworks and contexts. In addition, the study used an explanatory research design while this study used a descriptive research design.

Hsu, Chen and Cheng (2018) conducted a study on the role of internationalization in firm performance. It was noted that Nation Media Group (NMG) has seen several product diversification strategies that include market expansion, which has included expanding the company's operations across borders, introducing new product lines to increase market share in the broadcast and digital industries. and find new users for the current product. Although this study provided useful explanations of product diversification in relation to income, it focused on the media industry, whose response strategies vary according to the strategy of pension funds. Second, the sampling method was cluster random sampling, while purposive random sampling was used in the present study.

Mukopi and Iravo (2018) investigated the role of inventory management in the performance of the purchasing function using the case of sugar manufacturing companies in Kenya. The results showed that the product diversification strategies used by Nzoia Sugar Company moved from 50 kilograms of generic sugar to packaged branded sugar of 5 kilograms, 1 kilogram, 2 kilograms, ½ kilogram and 10 kilograms. Package the company's by-product (molasses) is sold to other users to

produce industrial products such as spirits and other commercial alcohol products, and it develops cane seedlings that are sold to farmers. Product diversification increased the company's sales, created a competitive advantage, increased the company's business portfolio and profitability, and improved the company's turnover.

However, the study was conducted in a manufacturing industry dealing with physical goods. This study looked at a county pension fund, which is a service, so there are a lot of differences in how you can get physical goods and how you can diversify services. Kang (2018) investigated the effect of corporate diversification on corporate performance in the social dimension. The results showed that diversification is very important for corporate social activities. However, the methodology used differed from the present study in that it was explanatory. This study used a descriptive research design. It was also more qualitative in nature, unlike the present study, which was mainly quantitative in nature.

2.2.2 Strategic Alliance and Performance

Strategic alliances are agreements between more than one company to reach a common point of convergence. A strategic alliance is one tool that companies can use to achieve their goals. A critical success factor for the success of a strategic alliance is the level of cooperation between the companies. Through strategic alliances, companies can collaborate and share compatible and common goals. A strategic alliance is collaboration between companies to share resources, which increases the benefits of synergy. Rasa and Gathinji (2019) evaluate a company's competitive strategies and performance. It was concluded that companies can maintain their competitiveness and survive in a changing operating environment

through strategic alliances. The study showed that trust between partners is an important driver of a strategic alliance as a company. It has been found that through strategic alliances, companies can leverage resources; equip their partners with the skills and knowledge needed to survive in the environment. The study also concluded that strategic alliances have a positive effect on the company's competitive position. The study analyzed efficiency based on value as the only metric, but efficiency has different metrics, while the current study analyzed efficiency from the perspective of personnel, efficiency, fund levels, and employee satisfaction. Ondari and Gekara (2018) explore the determinants of successful strategic alliances in a case study of the Kenya Institute of Management (KIM).

The main findings of the study were that the Kenya Institute of Management (KIM) entered into strategic alliances mainly to enter new markets and improve its financial stability. On the other hand, the most important factors for the success of alliances in KIM were clear communication with strategic partners and a culture of thorough evaluation of partners before forming strategic alliances. The study also found that lack of coordination between the management of strategic partner groups and lack of partner commitment were the main factors behind the failure of previous alliances in KIM. However, the study was qualitative, which limits the drawing of conclusions. In addition, communication and culture were used as indicators of a strategic alliance, so that this study considered a strategic alliance from the perspective of cost savings, increased synergy, and economies of scale.

Nzengya (2018) conducted a study on strategic alliances between commercial banks in Kenya. The research revealed that when they enter strategic alliances, companies consider both market share and the possibility of productivity growth, the treatment

of the partner, the strength of competence and the history of the potential partner as key factors. Increased trust, a suitable partner, alignment of goals and commitment are factors that lead to the success of a strategic alliance, while an unsuitable partner, divergence of goals, opportunism and poor vision can destroy alliances. A research design was used that differed from the description used in the study. In addition, this study investigated the key aspects of forming strategic alliances, while this study analyzed how these strategic alliances affect the performance of county pension funds.

Njambi and Katuse (2018) investigated the role of logistics firms in achieving competitive advantage for perishable firms in Kenya. The results showed that most companies formed a strategic alliance because it was a learning opportunity, a way to develop standard products and services for their customers, to improve company growth and supply chain efficiency. Most alliances exist longer and have understood the reasons for forming a strategic alliance to a great extent and others moderately. The results also revealed success factors such as excellent expertise, common purpose, effective training of partners at all levels, adequate monitoring and resource evaluation, support from ministries and good evaluation by international and local companies. An evaluation of this study reveals that it mainly investigated the causes of strategic alliances, while the present study investigated the effect of these strategic alliances on CPF performance. The evaluation background also differed from the current review in that it was based on logistics companies, while the current study was based on a pension association.

Kimani (2019) investigated strategic alliances and their impact on competitive position in relation to Airtel Kenya Ltd. The results of the study were synchronized

with the strategic alliance theories, which are resource dependence theory, transaction cost theory, and strategic behavior. theory and competition as the formation of strategic alliances. Time and financial constraints limited the completion of this study. While the assessment was critical to this review, its approach to strategic alliances was guided by how it affects competitive position. This review discussed the concept of strategic alliances from the perspective of how it affects performance. The sectors under study also differed from this study in that this study looked at the telecommunications sector by estimating CPFs included in the financial sector's accuracy.

2.2.3 Employee Training and Development and Performance

Amadi (2019) investigated the role of employee training and development in employee performance in relation to Safaricom Ltd. In the literature review of other researchers, various techniques and methods for training employees in the company were studied, their effectiveness. all these personal training methods. The study concluded that staff training and development is related to the positive performance of company and organizational employees. Training ensures that employees' skills match the changing operating environment, helping employees complete tasks in the most effective and efficient manner. The study showed that personal training must be increased to realize the company's goals. However, the study was conducted in the telecommunications industry, which is different from CPF.

Ngugi (2018) studied employee training and development and how it affects employee performance using the case of Geothermal Development Company GDC. The GDC was found to have played an important role in ensuring that staff had knowledge of appropriate training. At the end of the training, GDC staffs are

encouraged to share what they have learned with the rest of the staff. However, the study focused on GDC, which is different from CPF. In addition, performance was viewed from the perspective of employee performance, while this study looked at performance from a broader perspective, taking into account employee satisfaction, employee morale, efficiency and profitability at the bottom level, so the results of the previous study could not be generalized to this study.

Muli, Muathe and Muchiri (2017) investigated the role of employee development programs in HR performance. Staff development programs were revised to include mentoring and promotion and staff rotation. This study was conducted in collaboration with Barclays Bank of Kenya. The results of the study showed that employee development programs have a significant impact on employee performance in the company. However, the study was conducted in the banking sector and not specifically on CPF. In addition, performance was viewed from the perspective of employee performance, while this study looked at performance from a broader perspective, taking into account employee satisfaction, employee morale, efficiency and profitability at the bottom level, so the results of the previous study could not be generalized to this study.

Wanjala and Kimutai (2018) investigated how performance appraisal affects employee performance based on banks in Trans Nzoia District. The literature review showed that employee training and development has emerged as a tool to help respond to the increasingly changing and turbulent business environment in which companies operate. The study had one specific objective, to assess the relationship between training and staffing of their performance. The study concluded that training needs to be increased to ensure that employees are well updated and have

the skills needed to do a better job. The focus of the study was the banking sector, while the current review assessed the relationship between employee training and development and performance in relation to the County Pension Fund.

2.2.4 Differentiation strategies and Performance

(2018) investigated how debt and asset management determine the financial performance of banks in Kenya. The results showed that most banks took up and invested in online and mobile banking as the most important form of differentiation. The survey also revealed that most banks chose branding and adding new features to existing products as their marketing strategies. However, there are some contextual differences between commercial banks and district pension funds in that while banks are involved in lending and borrowing, pension funds are responsible for collecting and investing membership fees and paying pensions to retired members. Commercial banks also fall under the private sector, while CPFs fall under the public sector. Therefore, companies' response strategies are guided by differentiating their products from different paradigms and conditions.

Chen (2018) tried to determine the relationship between market orientation and firm performance. Specifically, the study aimed to determine whether changes in the environment are significant predictors of the relationship between differentiation strategy and firm performance. Changes in environment and differentiation were found to be positively correlated. However, this study used convenience sampling, which is not probability sampling. In addition, the study was conducted in China, which has a different business background than Kenya, so the current assessment looked at the Kenyan context, especially for the CPF.

Nuru (2018) investigated how differentiation affects the competitive position of water bottling companies. It was found that most companies try to create a strong strategy to differentiate their products in order to remain competitive. Adopting the right differentiation strategies will help a company remain competitive in its operating environment. Implementation and investment in differentiation have been shown to positively affect a company's competitive position. Compared to service differentiation, product differentiation is more profitable for water bottling companies. Differences between this study and the current study stem from how the dependent variable was measured. While the study used competitive positioning as the dependent variable, the current study was based on performance as measured by employee satisfaction, employee morale, bottom-level profitability, and efficiency. In addition, the research was mainly based on water bottling companies dealing in tangible goods. Differentiation strategies used in products and services are not the same in the application.

Obeidat and Tarhini (2016) examine the role of differentiation in terms of firm performance. The study was conducted in Jordan and concluded that differentiation has no significant effect on firm performance. However, the Jordanian business environment is different from that of Kenya. Second, the study looked at corporate performance in a general context, while this review focused on CPFs in Kenya. Therefore, the findings of the study cannot be generalized to CPF values. Lilly and Juma (2019) examine strategic innovation and its impact on performance in relation to Kenyan banks. The study concluded that strategic innovation has a direct and significant impact on company performance. However, the study was conducted in the banking sector, which has a different institutional framework from the CPF. of.

2.3 Theoretical Review

study was based on four theories namely social security, Porter's five forces model, resource-based view and dynamic capability theory

2.3.1 Social security Theory

The origins of social security theory are difficult to ascertain, but debates "often go back to ancient Greece (Steven, 2018). According to the theory, social elements influence human nature. People feel secure when they are institutionalized or functionally organized. Groups of which they receive certain benefits or satisfaction (Macionis and Plummer, 2015). This theory can explain the operation of pension systems and the pooling of resources into a set of scarce resources from which members can benefit in old age. In many countries, social security accounts for a large part of the state budget. This is so if we consider that the number of recipients of social security at any given moment is less than the number of contributors. The greater the amount of social security, the greater the share of the elderly in the population and the greater the inequality of pre-tax income within each generation. Modern social protection financial systems face three major challenges. They are said to be ill-prepared to face aging populations and globalization, and the financial burden on all donor countries and taxpayers has reached the limit of affordability.

According to the World Labor Report (2020), ageing, which is often misrepresented as the main challenge to financing formal social transfer systems, is a major problem when rapidly aging societies are unable to contain general social dependency. However, dependency could be significantly reduced by increasing the retirement age and increasing the participation of women in working life. An aging society does not have to face a crisis as long as it can provide jobs for its aging workforce. After

decades of large investments in health care through Social Security, people should be able to stay fit and healthy later in life and work longer. In addition, modern and more flexible models of lifelong work should be able to adapt to the employment models needed for older and older workers.

2.3.2 Porter's Five Forces theory

The pioneer of the model was Michael Porter (1979). The level of competition is influenced and shaped by five main forces, namely competition, threats of new entrants and substitutes, and resources of buyers and suppliers (Grundy, 2006). Effective strategy development depends on how well an organization can understand these competitive forces. According to Porter, the intensity of these four competitive forces determines whether an organization can survive in terms of the profitability it produces in its industry. The composition of these five forces varies depending on the industry in which a particular company operates. Thus, each company must create unique strategies that are relevant and best suited for a particular industry.

Porter (1979) further considers that any change in power requires a reassessment of the business environment in order to formulate strategies that can contribute to its survival and competitiveness. In this case, companies must be able to apply their core competencies, networks and business models to achieve industry average profits. The development of this model was a reaction to the inherent gaps in SWOT analysis. When dealing with the threat of new entrants, substitutes, competition, bargaining power of buyers and suppliers, an organization can formulate response strategies that can be done by diversifying and differentiating its products and services (Dobbs, 2019). This model of Porter's Five Forces is an important tool that is important to diagnose the key forces of an organization's competitive advantage.

The model also helps determine the strength of these competitive forces and how they affect a company's survival.

Pines (2016) believes that the correct analysis of these competitive forces helps the company to remain effectively and successfully viable in this field. According to Rice's (2019) empirical analysis, a general strategy framework can be improvised by critically examining focus, differentiation and costs. These are important elements in the company's strategic position. Therefore, companies should focus on these three strategies rather than taking them as separate strategies. In addition, the notion that seeking multiple sources of competitive advantage is desirable and possible has received strong support from several researchers (Narayanan and Fahey, 2018).

The research significance of this theory is that it helps explain how the environmental forces at work in the CPF affect its effectiveness. In particular, the study sought to examine the impact of diversification and diversification strategies on the performance of Kenya County Pension Fund. Evaluating the effect of product diversification in CPF, the model contributed to the conclusion that product diversification is useful in dealing with market forces such as the threat of new entrants entering the market. Second, when dealing with strengths, product differentiation is important because it ensures that the company maintains its competitive position and efficiency. Thus, this theory helped to find out the effect of both diversification and diversification strategy on CPF performance.

2.3.3 Resource Based View

Introduced by Wernerfelt (1984) and further discussed by Barney (1991), the concept is a theory that shows how a company can use its strategic resources to maintain its competitiveness. The resource-based school of view creates the need to

study the internal resources of the company and their impact on the competitive position (Wernerfelt, 1984). RBV theory explains the differences between firms and how each organization ensures that competitive advantage is realized and maintained in a particular industry. The theory suggests that companies gain a competitive advantage by ensuring that their resources are used (Kostopoulos et al, 2022). RBV theory is based on the fact that a company consists of different opportunities and the concept of economic rent (Kay, 2020).

Unlike traditional strategy models, which heavily emphasize the firm's external strengths, RBV creates a need for the firm to match its internal capabilities and external resources. Therefore, the internal environment of the organization is an important factor in determining the strategies that the company should have (Hint et al, 2017). The original view and vision of the company as a bundle of resources is related to Penrose (1959), who shows that it is the heterogeneity, not the homogeneity, of viable resources that differentiates an organization and makes it unique. The idea of resource heterogeneity is the anchor of the resource vision theory and was first created by Wernerfelt (1984). The biggest factor affecting a firm's profitability is how well the firm's internal resources are aligned with the external forces in the environment (Andrews, 1987; Porter, 1985).

The main characteristics of the resources needed to realize the competitive advantage of a company were clearly discussed in the framework proposed by Barney (1991). These characteristics include that such resources must be rare, valuable and without close substitutes, except for imitability. Resources with these characteristics are considered the company's strategic assets, which are the key to the company's competitive advantage. As a result, various researchers have accepted

the topic of strategic assets and their role in creating a company's competitive advantage (Amit and Schoemaker, 2019; Peteraf, 2019). The literature has expanded these characteristics to include resource originality and resource resilience. Resources are broad because they include both physical and non-physical capabilities, including skills, specific competencies and skills, and the various resources available to an organization. Capabilities describe the ability with which a certain group of resources can perform certain tasks or activities (Grant, 2019). In its simplest form, capabilities refer only to complex accumulated sets of skills and knowledge that are used through business processes. These capabilities enable companies to ensure that their activities and operations are well coordinated while using their assets appropriately (Day, 2018).

This RBV method has two value classes; tangible and intangible assets. Intangible assets are key to understanding a company's competitive advantage. This is because, unlike tangible assets, intangible assets cannot be easily imitated or copied by a company's competitors. The most important examples of a company's intangible assets are networking, company culture, the level of product reputation, and overall organizational success (Hall, 1992). Therefore, the differences in the performance of companies in this field of activity are mostly due to intangible strategic assets. By differentiating their products, companies can reduce competition and thus provide a competitive advantage. Through product differentiation, an organization can reduce competition for scarce resources, which improves business performance. Differentiation helps a firm create unique value for customers, leading to a sustainable competitive advantage (Ogbonna and Harris, 2018). The significance of this theory for research is that employees are the human resources of an organization and therefore an organization can use them strategically to position itself according

to the theory. To do this, employees must be well equipped with the skills they need to be an effective resource. This study assessed how employee training and development can affect CPF performance.

2.3.4 Dynamic Capability Theory

Dynamic Capability Theory (DCT) was advanced by both Helfat and Peteraf (2018) and further refined by Helfat, (2019); (Eisenhardt & Martin, 2020). The firm's dynamic capabilities resources that include both internal and external resources that make it possible for a company to integrate, learn and reconfigure its assets and process to achieve improved performance. The theory conjectures that firm level differences in capabilities are rooted on their asset positions that include a company's future position to modify its operating condition is determined by their current stock of capabilities. According to Porter (1991) DCT explains the important role of capabilities to reconfigure resources that a firm has at present to manage the highly changing business conditions.

Dynamic capabilities are considered a transformer for changing firm's resources to attain better organizational performance and gain competitive advantage. Danneels (2021) while appreciating the step of re-assembling a firms internal and external resources in a rapidly varying industry surroundings, they also highlight the need to come up with a more cost- effective process that supersedes that of the competitors in order to aid resource reconfiguration and transformation. Therefore, for timely responses during resource transformation and reviewing market and technology trends, reconfiguration capability is considered the main dynamic capability. The strategic flexibility that considers reconfiguration of resources and flexible utilization advances the good implications of high-tech capability and which

develop the performance of the firm (Cetindamar & Probert, 2019). Therefore, to adjust to the dynamic business environments, firms are compelled to respond to market changes and competitors rapidly.

The theory derives its relevance in unearthing how product diversification and differentiation can permit the company to acquire more success in emerging markets, and that the capacity to integrate industry technology during product development is an important dynamic capability for new technology-based companies. Further taking advantage of the resources and capabilities that an organization has, it can engage in strategic alliances with other organizations to remain competitive and improve performance. Thus this theory was also helpful in the assessment of the relationship between strategic alliances and performance of County Pension Fund, Kenya.

2.3.5 Porter's Five Forces theory

The pioneer of the model was Michael Porter (1979). The level of competition is influenced and shaped by five main forces, namely competition, threats of new entrants and substitutes, and resources of buyers and suppliers (Grundy, 2006). Effective strategy development depends on how well an organization can understand these competitive forces. According to Porter, the intensity of these four competitive forces determines whether an organization can survive in terms of the profitability it produces in its industry. The composition of these five forces varies depending on the industry in which a particular company operates. Thus, each company must formulate unique strategies that are relevant and best suited for a particular industry.

Porter (1979) also considers that every change in power requires a reassessment of the business environment with the aim of devising strategies that can help in its

survival and competitiveness. In this case, companies must be able to apply their core competencies, networks and business models to achieve industry average profits. The development of this model was a reaction to the inherent gaps in SWOT analysis. When dealing with the threat of new entrants, substitutes, competition, bargaining power of buyers and suppliers, an organization can formulate response strategies that can be done by diversifying and differentiating its products and services (Dobbs, 2019). This model of the Five Forces of Porter is an important tool that is important to diagnose the key forces of the competitive advantage of an organization. The model also helps determine the strength of these competitive forces and how they affect firm survival.

Pines (2016) believes that the correct analysis of these competitive forces helps the company to remain effectively and successfully viable in this field. According to Rice's (2020) empirical analysis, a general strategy framework can be improvised by critically examining focus, differentiation and costs. These are important elements in the company's strategic position. Therefore, companies should focus on these three strategies rather than taking them as separate strategies. In addition, the notion that seeking multiple sources of competitive advantage is desirable and possible has received strong support from several researchers (Narayanan and Fahey, 2018). The research significance of this theory is that it helps explain how the environmental forces at work in the CPF affect its effectiveness. In particular, the research sought to investigate the effect of diversification and diversification strategies on the performance of Kenya County Pension Fund. Evaluating the effect of product diversification in CPF, the model contributed to the conclusion that product diversification is useful in dealing with market forces such as the threat of new entrants. Second, product differentiation is important when dealing with strengths

because it ensures that the company maintains its competitive position and efficiency. This theory thus helped determine the impact of both diversification and differentiation strategies on CPF performance.

2.4 Conceptual Framework

A conceptual framework is a structure that shows the variables of interest in the study and their relationship. Product diversification, strategic alliance, employee training and development and differentiation strategy represent the independent variables, while CPF performance is the dependent variable. The conceptual framework is shown in Figure 1.

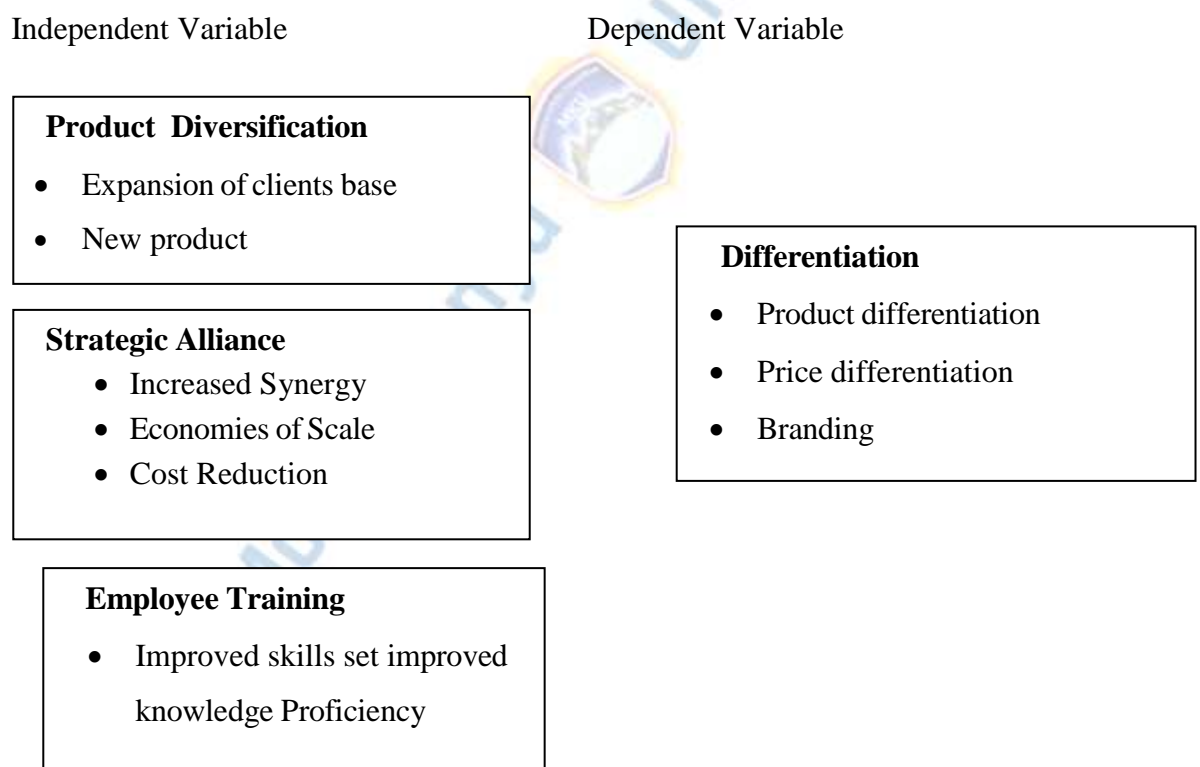


Figure 1: Conceptual Framework

Source , researcher(2024)

The conceptual framework is based on management strategies as independent variables. These include product diversification, strategic alliance, employee training and differentiation. They affect the dependent variable which is CPF performance.

2.5 Recap of Literature Review

This chapter reviews the literature on district pension fund management strategies, both locally and internationally. The review showed that good governance strategies contribute significantly to the success of pension systems in both the private and public sectors. The challenge was to consolidate reforms and implement the best management strategies that will ensure effective management and ultimately promote the performance of Kenya Pension Funds. However, many pension schemes are seriously mismanaged, while others are underfunded and unable to meet their financial obligations (RBA 2019). Research on pension systems in Kenya has focused on membership growth, fund performance and institutionalization of reforms, but has not addressed corporate governance strategies and their impact on performance. They have an information gap that this study aimed to fill.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes in more detail the study design, target population, sampling techniques, data collection tools, sample size and techniques used, and data analysis, as well as ethical aspects of the study.

3.2 Research Design

A research plan is a detailed research plan that defines the methods and procedures for collecting and analyzing data on a specific topic and reporting the results (Lewis, 2018). Descriptive research was adopted in this study. Descriptive studies included various questionnaires and data collection studies. The main purpose of descriptive research design is to describe the current situation (Kothari, 2019). The researcher applied this model to investigate the current situation on the impact of corporate governance strategies on CPF performance in Kenya.

3.3 Target Population

The target population refers to the elements of the population that would help generalize the discovery (Muller and MacLehose, 2019). It constitutes all the elements that have observable properties of interest for the researcher. Here, the unit of analysis is CPF. The population of this study included all 500 CPF employees from Finance, HR, Procurement, Marketing, Internal Audit, Strategy and Legal as of February 2024. The CPF Staff Handbook (2018) indicates that there are seven departments as shown in Table 1.

Table 1: Target Population

Department	Population	Proportion %
Finance and Administration	100	20
Human Resource	54	11
Procurement	80	16
Marketing	62	12
Internal Audit	48	10
Strategy	72	14
Legal and Corporate communications	84	17
Total	5400	100

Source: HR Manual of CPF (2024)

3.4 Sample Technique and Sample Size

Babbie (2018) defined sampling as the process of selecting representative units from a target population for inclusion in a study. A proportional stratified sampling method was used to stratify employees by department to ensure representativeness of the entire CPF organization. Kothari (2004) states that a sample size of 30% is sufficient to generalize the results to the entire population as long as the population is not large. Therefore, a sample of 146 employees was selected for this study as shown in Table 2 below.

Table 2: Sample Size

Department	Population	Sample proportion %	Sample Size
Finance and Administration	100	20	20
Human Resource	54	11	6
Procurement	80	16	12
Marketing	62	12	8
Internal Audit	48	10	4
Strategy	72	14	10
Legal and Corporate communications	84	17	14
Total	500	100	146

Source: HR Manual of CPF (2024)

3.5 Data Collection Instrument

Information from primary sources was collected through questionnaires. Behind the popularity of questionnaires was economy and the ability to gather extensive information in a short time. The questionnaire consisted of both open and closed questions covering all variables of the study. Open-ended questions allowed respondents to answer freely without a suggested or suggested answer structure. Closed questions made it possible to limit respondents' answers to the presented options. These choices were meant to be understandable to the respondents. The questionnaires were designed to meet the specific objectives of the study.

3.6 Data Collection Procedure

The researcher received a letter of introduction from the university explaining the purpose of the study. The researcher can also obtain a permit from NACOST to collect data in the field. The researcher informed CPF management about the study.

On the actual day of data collection, questionnaires were sent to survey respondents in person. This was to improve the response rate. Surveys were conducted after the agreed time using drop and pick method. This was important so that respondents had enough time to answer the questions. The researcher assured the respondents of the confidentiality of the feedback. Surveys were administered to all respondents during official business hours. This increased the response rate. Data collection lasted one month.

3.7 Pilot Testing

3.7.1 Validity of the study Instruments

The survey instrument was pre-tested in Marsabit District using a selected sample of the target population to determine its validity and applicability. The procedure used in the pre-test was similar to the actual study, except that the sample was small (about 10% of the sample size = 15). This pre-testing was necessary because it helped to identify incorrect questions, limited space, unclear direction and clustered questions. Obscure questions were also clarified and reformatted correctly. It represented the extent of obtaining the results of the analysis and reflected the phenomena investigated. Merriam and Tisdell (2018) argue that expert judgment can play an important role in improving instrument validity. The study used content validity, where the supervisor participated in checking the content of the questionnaire, after which incorrect questions were excluded.

3.7.2 Reliability of Study Instruments

Reliability measures the inter-item consistency of a research instrument used in a study. Cronbach's alpha reliability coefficient for the pretested questionnaires of this study was calculated for all study variables. Cronbach's alpha reliability usually

varies between 0 and 1. The more Cronbach's alpha coefficient is to 1.0, the higher the internal consistency of the items, that is, the higher the reliability of the research instruments. The purpose of the reliability assessment was to assess the internal consistency of the data collected through the survey. Cronbach's alpha (α) was calculated for each variable to assess the reliability of the data collected. According to Leedy and Ormrod (2018), Cronbach's alpha value above 0.7 was considered satisfactory when assessing reliability.

3.8 Data Analysis and Presentation

The collected data were checked, edited and coded immediately after the questionnaires were returned. The Statistical Package for the Social Sciences (SPSS) was used to analyze the raw data for statistical inference. Both descriptive and inferential statistical techniques were used. In addition, qualitative data were analyzed using content analysis techniques. The information was presented in tables. Descriptive statistics used included frequencies, means, standard deviations and percentages, while inferential statistics were correlation analysis and regression.

The following regression model was applied;

$$Y = \beta_0 + \beta_1 PD1 + \beta_2 SA2 + \beta_3 TD3 + \beta_4 DF4 + \epsilon$$

Where; Y = Development of District Pension Fund

PD1 = Product Diversification

SA2 = Strategic Alliance

TD3 = Training and Development of Employees

DF4 = Differentiation

$\beta_0, \beta_1, \beta_2, \beta_3, \beta_4$ = Regression Coefficients.

ϵ = error term

3.9 Ethical Considerations

The researcher provided informed consent, which provided respondents with an explanation of the purpose and nature of the study. Respondents were informed in advance that they would not receive financial benefits from participating in the study, so the study was voluntary. All respondent information was protected with a high level of confidentiality, and respondents were not required to indicate their names in the documents. The researcher also received permission from the Ethical Review Committee (ERC).



CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

The chapter focuses on data analysis, presentation of results and processing of results. The main objective of the study was to determine the impact of corporate response strategies on the performance of the Kenya District Pension Fund.

4.2 Pilot Test Results

This chapter presents the experimental results, interpretation and discussion. A pilot study was conducted among fifteen respondents in Marsabit District. This represented 10% of the sample size. Statistical Package for Social Sciences (SPSS) software was used to analyze the data. Reliability of the instruments was determined using Cronbach Alpha. The results were according to Table 3.

Table 3: Reliability Test Results

Variable	N	Cronbach's Alpha Value
product diversification	15	.782
strategic alliance	15	.731
Employee training	15	.769
differentiation	15	.775
performance of County Pension Fund, Kenya	15	.718

Source: Field Data, (2024)

Questionnaires were coded and then Cronbach's alpha test was performed. All 5 variables produced Cronbach's alpha threshold values above 0.7, as shown in Table 3. From the pilot study, Cronbach's alpha values were 0.782, 0.731, 0.769, 0.775 and 0.718. Kenya County Pension Fund Product Diversification, Strategic Alliance, Employee Training, Differentiation and Performance. All variables had Cronbach

values greater than 0.7. This means that the instruments were reliable.

4.3 Response Rate

The response rate is equal to the number of people who correctly completed structured questionnaires divided by the total number of people in the sample (Fowler, 2014). 146 questionnaires were collected in the survey. However, 141 forms were duly filled and returned. This represented a 97 percent successful response rate. The confidentiality of the information given to the respondents was also confirmed. Trex (2018) suggested that a response rate of 50% is adequate, 60% is good, and 70% and above is very good for analysis. This means that the response rate of 97% was very suitable for data analysis.

Table 4: Response Rate

Sampled No. of respondents	No. of Questionnaires Returned	Response Rate (%)
146	141	97

(Source : Field Data (2024))

4.4 Demographic Information

4.4.1 Respondents Age

The researcher tried to find out the ages of the respondents who participated in the study. Observations correspond to Table 5.\

Table 5: Respondents Age

Age	Frequency	Percentage (%)
20-30 Years	26	18
31-40 Years	30	21
41-40 Years	21	15
41-50 years	45	32
Above 50 Years	19	14
Total	141	100.0

Source field data,2024)

The survey revealed that 18% of the respondents were 20-30 years old, 21% were 31-40 years old, 15% were 41-40 years old, 32% were 20-30 years old. age group 41-50 years old, while 14% were over 50 years old. This means that most respondents to the Kenya Pension Fund Performance Survey are between 41 and 50 years old, who are close to retirement age.

4.4.2 Academic Qualification

The researcher tried to find out the academic qualifications of the selected respondents of the county pension fund. Observations are as per Table 6.

Table 6: Academic Qualification

Education level	Frequency	Percentage (%)
Primary certificate	0	0
Secondary certificate	8	6
College diploma	46	33
Bachelor graduate	74	52
Post graduate	13	9
Total	141	100.0

Source: Field Data,(2024)

The research results showed that the majority of the respondents completed a bachelor's degree, 52%. After that, there were 33% of people with university education. A 13% minority of graduate students had a first degree and none had a first degree. These results showed that most of the respondents were well educated, so they understood enough and filled in the questionnaire.

4.4.3 Length of work experience in the organization

The researcher tried to find out the length of service in the organization. The results are according to Table 7.

Table 7: Length of Work Experience Organization

Length in years	Frequency	Percentage (%)
Less than 1 year	21	15
1-5 Years	29	21
5-10 Years	34	24
Above 10 Years	57	40
Total	141	100.0

Source: Field Data,(2024)

Regarding the length of work experience, it was revealed that 15% of the respondents worked for less than a year, 1-5 years of work experience was 21%, and 5-10 years of work experience was 24%. and 40% work experience for 10 years. This means that most of the respondents in the study had more than 10 years of work experience. These indicated that most of the respondents therefore had extensive knowledge and experience of the Kenya County Pension Fund.

4.5 Descriptive Statistics

The survey asked respondents for their views on how corporate response strategies affect the performance of the Kenya County Pension Fund. The results are

interpreted based on the mean and standard deviation. The average value indicated the level of agreement as follows: 5 strongly agree, 4 agree, 3 moderately agree, 2 disagree, 1 strongly disagree.

4.5.1 Influence of Product Diversification on performance at County Pension Fund, Kenya

Respondents were asked to indicate their agreement with the impact of product diversification on the performance of the Kenya County Pension Fund. The results are according to Table 8.

Table 8 : Influence of product diversification on performance at County Pension Fund. Kenya

Product diversification	S	A	MA	D	SD	Mean	Std
	%	%	%	%	%		
Entering new markets has increased our customer base	31	30	19	15	5	3.79	1.82
The company has entered new market segments	41	40	9	6	4	4.32	0.67
Diversity has enabled our organization to target new customers in new market segments	36	30	20	7	7	3.75	1.62
The company is diversifying by developing new products	32	39	19	8	2	4.39	0.73
Developing new products has helped us better meet customer needs	35	31	19	10	5	3.90	1.68
We meet customer needs, developing new products	34	41	16	8	1	4.23	0.96

(Source field data 2024)

The results of the survey revealed that the majority of respondents (31%) strongly agreed, 30% and 19% moderately agreed that entering new markets increased the

customer base with a mean of 3.79 and a standard deviation of 1.82. In addition, the results showed that the majority of respondents (41%) strongly agreed, 40% agreed, while 9% moderately, 6% disagreed and 4% strongly disagreed that the company entered new market segments, mean 4.32 and standard deviation 0.67. The results further revealed that the majority of the respondents (36%) strongly agreed, 30% agreed, while 20% moderately, 7% disagreed and 7% strongly disagreed that diversification enabled the organization to target new customers market segments with a mean of 3.75 and a standard deviation of 1.62. The results further showed that the majority of respondents (32%) strongly agreed, 39% agreed, while 19% moderately agreed, 8% disagreed and 2% strongly disagreed that the company will diversify as it develops new products with a mean of 4.39 and a standard deviation of 0.73.

The results further revealed that majority of respondents (35%) strongly agreed, 31% agreed, while 19% moderately agreed, 10% disagreed, while 5% disagreed that new product development helped the organization meet customer needs on average. 3.90 and a standard deviation of 1.68. The results further showed that the majority of respondents (34%) strongly agreed, 41% agreed, while 16% moderately, 8% disagreed and 1% disagreed that the organization is responsive to the customer needs developing new products with a mean of 4.23 and a standard deviation of 0.96. These results showed that product diversification affects the performance of Kenya County Pension Fund.

4.5.2 Influence of Strategic alliance on performance of County Pension Fund.

Respondents were asked to indicate their acceptance of the influence. These results indicated that product diversification affects the performance of the Kenya County Pension Fund. The results are according to Table 9.

Table 9 : Influence of strategic alliance on performance of County Pension Fund, Kenya.

	S	A	MA	D	SD	Mean	Std
Strategic alliance	%	%	%	%	%		
Our company cooperates with other organizations to achieve mutually compatible goals	43	37	11	6	3	3.98	1.45
Forming alliances with other organizations has helped us better serve the market	32	47	9	7	5	4.61	0.86
We cooperate with other companies to use technology in operations	33	38	17	10	2	3.53	1.66
We have increased the scope of strategic alliances of operations	40	41	9	9	1	4.19	0.71
Our organization has significantly reduced operating costs due to strategic alliances	35	39	19	5	2	3.81	1.64
Cost reduction has increased the efficiency of our company's operations	31	44	16	7	2	4.27	0.82

(Source field data 2024)

The results further showed that the majority of respondents (43%) strongly agreed, 37% agreed, while 11% moderately, 6% disagreed, and 3% strongly disagreed that the organization's business cooperates with other organizations to achieve mutually compatible goals . mean 3.98 and standard deviation 1.45. The results further showed that the majority of respondents (32%) strongly agreed, 47% agreed, while 9% moderately, 7% disagreed and 5% disagreed that forming alliances with other

organizations enabled the organization. serves the market better with a mean value of 4.618 and a standard deviation of 0.86. The results further showed that majority of the respondents (33%) strongly agreed, 38% agreed, while 17% of the respondents moderately agreed, 10% disagreed, while 2% strongly disagreed that the organization collaborates with other companies to use technology in operations with a mean of 3.53 and a standard deviation of 1.66.

The results further showed that majority of the respondents (40%) strongly agreed, 41% agreed and moderately agreed 9% disagreed 9% while 1% strongly disagreed that the organization increased the scope of its activities through strategic means due to alliances with an average of 4.19 and with a standard deviation of 0.71. In addition, the results showed that majority of the respondents (35%) strongly agreed, 39% agreed, while 19% moderately agreed, 5% disagreed and 2% strongly disagreed that the organization significantly reduced operating costs. strategic alliances with a mean of 3.81 and a standard deviation of 1.64.

The results further showed that the majority of respondents (31%) strongly agreed, 44% agreed, while 16% moderately agreed among those who disagreed. was 7%, while 2% strongly disagreed that cost reduction would have increased the company's operational efficiency with a mean of 4.27 and a standard deviation of 0.82. These results showed that strategic alliance affects the performance of Kenya County Pension Fund.

4.5.3 Influence of Employee Training and development on performance of County Pension Fund.

Respondents were asked for their agreement on the impact of staff training and development on performance in the Kenya County Pension Fund. The results are according to Table 10.

Table 10 : Influence of employee training and development on performance of County Pension Fund, Kenya.

	S	A	MA	D	SD	Mean	Std
Employee Training	%	%	%	%	%		
New skills are acquired through training of employees of our organization	40	43	8	5	4	3.18	1.57
The training improved our skills in dealing with customer complaints	35	41	11	7	6	4.69	0.92
The training received improved our communication skills	42	32	13	11	2	3.35	1.58
The organization improved the knowledge of employees through training	37	38	17	4	4	4.49	0.81
The training increased knowledge , e.g. key process in the organization	38	31	19	4	2	3.64	1.19
Training increased our professionalism in solving demanding tasks	37	33	19	7	4	4.13	0.80

(Source field data 2024)

The results further showed that the majority of respondents (40%) strongly agreed, 43% agreed, while 8% moderately, 5% disagreed and 4% strongly disagreed that new skills are acquired through employee training organization with a mean of 3.18 and standard. a deviation of 1 .57. In addition, the results showed that the majority of respondents (35%) strongly agreed, 41% agreed, while 11% moderately agreed, 7% disagreed and 6% disagreed that the training improved customer complaints about using skills. with a mean of 4.69 and a standard deviation of 0.92.The results

further showed that the majority of respondents (42%) strongly agreed, 32% agreed, while 13% moderately agreed and 11% disagreed. while 2% disagreed that the training received improved interpersonal skills with a mean of 3.35 and a standard deviation of 1.58.

The results further showed that the majority of respondents (38%) strongly agreed, 31% agreed, while those who agreed . Moderately agreed 19% disagreed 4% while 2% strongly disagreed that the training increased knowledge about the organization's core process with a mean of 3.64 and a standard deviation of 1.19. The results also showed that the majority of respondents (37% strongly agreed, 33% agreed and moderately agreed 19% disagreed 7% and 4% strongly disagreed) that education increased our ability to deal with demanding tasks on average 4, 13 and standard. deviation 0.80 The overall result showed that employee training and development affects the performance of the Kenya County Pension Fund.

4.5.4 Influence of differentiation on performance of County Pension Fund.

Respondents must confirm that they accept the impact of the allocation on the performance of the Kenya County Pension Fund. The results are according to Table 11.

Table 11 : Influence of differentiation on performance of County Pension Fund, Kenya.

Differentiation Strategy	S	A	MA	D	SD	Mean	Std
	%	%	%	%	%		
Our organization provides unique products to our customers	30	40	18	8	4	3.17	1.77
We have gained competitive advantage by providing unique products to customers	31	45	10	7	7	4.45	0.86
We meet customer expectations by offering a variety of products	32	42	15	9	2	3.85	1.71
Our products are competitively priced	37	35	15	7	6	4.51	0.92
We charge relatively lower prices for products in comparison to our competitors	31	38	14	6	5	3.54	1.49
Our products are available in various sub-brands	33	32	19	12	4	4.43	0.83
Differentiation strategy means creating unique products in our organization	37	43	11	5	4	4.33	0.80

(Source field data 2024)

Further, the results showed that majority of respondents (30%) strongly agreed, 40% agreed, while 18% moderately agreed, 8% disagreed and 4% strongly disagreed that the organization provides unique products to its customers. mean 3.17 and standard deviation 1.77. In addition, the results showed that the majority of respondents (31%) strongly agreed, 45% agreed, while 10% moderately agreed, 7% disagreed and 7% strongly agreed. disagreed that the organization achieved a competitive advantage by providing unique products to customers with a mean value of 4.45 and a standard deviation of 0.86. The results further showed that the majority of respondents (32%) strongly agreed, 42 % agreed, while moderately agreed 15% disagreed 2% and 2% strongly disagreed that the organization met customer expectations by providing differentiated products with a mean of 3.85 and a standard

deviation of 1.71.

In addition, the results showed that the majority of respondents (37%) strongly agreed, 35% agreed, while 15% moderately agreed, 7% disagreed and 6% disagreed that the products are competitive on average. 4.51 and a standard deviation of 0.92. The results further showed that the majority of respondents (31%) strongly agreed, 38% agreed, while 14% moderately agreed, 6% disagreed and 5% strongly disagreed that the organization charges for its products compared to relatively lower price. . to competitors with a mean value of 3.54 and a standard deviation of 1.49. The results further showed that the majority of respondents (33%) strongly agreed, 32% agreed, while 19% of non-consultants moderately agreed. 12% while 4% disagreed that the organization's products are different brands with a mean of 4.43 and a standard deviation of 0.83. The results further showed that the majority of respondents (37%) strongly agreed, 43% agreed, 11% moderately, 5% disagreed and 4% disagreed that a differentiation strategy requires creating unique products. with an organizational mean of 4.33 and a standard deviation of 0.80. The overall result showed that the diversification strategy has an impact on the performance of Kenya County Pension Fund.

4.5.5 Performance of County Pension Fund, Kenya

Respondents must confirm that they agree with the results of the Kenya County Pension Fund. The results are according to Table 13.

Table 1:3 Performance of County Pension Fund, Kenya.

Performance	S	A	MA	D	SD	Mean	Std
	%	%	%	%	%		
Our customers are satisfied with our service delivery	40	43	8	7	2	3.47	1.56
Employees of our organization have a positive moral opinion about the workplace situation	32	44	10	2	2	4.87	0.65
Our response strategies allow us to work effectively	41	39	13	5	2	3.58	1.37
Our response strategy allows us to improve the profitability of funds	37	45	15	2	1	4.25	0.72

(Source : Field Data (2024))

In addition, the results showed that majority of the respondents (40%) strongly agreed, 43% agreed, while 8% moderately, 7% disagreed and 2% disagreed that the customer is satisfied with the organization's delivery service. mean 3.47 and standard deviation 1.56. In addition, the results showed that the majority of respondents (32%) strongly agreed, 44% agreed, while 10% moderately, 2% disagreed and 2% strongly disagreed that their response strategies enable the organization to work effectively, with a mean of 3.58 and standard deviation 1.37. In addition, the results showed that the majority of respondents (37%) strongly agreed, 45% agreed, 15% moderately, 2% disagreed, and 1% strongly disagreed that the organization's response strategies enabled the company to improve profitably. funds with a mean of 4.25 and a standard deviation of 0.72.

4.6 Diagnostic Test

4.6.1 Autocorrelation Assumption Test

The results of the test of autocorrelation assumption are presented in Table 14.

Table 14 : Autocorrelation Assumption Test Results

Variable	Durbin-Watson
Product Diversification	1.762
Strategic Alliances	2.453
Employee Training and development	2.451
Differentiation strategy	1.332
County Pension Fund Performance	1.586

Source, field(2024)

The results presented in Table 14 showed that the Durbin-Watson statistic for product diversification was 1.762. In addition, the Durbin-Watson statistical value of strategic alliances was 2.453. In addition, the results showed that Durbin-Watson statistical value for employee training and development was 2.451 and differentiation strategy was 1.332, while Kenya County Pension Fund scored 1.586. This means that the study variables had independence of error because it corresponds to a Durbin-Watson threshold between 0 and 4. The Durbin-Watson test gives a test statistic with a value of 0-4, where: 0-2.5 means no autocorrelation. In summary, it can be stated that the data collection instruments were found to be valid and reliable, therefore they can be used for data collection in the main study.

4.6.2 Normality Assumptions Test

The study conducted a normality test to determine whether the data is normally distributed. The result of the normality test is indicated in Table 15.

Table 15: Normality Assumption Test Results

Variable	Kolmogorov- Smirnov	Sig
Product Diversification	.304	.570
Strategic Alliances	.326	.721
Employee Training and development	.346	.814
Differentiation strategy	.254	.667
Performance of County Pension Fund	.307	.717

(Source, field 2024)

The results of the normality test in Table 15 indicated that the data are normally distributed because the Kolmogorov-Smirnov significance values were greater than 0.05. The research results showed that the Kolmogorov-Smirnov significance value of Product diversification was $p=.570 > 0.05$. The Kolmogorov-Smirnov significance value of strategic alliances was $p=.721 > 0.05$. The Kolmogorov-Smirnov significance value of employee training and development was $p=.814 > 0.05$. The Kolmogorov-Smirnov significance value of the separation strategy was $p=.667 > 0.05$. Development of Kenya County Pension Fund with Kolmogorov-Smirnov significance value was $p=.717 > 0.05$. Since the p-values were greater than the significance level (0.05), this means that the data were normally distributed.

4.6.3 Multicollinearity Test

Multicollinearity occurs when two or more independent variables are highly correlated with each other. The study result is presented in Table 16.

Table 16: Multicollinearity Assumption Test Results

Variables	Tolerance	VIF
Product Diversification	.536	1.776
Strategic Alliances	.561	1.749
Employee Training and development	.680	1.559
Differentiation strategy	.771	1.402
Performance of County Pension Fund	.574	1.571

(Source, field 2024)

Tolerance and variance inflation factor value based on product diversification (tolerance=0.536 and VIF=1.776), strategic alliances (tolerance=0.561 and VIF=1.749), employee training and development (tolerance=0.680 and VIF=1.559). Differentiation strategy (tolerance = 0.771 and VIF = 1.402) and developing county pension fund income (tolerance = 0.574 and VIF = 1.571). The research results suggest that the tolerance values of the five variables under study were all above 0.10 and the VIF values were all below 10, which means that there was no Multicollinearity in the data used.

4.6.4 Homoscedasticity Test Results

Homoscedasticity describes the homogeneity of interference between the independent and dependent variables between the values of the independent variables. For homoscedastic data, the p-value is greater than 0.05. The results of the homoscedasticity test are presented in Table 17.

Table 17: Homoscedasticity Test Results

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	.043	.270		.165	.897
Product Diversification	.081	.059	.049	-.187	.805
Strategic Alliances	.045	.068	.265	1.211	.384
1 Employee Training and development	.073	.052	.061	.281	.815
Differentiation strategy	.082	.047	.059	-.386	.724

a. Dependent Variable: Performance of County Pension Fund

The results in Table 17 show that the p-values for strategic alliances were 0.805, 0.384, 0.815 and 0.724. All these values are greater than 0.05, which means that the data were homoscedastic and there was no problem of heteroscedasticity. The results helped the researcher confirm the importance of linear regression analysis.

4.7 Inferential Statistics

4.7.1 Correlation Analysis

4.7.1.1 1 Influence of product diversification on performance at County Pension Fund, Kenya

The purpose of the study was to determine the correlation between product diversification and the performance of the Kenya County Pension Fund. The results of the study are according to Table 18.

Table 18: Product diversification on performance at County Pension Fund, Kenya

		Performance at County Pension Fund
Product diversification	Pearson Correlation	.579**
	Sig. (2-tailed)	.000
	N	141

** . Correlation is significant at the 0.05 level (2-tailed).

As shown in Table 18, the study shows that there was a moderate positive and statistically significant correlation ($r = 0.579$; $p < 0.05$) between product diversification and performance of Kenya County Pension Fund. This means that product diversification will improve the performance of the Kenya County Pension Fund.

4.7.1.1 2 Influence of strategic alliances on performance at County Pension Fund, Kenya

The purpose of the study was to examine the relationship between strategic alliances and the performance of the Kenya County Pension Fund. The results of the study are according to Table 19.

Table 19 : Strategic alliances on performance at County Pension Fund, Kenya

		Performance at County Pension Fund
Strategic alliances	Pearson Correlation	.568**
	Sig. (2-tailed)	.000
	N	141

** . Correlation is significant at the 0.05 level (2-tailed).

As shown in Table 19, the study shows that there was a moderate positive and statistically significant correlation ($r = 0.568$; $p < 0.05$) between strategic alliances in Kenya County Pension Fund. This means that strategic alliances will improve the performance of the Kenya County Pension Fund.

4.7.1.1 3 Influence of employee Training and development performance at County Pension Fund, Kenya

The purpose of the study was to determine the relationship between staff training and performance development in Kenya County Pension Fund. The results of the study are according to Table 20.

Table 20 : Employee Training and development on performance at County Pension Fund, Kenya

		Performance at County Pension Fund
Employee Training and development	Pearson	.571**
	Correlation	
	Sig. (2-tailed)	.000
	N	141

** . Correlation is significant at the 0.05 level (2-tailed).

As shown in Table 20, the study shows that there was a moderate positive and statistically significant correlation between staff training and performance development in Kenya County Pension Fund ($r = 0.5718$; $p < 0.05$). This means that staff training and development will improve the performance of the Kenya County Pension Fund.

4.7.1.1 4 Influence of differentiation strategy on performance at County Pension Fund, Kenya

The purpose of the study was to determine the relationship between employee differentiation strategy and the performance of the Kenya County Pension Fund. The results of the study are according to Table 21.

Table 21 : Differentiation strategy on performance at County Pension Fund, Kenya

		Performance at County Pension Fund
Differentiation strategy	Pearson Correlation	.594**
	Sig. (2-tailed)	.000
	N	141

** . Correlation is significant at the 0.05 level (2-tailed).

As shown in Table 21, the study shows that there was a moderate positive and statistically significant correlation ($r = 0.594$; $p < 0.05$) between the diversification strategy of Kenya County Pension Fund. This means that the diversification strategy will improve the performance of the Kenya Pension Fund.

4.7.2 Regression Analysis

The study conducted regression analysis to assess the combined effects of product diversification, strategic alliances, employee training, and development and differentiation strategy. A summary of the model is given in Table 22.

Table 22 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Sig. F Change
1	.872 ^a	.760	.778	.3233	.000

R-squared is the proportion of the variance of the dependent variable that can be explained by the independent variables. In this study, the R-squared was 0.760, indicating that the four independent variables of product diversification, strategic alliances, employee training and development and differentiation strategy can explain 76.0% of the results of Kenya County Pension Fund, while others factors explain. 24%.

Table 23 : ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	28.21	4	7.106	100.309	.000 ^b
1	Residual	4.41	137	.1003		
	Total	32.62	141			

a. Dependent Variable: Performance of County Pension Fund

b. Predictors: (Constant),

This study used analysis of variance to determine if the model fits the data well. Based on the results, the p-value was 0.000, which is less than 0.05, and therefore the model is able to predict how the four independent variables (product diversification, strategic alliances, employee training and development and differentiation strategy) affect performance from the county pension institution. Finance In addition, the F-value was (100.309), indicating that the model was suitable for predicting the effect of the independent variables on the dependent variable.

Table 23: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.051	.143		.284	.740
Product Diversification	.381	.141	.534	5.506	.016
Strategic Alliances	.312	.091	.251	2.876	.017
Employee Training and development	.237	.174	.168	2.264	.065
Differentiation strategy	.274	.163	.253	3.073	.087

Table 23 shows the overall significant test results for the hypothesized research model.

The interpretations of the findings indicated follow the following regression model.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$$

Therefore,

$$Y = 0.051 + 0.381 X_1 + 0.312 X_2 + 0.237 X_3 + 0.274 X_4$$

According to the intercept (β_0), when the four independent variables are held constant, the performance of county pension fund was 0.051. Also, holding all other independent variables constant, increasing the p-product diversification unit would result in a Kenya County Pension Fund score of 0.381. Furthermore, holding other independent variables constant, an increase in the share of strategic alliances would give the Kenya County Pension Fund a score of 0.312. Furthermore, holding all other variables constant, a unit increase in employee training and development would result in a Kenya District Pension Fund score of 0.237. Finally, holding all other variables constant, increasing the unit of the diversification strategy would result in a return of 0.274 for the Kenya Pension Fund. Based on these findings, it can be concluded that p-product diversification had the greatest impact on the performance of the Kenya District Pension Fund.

This was followed by strategic alliances, employee training and development, and differentiation strategy in that order.



CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a detailed summary of the main results of the actual study; it then draws conclusions and discusses the implications of those findings. Finally, some recommendations and suggestions for areas for further research are presented. The impact of corporate response strategies on the performance of the Kenya District Pension Fund.

5.2 Summary of Major Findings

The purpose of the study was to summarize the most important research findings. The summary was classified in the form of specific objectives.

5.2.1 Product diversification on performance at County Pension Fund, Kenya

Based on the analysis, the research results revealed that entering a new market increased the number of customers. The results also showed that the company entered new market segments and diversification enabled the organization to target new customers in new market segments. The results also showed that the company is diversifying by developing new products, and the development of new products has enabled the organization to better meet the needs of customers. The results also showed that the organization responds to customer needs by developing new products. These results indicated that product diversification affects the performance of the Kenya County Pension Fund.

5.2.2 Strategic alliances on performance at County Pension Fund, Kenya

The research results showed that the organizing company cooperates with other organizations to achieve mutually compatible goals. The results also showed that

creating alliances with other organizations enabled the organization to better serve the market. The results showed that the organization collaborates with other companies to use technology in their operations. Thanks to strategic alliances, the organization has increased the scope of operations, and thanks to strategic alliances, the organization has significantly reduced operating costs. The results also showed that savings increased the efficiency of the company's operations. These results showed that strategic alliance affects the performance of Kenya County Pension Fund.

5.2.3 Influence of employee training and development on performance of County Pension Fund.

Based on the analysis of personal training and development, it became clear that new skills are acquired by training employees in the organization. The training improved customer complaint handling skills. In addition, the results showed that the training received improved interpersonal skills. The results further showed that the training increased the knowledge of the organization's core process. The results further showed that training increased our ability to handle demanding tasks. The overall result showed that employee training and development affects the performance of the Pension Fund of Kenya.

5. 5.4 Influence of differentiation on performance of County Pension Fund.

The results also showed that the organization offers unique products to its customers. The organization gained a competitive advantage by offering unique products to customers. In addition, the findings showed that the organization met customer expectations by offering a variety of products. Furthermore, the results showed that the products were priced competitively and the organization charged a

relatively lower price for its products compared to its competitors. The results also showed that the organization's products are under different brands, and the differentiation strategy requires the creation of unique products for the organization. The overall result showed that the diversification strategy has an impact on the performance of the Pension Fund of Kenya.

5.5.5 Performance of County Pension Fund, Kenya

The results also showed that customers are satisfied with the organization's service delivery and their response strategies enable the organization to work effectively. In addition, the findings showed that organizational response strategies enabled improved fund profitability in the Kenya County Pension Fund.

5.3 Conclusions

Based on the results, the study shows that there was a moderate positive and statistically significant correlation ($r = 0.579$; $p < 0.05$) between product diversification and performance in Kenya County Pension Fund. This means that product diversification will improve the performance of the Kenya County Pension Fund. The study shows that there was a moderate positive and statistically significant correlation ($r = 0.568$; $p < 0.05$) between the strategic alliances of the Kenya County Pension Fund. This means that strategic alliances will improve the performance of the Kenya County Pension Fund. The study shows that there was a moderate positive and statistically significant correlation ($r = 0.5718$; $p < 0.05$) between employee training and performance development in Kenya Pension Fund. This means that staff training and development will improve the performance of the Kenya County Pension Fund. The study shows that there was a moderate positive and statistically significant correlation ($r = 0.594$; $p < 0.05$) between the

diversification strategy of Kenya County Pension Fund. This means that the diversification strategy will improve the performance of the Kenya Pension Fund. of.

5.4 Recommendations

Based on the results of the study, the researcher recommends increasing the number of customers when entering new markets. The company must open new market segments and diversify so that the organization can target new customers in new market segments. The company must diversify by developing new products and developing new products so that the organization can meet the needs of the customers. The organization must respond to customer needs by developing new products. The study recommends that an organization collaborate with other organizations to achieve mutually compatible goals. The study also recommends alliances with other organizations so that the organization can better serve the market. An organization must collaborate with other companies to use technology in their operations. The organization must have strategic alliances to increase the scope of operations and significantly reduce operating costs due to the efficiency of the company's operations.

The study also recommends that the organization train employees in new skills to improve customer complaints handling. Training improves interpersonal skills and increases knowledge, which is a key process in an organization. The training also increases the ability to handle demanding tasks, which improves the performance of the Kenya Pension Fund. The study suggests that the organization should provide unique products to the customer to gain a competitive advantage by providing unique products to the customers. The study also suggests that the organization should meet customer expectations by offering distinctive products at a price, the products should be competitive and pay for their products compared to their

competitors. The products of the organization should have different brands and differentiation strategy to create unique products in the organization that will affect the operations of Kenya County Pension Fund.

5.5 Suggestion for further Studies

This study suggests that future research should be conducted to establish product diversification strategies for the performance of the Pension Fund of Kenya.



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APPENDICES

Appendix 1: Informed Consent Form

Dear Sir/Madam,

RE: REQUEST FOR YOUR CONSENT TO PARTICIPATE IN A RESEARCH

I kindly write to request for you to participation in a research project. The study title is:. INFLUENCE OF CORPORATE RESPONSE STRATEIES ON PERFORMANCE OF COUNTY PENSION FUND, KENYA

The potential risks and discomforts of the study are minimal. This is because you will only be expected to participate in the questionnaire. Before filling the questionnaire, all respondents will be reminded and requested to keep what is discussed to be confidential. There are no potential benefits for you as a person for participating in this study. I am requesting you to volunteer and share your opinions. No payments will be made for the information that you give or for the time that you will spend with us. Confidentiality of any information that you provide will be maintained. Data collected will only be used for the purpose of this study and will be destroyed when the findings are published.

PARTICIPATION IN THIS STUDY IS ENTIRELY VOLUNTARY.YOU MAY REFUSE TO FILL THE QUESTIONNAIRE AND YOU MAY WITHDRAW AT ANY STAGE IF YOU SO WISH.I f you accept to participate in this study, please append your signature below:

Signature of participant..... Date:

If you have any query, please contact the following: Mobile phone: +254702116291 or by email @gmail.com

Sincerely,

Mary Christmas Wambile

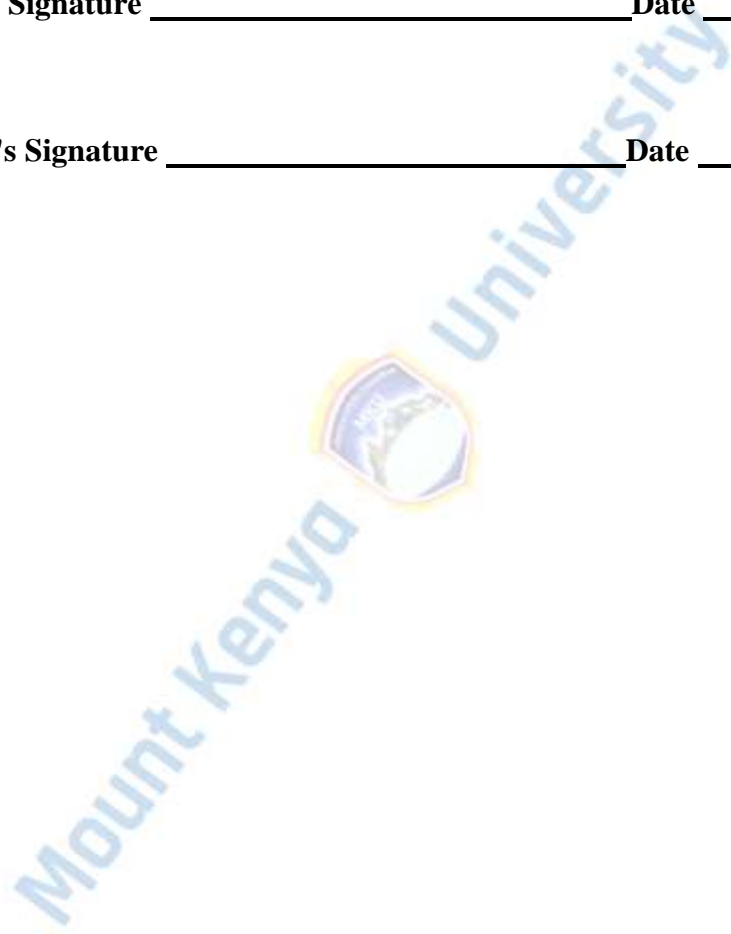
RESEARCHER

CONSENT

I have carefully reviewed the provided details, comprehended the information, and had the chance to seek clarification. I acknowledge that my involvement in this study is entirely voluntary, and I retain the freedom to withdraw at any point, without the need to provide a justification and without incurring any expenses. I am aware that I will receive a copy of this consent form. With full understanding, I willingly consent to participate in this study.

Participant's Signature _____ **Date** _____

Investigator's Signature _____ **Date** _____



Appendix II: Questionnaire

Please answer all the questions in all the sections as indicated by either ticking or filling in the blank space provided.

Section A: Background Information

(please put an X in relevant box)

Name (Optional).....

1. What is your age bracket?

- 20-30 years []
- 31-40 years []
- 41-50 years []
- Above 50 years []

2. Which is your highest academic level?

- Primary certificate []
- Secondary certificate []
- College diploma []
- University Graduate []
- Post graduate []

3. How long have you been working in your current organization?

- Less than 1 year []
- 1-5 years []
- 5-10 years []
- Above 10 years []

Section B: Product Diversification on Performance At CPF

4. Indicate how much you agree or disagree with the following statements about the impact of product diversification on CPF's performance response strategy. Use a scale of 1-5, where 1 = disagree, 2 = disagree, 3 = undecided, 4 = agree, and 5 = strongly agree.

Product Diversification	1	2	3	4	5
Diversification enabled our company to enter new markets					
Entering new markets increased our customer base					
The company entered new market segments through diversification					
our organization was able to target new customers new market segments					
Development of new products has helped us better meet customer needs					
We meet customer needs by developing new products					

5. How do you think product diversification affects CPF performance?

Section C: Strategic Alliance on Performance At CPF

Indicate how much you agree or disagree with the following statements about the impact of strategic alliance on CPF performance. Use a scale of 1-5 where 1 = disagree, 2 = disagree, 3 = undecided, 4 = agree, and 5 = strongly agree.

Strategic Alliances	1	2	3	4	5
Our company cooperates with other organizations to achieve mutually compatible goals					
Forming alliances with other organizations has helped us better serve the market					
We cooperate with other companies to use technology in our operations					
We have increased our operations through strategic alliances					
Our organization has significantly reduced operating costs due to strategic alliances					
Cost reduction has increased the efficiency of our company's operations.					

6. How do you think the strategic alliance will affect CPF's performance?

.....

Section D: Employee Training and Development on Performance At CPF

Please indicate how much you agree or disagree with the following statements about the impact of employee training and development on CPF's performance response strategy Use a scale of 1-5 where 1 = strongly disagree, 2 = disagree, 3 = not sure, 4 = agree and 5 = strongly agree.

Employee Training	1	2	3	4	5
New skills are acquired through training the employees of our organization					
The training has improved our skills in handling customer complaints					
The training received has improved our communication skills with customers					
The organization has increased the knowledge of employees through training					
The training increased our knowledge of the core processes of the organization					
The training increased our ability to handle demanding tasks					

6. How do you think employee training and development affects CPF performance?

.....

.....

Section E: Differentiation on Performance At CPF

7. Indicate how much you agree or disagree with the following statements about the impact of differentiation on the CPF's response strategy. Use a scale of 1-5 where 1 = strongly disagree, 2 = disagree, 3 = not clear, 4 = agree and 5 = strongly agree.

Differentiation strategy	1	2	3	4	5
Our organization offers unique products to customers					
We have gained a competitive advantage by providing unique products to customers					
We satisfy customer expectations by offering a variety of products					
Our products are competitively priced					
Our products are different brands					
Our products come in different brands					
Differentiation strategy means creating unique products within our organization					

8. How do you think diversification affects CPF performance?

.....

.....

.....

Section F: Performance At CPF

Please indicate how much you agree or disagree with the following statements about how the CPF works Use a scale of 1-5 where 1 = strongly disagree, 2 = disagree, 3 - undecided, 4 = agree and 5 = strongly agree, agree..

Performance	1	2	3	4	5
Our customers are satisfied with our service delivery					
Employees of our organization have a positive moral reputation workplace condition					
Our response strategies allow us to work effectively					
Our response strategy allows us to improve profitability of funds					

Appendix III: ERC Clearance



REF: MKU/ISERC/3741

Date: 29 May 2024

TO: MARY CHRISTMAS WAMBILE

REG: MBA/2023/44857

Dear Sir/Madam,

RE: INFLUENCE OF CORPORATE RESPONSE STRATEGIES ON PERFORMANCE OF COUNTY PENSION FUND IN NAIROBI COUNTY, KENYA

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **2785**. The approval period is **29/05/2024 - 28/05/2025**.

This approval is subject to compliance with the following requirements;

- i. Only approved documents including informed consents, study instruments, MTA will be used
- ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **Mount Kenya University** within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
- vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely,

The Chairman
Mount Kenya University
Ethics Review Committee
P.O. Box 342-01000, Thika

Dr. Alfred Owino, PhD

Chairman, Mount Kenya University ISERC

Appendix IV: Introductory Letter



DIRECTORATE OF GRADUATE STUDIES

MBA/2023/44857

30th May, 2024

*National Commission for Science Technology & Innovation (NACOSTI)
Off Waiyaki Way, Upper Kabete,
P.O Box 30623- 00100
NAIROBI, KENYA*

Dear Sir/Madam,

RE: MARY CHRISTMAS WAMBILE - REGISTRATION NO. MBA/2023/44857


The purpose of this letter is to introduce the above named student who is pursuing **Master of Business Administration** in the department of **Accounting and Finance** in the school of **Business and Economics**.

The title of the research is "**Influence of Corporate Response Strategies on Performance of County Pension Fund in Nairobi County, Kenya.**" It has been cleared by the University's Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **June, 2024 and August, 2024**.

Any assistance accorded to the student will be highly appreciated.

Thank you.

Mount Kenya University
P. O. Box 342 - 01000, THIKA
Office of the Director
Graduate Studies


Dr. Samuel M. Kaienga PhD
Director, Graduate Studies
Enc.

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013 (Rev. 2014)
Legal Notice No. 108: The Science, Technology and Innovation (Research Licensing) Regulations, 2014

The National Commission for Science, Technology and Innovation, hereafter referred to as the Commission, was established under the Science, Technology and Innovation Act 2013 (Revised 2014) herein after referred to as the Act. The objective of the Commission shall be to regulate and assure quality in the science, technology and innovation sector and advise the Government in matters related thereto.

CONDITIONS OF THE RESEARCH LICENSE

1. The License is granted subject to provisions of the Constitution of Kenya, the Science, Technology and Innovation Act, and other relevant laws, policies and regulations. Accordingly, the licensee shall adhere to such procedures, standards, code of ethics and guidelines as may be prescribed by regulations made under the Act, or prescribed by provisions of International treaties of which Kenya is a signatory to
2. The research and its related activities as well as outcomes shall be beneficial to the country and shall not in any way:
 - i. Endanger national security
 - ii. Adversely affect the lives of Kenyans
 - iii. Be in contravention of Kenya's international obligations including Biological Weapons Convention (BWC), Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), Chemical, Biological, Radiological and Nuclear (CBRN).
 - iv. Result in exploitation of intellectual property rights of communities in Kenya
 - v. Adversely affect the environment
 - vi. Adversely affect the rights of communities
 - vii. Endanger public safety and national cohesion
 - viii. Plagiarize someone else's work
3. The License is valid for the proposed research, location and specified period.
4. The license any rights thereunder are non-transferable
5. The Commission reserves the right to cancel the research at any time during the research period if in the opinion of the Commission the research is not implemented in conformity with the provisions of the Act or any other written law.
6. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research.
7. Excavation, filming, movement, and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
8. The License does not give authority to transfer research materials.
9. The Commission may monitor and evaluate the licensed research project for the purpose of assessing and evaluating compliance with the conditions of the License.
10. The Licensee shall submit one hard copy, and upload a soft copy of their final report (thesis) onto a platform designated by the Commission within one year of completion of the research.
11. The Commission reserves the right to modify the conditions of the License including cancellation without prior notice.
12. Research, findings and information regarding research systems shall be stored or disseminated, utilized or applied in such a manner as may be prescribed by the Commission from time to time.
13. The Licensee shall disclose to the Commission, the relevant Institutional Scientific and Ethical Review Committee, and the relevant national agencies any inventions and discoveries that are of National strategic importance.
14. The Commission shall have powers to acquire from any person the right in, or to, any scientific innovation, invention or patent of strategic importance to the country.
15. Relevant Institutional Scientific and Ethical Review Committee shall monitor and evaluate the research periodically, and make a report of its findings to the Commission for necessary action.

National Commission for Science, Technology and
Innovation(NACOSTI),
Off Wariyaki Way, Upper Kabete,
P. O. Box 30623 - 00100 Nairobi, KENYA
Telephone: 020 4007000, 0713788787, 0735404245
E-mail: dg@nacosti.go.ke
Website: www.nacosti.go.ke

Appendix V: Similarity Index

