



Transformational Leadership and Performance of Public Sector Social Security Agencies in Kenya

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Abstract

The performance of public sector social security in Kenya has not been adequate and many are facing dismal performance trends in the performance of social security. The purpose of the study was to examine the effect of transformational leadership on the performance of public sector social security agencies in Kenya. The study was anchored on transformational leadership theory. A positivist research philosophy was utilized in the study. The study adopted a correlational research design. The target population of the study was 176 public sector social security agencies in Kenya. The study purposively selected two managers from each of the 176 public sector social security agencies, resulting in a sample size of 352 participants. SPSS version 26 was used in the analysis of the data. The quantitative data from the closed-ended questions was analyzed using descriptive and inferential statistics. The data was presented using tables and graphs. The correlation results showed that transformational leadership is positively and significantly associated with performance ($r = 0.770$, $p=0.000$). Regression coefficient analysis revealed that for every one-unit increase in transformational leadership, performance is expected to increase by 0.703 units, holding other factors constant. The study concluded that transformational leadership has a significant effect on performance of public sector social security agencies in Kenya. The study recommends that the management should adopt a transformational leadership style to enhance the performance of the agency. This can include seeking differing perspectives from employees, encouraging innovation and creativity, offering support and empowerment, promoting problem-solving, meeting employee needs, delegating tasks, fostering diversity, treating individuals as unique, delegating authority and sharing information. In addition, there is the need of encouraging cooperation, instilling belief in positive impact, taking risks, complying with organizational values, earning trust and respect, modeling ethical behavior, aligning behavior with organizational goals, and encouraging a high-performance culture.

Keywords: *Transformational leadership, performance, public sector social security agencies, Kenya.*

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1.0 Background of the Study

Globally, one of the fundamental global problems facing social security today is that more than half of the world's population (workers and their dependents) are excluded from any social security protection (Galli, 2019). In Kenya, state agencies' performance of social security has not been adequate (Gatuku, 2020). In 2020, Retirement Benefits Authority stated that state-linked entities failed to remit Sh33.25 billion in pension contributions, leaving workers exposed (RBA, 2020). Moreover, the authority noted that the total unremitted retirement benefit dues stood at Sh35 billion in 2020 (RBA, 2020). Although the government has put in place actions to focus on national social security to assist it to realize its vision 2030 objectives, there is a demand to deal with the challenges faced in the arrangement of safety solutions, particularly by the state companies and also measure progress made in those campaigns to make certain efficiency and satisfy the goals and purposes. Performance of the state agencies in the administration of social security services can form a foundation for having a more sustainable society. Social Security provides a foundation of income that workers can build to plan for their retirement (Scruggs, Zimmermann & Jeffords, 2019).

Social security provides valuable social insurance protection to workers who become disabled and to families whose breadwinner dies (Ahmed & Ndyali, 2018). Everybody deserves social security. Through the performance of social welfare or aid, states must ensure security for everybody, precisely one of the most at-risk participants of culture, in the event of joblessness, accident, illness, disability, seniority, or various other such life scenarios (Kansiime, Tambo, Mugambi, Bundi, Kara & Owuor, 2021). The transformational leadership could effectively enhance the provision of social security by state agencies in Kenya. Transformational leadership is specified as the degree to which a leader appreciates staff member effort and functions as a good example by encouraging workers to welcome brand-new ways of making points to respond to future dangers and possibilities (Buil, Martínez & Matute, 2019). A transformational leader is an individual with the capacity to determine the distinct capabilities of the staff member in the organization and acknowledge their contribution to the direction of organizational objectives (Ngala & Matimbwa, 2021). Individualized Consideration, inspirational motivation, intellectual stimulation and individualized consideration are the four essential elements of transformational leadership (Kahuari, Muraguri & Kinyua, 2019; Yatim, et l., 2019, Zakayo, 2017).

Idealized influence is a way of saying transformational leaders are role models and these leaders have to set examples for others to follow, not merely mouth a set of ideas that they do not adhere to themselves (Ndirangu, 2018). It is noted by Ouliaei, Soltani, Foroughi and Asri (2017) that idealized influence involves charismatic role modeling through which a transformational leader demonstrates his or her determination to achieve organizational goals, thereby acting as a personal example for followers. As a result, the leader gains followers' respect, admiration and trust. Idealized influence is created through the employees seeing the leader as a role model (Tran, 2019). Inspirational motivation means that leaders can inspire and motivate teams through their behavior and actions (Salamzadeh, Kianmanesh & Vahidi, 2019). Kahuari, Muraguri and Kinyua (2019) indicate that inspirational motivation can achieve this by involving teams in the planning process and communicating what expectations are subjected to them. Inspirational Motivation is the degree to which a leader articulates an appealing vision that inspires and motivates others to perform beyond expectations. Leaders who use inspirational motivation have high standards and

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expectations for their followers. Employees want leaders to impart a vision that is appealing and worthwhile (Ngala & Matimbwa, 2021; Zanker, Mosler Vidal & Sturge, 2017).

Intellectual stimulation is critical to the success of a transformational leadership model and leaders need to include the team when addressing issues of the organization (Salamzadeh, Kianmanesh & Vahidi, 2019). The team can help identify problems and should then be part of figuring out solutions for them. Intellectual stimulation involves arousing followers' thoughts and imagination, as well as stimulating their ability to identify and solve problems creatively (Ouliaei, Soltani, Foroughi & Asri, 2017). Chen and Cheung (2017) note that intellectual stimulation is the extent to which transformational leaders challenge assumptions, take risks and solicit followers' ideas. Individualized consideration is that each person is important and that importance is illustrated by the leader's attention, whether acting as a coach or mentor, to help them grow (Amin, 2016). Individualized consideration is the extent to which a leader attends to each follower's needs and is a mentor, coach, or guide to the follower (Cain, 2018). This leader listens to the concerns and needs of each follower and provides support and is empathic to each person's situation and background (Zhang, et l. 2019). Transformational leadership is concerned with changing or modifying organizational systems to accommodate the vision rather than working within the limitations of the existing system (Dvir, Eden, Avolio, & Shamir, Avollo, Shamir, 2017; Center for Creative Leadership, 2014).

1.1 Statement of the Problem

The performance of public sector social security in Kenya has not been adequate and many are facing dismal performance trends in the performance of social security (RBA, 2020). The management of social security by some state agencies has been accused of the issue of low coverage and not affordability. In 2020, Retirement Benefits Authority stated that state-linked entities failed to remit Sh33.25 billion in pension contributions, leaving workers exposed (RBA, 2020). Moreover, the authority noted that the total unremitted retirement benefit dues stood at Sh35 billion in 2020 (RBA, 2020). Moreover, the government's commitment to social protection remains low and spends about 0.4 percent of the GDP (Kenya Social Protection Sector Annual Report, 2020). In many scenarios, NSSF has received complaints from retirees about delays in processing their claims to receive their benefits after retirement (Odongo, 2019). There have been erroneous benefit payments and delays in processing backlogs of earnings reports due to leadership style deficiencies that have received widespread public attention and criticism (Ouma & Gichinga, 2019).

According to the other previous studies reviewed, the knowledge gap arising from the conceptual, contextual, and methodological has been recognized. In Nairobi City County, Kahuari, Muraguri, and Kinyua (2019) examined how transformational leadership practices affected Huduma Centre performance. The study only covered Huduma Centres, creating a context gap. Furthermore, Ndirangu (2018) investigated how transformational leadership affects employee performance in Kenyan non-governmental organizations. A quasi-experimental study design created a methodological gap. Corporate governance and state corporation performance in Kenya were also examined by Abdi and Minja (2018). The study focused on corporate governance, creating a conceptual gap. Ngala and Matimbwa (2021) used a descriptive survey design, while the current study will use a correlational design, creating a methodological gap. In addition, Getange (2020)

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examined how transformational leadership, organizational culture, regulatory framework, and state corporation performance in Kenya relate.

Ouliaei, Soltani, Foroughi, and Asri (2017) focused on psychological empowerment, while the current study will focus on transformational leadership, social security administration, and regulatory framework. Cain (2018) focused on employee turnover, while this study will focus on transformational leadership, social security administration, and regulatory framework, creating a conceptual gap. Abdirahman and Sagwa (2020) focused on universal health coverage sustainability, while the current study will focus on transformational leadership, social security administration, and regulatory framework. The presence of the knowledge gap could have been the reason why some state agencies' performance is inadequate. Thus, to address these gaps, the current study attempted to answer the question; does transformational leadership influence the performance of state agencies in Kenya?

1.2 Research Objective

To determine the effect of transformational leadership on performance of public sector social security agencies in Kenya.

1.3 Research Hypothesis

The study was guided by this null hypothesis;

H₀₁: Transformational leadership has no significant effect on performance of public sector social security agencies in Kenya.

2.0 Literature Review

2.1 Theoretical Review

It is a review of existing or self-developed theories about the research objectives (Aparicio, Bacao, & Oliveira, 2016). The study was anchored on transformational leadership theory. This theory, developed by James MacGregor Burns in 1978 and expanded upon by Bernard Bass in 1992, emphasizes the importance of empowering and involving team members in decision-making processes (Berkovich, 2016). According to this theory, transformational leaders encourage and motivate their followers to look beyond their own self-interests and work toward the organization's collective goals. Charisma, intellectual stimulation, individualized consideration, and inspirational motivation are all characteristics of transformational leaders (Galli, 2019). Transformational leaders can boost employee engagement, satisfaction, and commitment by giving their followers a sense of purpose and meaning. The theory of transformational leadership is relevant to the current study because of its potential impact on the performance of Kenyan social security agencies. These organizations can foster a work environment that encourages employee participation, collaboration, and innovative thinking by implementing transformational leadership practices (Buil, Martnez, & Matute, 2019). These leaders empower their teams and create a shared vision that aligns with the organization's objectives.

Employee participation in decision-making processes allows these leaders to tap into the diverse knowledge and expertise of their team members, resulting in higher levels of motivation, job satisfaction, and performance. The inclusion of transformational leadership as a variable in this

study aims to investigate the effect of this leadership approach on the performance of public sector social security agencies in Kenya. The study seeks to understand how leaders who inspire and empower their teams can positively impact the overall performance and effectiveness of these agencies by assessing the impact of transformational leadership. It is expected that the presence of transformational leadership will increase employee engagement, job satisfaction, and organizational commitment, which will contribute to improved performance outcomes.

Furthermore, by investigating the role of transformational leadership in the context of social security agencies, the study can raise awareness of the sector's unique challenges and opportunities. Social security agencies play an important role in ensuring citizens' welfare and protection, and effective leadership practices are critical to their success. Knowing the relationship between transformational leadership and agency performance can help inform strategies for improving leadership effectiveness, promoting employee engagement, and ultimately improving social security service delivery. Overall, transformational leadership theory provides a useful framework for understanding the potential impact of leadership practices on the performance of Kenya's public sector social security agencies. The study aims to contribute to the existing literature on leadership in the public sector by investigating the influence of transformational leadership and to provide practical insights for policymakers and organizational leaders seeking to improve the performance and effectiveness of social security agencies.

2.2 Empirical Literature Review

Salamzadeh, Kianmanesh, and Vahidi (2019) investigated the impact of transformational leadership style on the efficiency of social security management among employees at Sarmayeh Bank in Iran. The relationship between transformational leadership style and the efficiency of social security management was investigated using a descriptive research design. Employees from Sarmayeh Bank were among the study's target population. Questionnaires were used as research instruments to collect information from participants. The purpose of the study was to determine the impact of transformational leadership style on the efficiency of social security management in the bank. The study's findings indicated that transformational leadership has a positive effect on the efficiency of social security management. It fvisionary, team-centric, engaging, inspiring, inclusive, and collaborative leaders are more likely to contribute to the organization's efficient management of social security. The study concluded that transformational leaders can play a significant role in improving the efficiency of social security management.

Ahmad (2020) conducted research on the impact of transformational leadership on employee performance in Malaysia's public sector. With employee performance being a hot topic among academics and practitioners, the study sought to add to the management literature by investigating the relationship between transformational leadership and employee performance in the context of Malaysia's public sector. The data was collected from a public sector department using 286 questionnaires, and the data was analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM) with SmartPLS 3.3.2. According to the study's findings, transformational leadership had a significant positive impact on employee performance in Malaysia's public sector. Mangi et al. (2021) investigated the impact of transactional and transformational leadership on faculty motivation in public sector universities in Karachi. Faculty motivation has been identified as a critical concern for universities, as motivated faculty contribute to overall university

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performance. The study sought to investigate the relationship between motivation and transactional and transformational leadership styles, as well as their potential impact on motivation in public sector universities. Furthermore, the study compared the impact of these leadership styles on the levels of motivation of male and female faculty members. The study used a causal research design to investigate the relationship between transactional and transformational leadership and motivation. The study's participants were faculty members from public universities in Karachi. The study's findings supported the hypotheses, revealing a significant relationship between transactional and transformational leadership and faculty motivation in Karachi's public universities.

Abouraia and Othman (2017) conducted a study to investigate the relationship between transformational leadership, job satisfaction, organizational commitment, and turnover intentions among bank representatives in Jeddah, Saudi Arabia's financial market. The study is looking into how transformational leadership affects the psychological and behavioral outcomes of bank representatives in terms of job satisfaction and organizational commitment. A descriptive research design was used in the study, as well as a five-point Likert-scale questionnaire with 38 survey items divided into four components. The questionnaire was distributed to representatives from four different financial institutions using a simple and one-of-a-kind sampling strategy. A total of 300 questionnaires were distributed, and 181 were returned, yielding a response rate of 60.33 percent. The SPSS software package was used to analyze the collected data. The reliability of the questionnaire was evaluated and found to have a Cronbach's alpha coefficient of 0.85, indicating high internal consistency. The findings of the study lend strong support to the proposed significant and positive relationship between transformational leadership, job satisfaction, and organizational commitment among bank representatives. The findings also point to an inverse relationship between job satisfaction and turnover intentions, implying that higher levels of job satisfaction are linked to lower intentions to leave financial institutions.

Allozi et al. (2022) conducted a study to determine the impact of transformational leadership on job satisfaction in two countries, namely the UAE and Jordan. It also looks into the role of organizational commitment as a moderator in the relationship between transformational leadership and job satisfaction. A questionnaire survey administered to 314 participants from both countries served as the primary data source for this study. The collected data was analyzed using statistical data analysis techniques such as structural equation modeling and confirmatory factor analysis with SmartPLS. According to the study's findings, there are no significant comparative differences between the UAE and Jordan. However, transformational leadership was found to have a significant impact on job satisfaction. Organizational commitment, on the other hand, was found to have a negligible moderating effect on the relationship between transformational leadership and job satisfaction. It is important to note that the scope of this study is limited to the UAE and Jordan, limiting the generalizability of the findings to these two countries. Asefa et al. (2023) conducted a study to investigate the impact of transformational leadership on organizational performance in Ethiopia's public sector. The researchers conducted a systematic literature review to gather relevant knowledge on transformational leadership constructivism and its implications for organizational performance. The study established the theoretical foundations of transformational leadership through a thorough review and thematic content analysis of existing literature and research papers.

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Ngala and Matimbwa (2021) conducted research to investigate the factors that improve the effectiveness of pension payment management in Tanzania. This study specifically sought to investigate the impact of management style, ICT use, and staff quality on the effectiveness of pension payment management. The study was a census study, so obtaining a specific sample size was unnecessary. A descriptive survey design was used, and participant characteristics were presented on tables, figures, and charts using frequencies and percentages. According to the study's findings, management style, ICT use, and staff quality all improve the effectiveness of pension payment management. According to the study, one of the fundamental management styles that increased the effectiveness of pension payment management was transformational leadership. To improve the effectiveness of pension payment management, the study recommended that an effective management style, such as transformational leadership, be used.

Furthermore, Kahuari, Muraguri, and Kinyua (2019) investigated the impact of transformational leadership practices on the performance of Huduma Centres in Nairobi City County, Kenya. The study's findings revealed a significant positive relationship between transformational leadership and Huduma Centre performance in Nairobi City County, Kenya. This implies that leaders who demonstrate transformational leadership practices, such as encouraging and motivating subordinates, promoting innovation, and creating a supportive work environment, contribute to improved performance within the Huduma Centres. The study adds to the existing body of knowledge by emphasizing the importance of transformational leadership in improving the performance of public service delivery centers such as the Huduma Centres. Leaders can effectively drive organizational performance and promote the delivery of quality services to the public by employing leadership practices that inspire and empower employees. It is important to note that this study was limited to Huduma Centres in Nairobi City County, Kenya.

2.3 Conceptual Framework

A conceptual framework is a diagrammatical representation that shows the relationship between independent and dependent variables (Creswell, 2014). Figure 1 presents the conceptual model

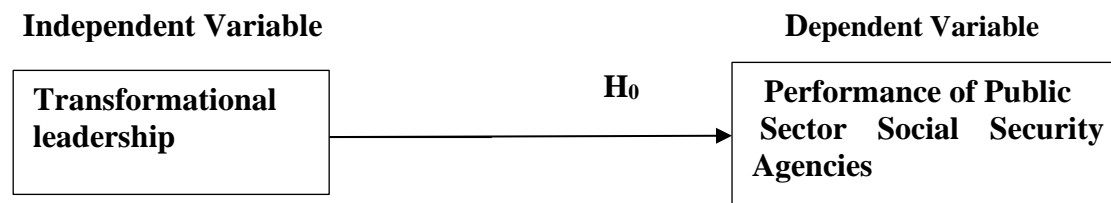


Figure 1: Conceptual Model

Source: Researcher 2023.

3.0 Research Methodology

Positivism research philosophy was utilized in this study. A positivism research philosophy was utilized in the study since quantitative data was collected through use of questionnaires. The philosophy emphasized the testing of a hypothesis to examine a relationship between variables. This study used correlational research design. A correlational research design explores relationships between two variables (or more) without the researcher regulating or interfering any

of them (Seeram, 2019). The study included all 176 state agencies in Kenya as the target population. The study did a census. The study purposively picked two managers (one manager from the top management level and another from the middle management level) from each of the 176 public sector social security agencies in Kenya. Thus, the sample was 352 managers. The study had two research assistants who were responsible for administering the questionnaires to 352 respondents. The questionnaire was developed using the reference to the study objectives. It was structured with a 5-point type Likert scale. The decision to use a 5-point Likert scale in the questionnaires was carefully considered and justified by the objectives of the study. A 5-point scale was chosen because it offers a balance between capturing respondents' attitudes and keeping the questionnaire simple enough to encourage completion. SPSS version 26 was used in the analysis of the quantitative data. The quantitative data from closed-ended questions was analyzed using descriptive and inferential statistics. The descriptive statistics included mean and standard deviation. The inferential statistics included correlation and regression analysis.

4.0 Results and Discussions

The study results are presented in sections.

4.1 Response Rate

The study involved a total sample size of 352 managers, encompassing top and middle management levels. From this sample size, data was successfully collected from 151 top management level managers and 168 middle management level managers. The summary of the response rate is depicted in Table 1.

Table 1: Response Rate

	Targeted respondents	Response (Those responded)	Percentage
Managers from top management level	176	151	85.80
Managers from middle management level	176	168	96.02
Total	352	319	90.63

Source: Study Data (2023)

Table 1 shows that managers from top management and middle management levels had response rates of 85.80% and 96.02%, respectively, with an average response rate of 90.63%. This response rate is considered suitable for analysis, as various sources support different thresholds for adequate response rates. Ahmad and Halim (2017) argue that response rates above 60% are sufficient, while Freiman, Chalmers, Smith, and Kuebler (2019) suggest that a response rate over 50% is satisfactory. Hendra and Hill (2019) propose that a response rate above 70% is adequate. Given these perspectives, the response rate in this study, which exceeds 80% for all respondent categories (top and middle management level managers), is appropriate for analysis and inference-making.

4.2 Descriptive Statistics

The descriptive statistics of transformational leadership is presented in Table 2. The inclusion of these descriptive statistics allows for a better understanding of the data, shedding light on the central tendency and variability of the responses to each statement.

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Table 2: Descriptive Statistics of Transformational leadership

Statements	N	Mean	Std. Deviation
The management always seek differing perspectives from employees when solving problem	319	2.12	1.00
The management always encourage all the employees to be innovative and creative	319	1.92	1.09
The management are always ready to offer any support and empower staff to enable them to perform tasks effectively	319	1.97	0.95
The management always encourage employees to solve problems arising from the place of work	319	2.32	1.03
The management always ensure the needs of all employees in the agency team are well taken care of	319	2.11	1.18
The management is willing to delegate some of the tasks to the juniors staff members	319	2.03	1.10
The management ensures there is a diversity of employees in the departments	319	2.20	1.17
The management treats every member in the agency as an individual rather than members of a group	319	2.28	1.12
Authority is delegated to enable employees act on their own.	319	2.24	1.21
Information is widely shared so that everyone can get the information he/she needs	319	2.18	1.20
Cooperation across different levels of the organization is actively encouraged.	319	1.97	1.04
Everyone believes he/she can have a positive impact on the organization	319	2.28	1.03
The management is willing to take risk	319	2.11	0.98
Leadership comply with organizational core values and set ideals.	319	2.22	1.16
Leadership are trusted and respected within the organization	319	2.20	1.13
Leadership portray and encourage ethical behaviour within the organization	319	1.87	1.11
Leadership within the organization models exemplary behaviour aligned to organizational goals	319	2.12	1.12
Leadership within the organization encourage employees to exert high performance culture.	319	2.25	1.11
Average		2.13	1.09

Source: Study Data (2023)

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Table 2 provides an overview of the descriptive statistics of 18 statements related to transformational leadership. The mean and standard deviation were calculated for each statement, based on the responses given by the participants on a 5-point Likert scale. The first statement, "The management always seek differing perspectives from employees when solving problems," had a mean score of 2.12 and a standard deviation of 1.00. This suggests that the management does not consistently seek different perspectives from employees when solving problems. This could lead to a lack of diversity in ideas and potential solutions. The second statement, "The management always encourages all the employees to be innovative and creative," had a mean score of 1.92 and a standard deviation of 1.09. This indicates that the management does not consistently encourage innovation and creativity among employees. This could result in missed opportunities for the organization to develop new ideas and products. The third statement, "The management is always ready to offer any support and empower staff to enable them to perform tasks effectively," had a mean score of 1.97 and a standard deviation of 0.95. This suggests that the management is moderately supportive of staff and their tasks, but there may be room for improvement.

The fourth statement, "The management always encourages employees to solve problems arising from the place of work," had a mean score of 2.32 and a standard deviation of 1.03. This indicates that the management is relatively supportive of employees taking initiative in problem-solving, which could lead to a positive work environment. The fifth statement, "The management always ensures the needs of all employees in the agency team are well taken care of," had a mean score of 2.11 and a standard deviation of 1.18. This suggests that the management is moderately attentive to the needs of employees, but there may be opportunities for improvement. The sixth statement, "The management is willing to delegate some of the tasks to the junior staff members," had a mean score of 2.03 and a standard deviation of 1.10. This indicates that the management is moderately willing to delegate tasks to junior staff, but there may be room for improvement in empowering these staff members to take on more responsibility.

The seventh statement, "The management ensures there is a diversity of employees in the departments," had a mean score of 2.20 and a standard deviation of 1.17. This suggests that the management is moderately supportive of diversity in the workplace, but there may be opportunities for improvement. The eighth statement, "The management treats every member in the agency as an individual rather than members of a group," had a mean score of 2.28 and a standard deviation of 1.12. The ninth statement, "Authority is delegated to enable employees to act on their own," had a mean score of 2.24 and a standard deviation of 1.21. This suggests that the management is moderately supportive of employees acting on their own authority, but there may be room for improvement in empowering employees to make decisions. The tenth statement, "Information is widely shared so that everyone can get the information he/she needs," had a mean score of 2.18 and a standard deviation of 1.20. This indicates that the management is moderately supportive of information sharing, but there may be opportunities for improvement in communication and transparency.

The eleventh statement, "Cooperation across different levels of the organization is actively encouraged," had a mean score of 1.97 and a standard deviation of 1.04. This implies that there is room for improvement in terms of fostering cooperation across different levels of the organization.

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The twelfth statement, "Everyone believes he/she can have a positive impact on the organization," had a mean score of 2.28 and a standard deviation of 1.03. This indicates that employees generally have a positive attitude towards their ability to make a positive impact on the organization. The standard deviation suggests that there is some variability in the level of belief in one's ability to make a positive impact among employees. The thirteenth statement, "The management is willing to take risk," had a mean score of 2.11 and a standard deviation of 0.98. The fourteenth statement, "Leadership comply with organizational core values and set ideals," had a mean score of 2.22 and a standard deviation of 1.16. The fifteenth statement, "Leadership are trusted and respected within the organization," had a mean score of 2.20 and a standard deviation of 1.13. This implies that most of the respondents disagreed that leadership are trusted and respected within the organization. However, the standard deviation suggests that there is some variability in how employees perceive the level of trust and respect for the leadership.

The sixteenth statement 12, "Leadership portray and encourage ethical behaviour within the organization," had a mean score of 1.87 and a standard deviation of 1.11. This indicates that there is room for improvement in terms of ethical behavior in the organization. The standard deviation suggests that there is some variability in how employees perceive the portrayal and encouragement of ethical behavior by the leadership. The seventeenth statement, "Leadership within the organization models exemplary behavior aligned to organizational goals," had a mean score of 2.12 and a standard deviation of 1.12. The eighteenth statement, "Leadership within the organization encourage employees to exert high performance culture," had a mean score of 2.25 and a standard deviation of 1.11. This indicates that majority of the respondents disagreed with the survey question. The average mean score across all statements is 2.13, which falls in Disagree (2) on the Likert scale. This suggests that overall, employees perceive the management's transformational leadership as relatively low in the organization. The average standard deviation for all statements is 1.09, indicating a moderate level of variability in responses. This means that opinions may differ among employees regarding management's performance in each aspect of transformational leadership.

The managers from both top and middle management levels acknowledged the impact of transformational leadership on the performance of social security state agencies. According to a top-level manager, "Transformational leadership has been essential in driving change and improving the performance of our agency. Our leaders have created a vision for the organization and communicated it clearly to employees. They have inspired and empowered us to work towards a common goal, and have provided us with the necessary support and resources to achieve it. This has led to improved motivation, engagement, and commitment among employees, which ultimately translates into better outcomes for our clients." A middle-level manager also highlighted the impact of transformational leadership, stating that "Our transformational leaders have created a culture of innovation and continuous improvement. They encourage employees to think creatively and take risks, which has led to the development of new and more efficient ways of delivering services. This has also improved communication and collaboration among employees, leading to better coordination and teamwork." Furthermore, another middle-level manager added, "Transformational leadership has improved the knowledge and expertise of our employees. Our

leaders provide us with opportunities for learning and development, which has improved our decision-making, problem-solving, and overall performance."

4.3 Correlation Analysis

The correlation analysis shows the movement/association of the variables. The positive correlation indicates variables move in the same direction, while the negative correlation implies the association among the variables moves in the opposite direction. There is no association when the correlation is zero. The reason for conducting the correlation analysis was to examine whether the independent variable (transformational leadership, social security administration and regulatory framework) correlates/associates with the dependent variable (Performance). The benefit of correlation analysis is to help determine which variables can be further investigated in the future since they associate. The study results of the correlation are summarized in Table 3.

Table 3: Correlation Analysis

		Performance	Transformational leadership
Performance	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Transformational leadership	Pearson Correlation	.770**	1.000

Source: Study Data (2023)

The correlation analysis presented in Table 3 demonstrates a strong positive relationship between Transformational leadership and performance ($r = 0.770$, $p=0.000$), which is statistically significant. In summary, these findings indicate that transformational leadership play significant roles in influencing organizational performance. Organizations that give priority to transformational leadership are more likely to attain superior levels of performance and potentially obtain a competitive edge in their respective industries.

4.4 Hypotheses Testing

Hypothesis testing is employed to ascertain the significance of the beta coefficients in a linear regression model. After running a linear regression model, a test can be performed to determine the significance of the line by assessing the significance of the coefficient. Hypothesis testing assesses the level of support from the sample data and offers a structure for making decisions about the population. The initial hypothesis under investigation was;

H₀₁: Transformational leadership have no significant effect on performance of public sector social security agencies in Kenya.

The regression results tested the hypothesis and was determined by the p-value. The summary of the model fitness results is presented in Table 4.

Table 4: Model Fitness for Transformational Leadership

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.770a	0.593	0.591	0.20565

a Predictors: (Constant), Transformational Leadership

Source: Study Data (2023)

Table 4 presents the model fitness results for the variable of transformational leadership. The results show that the linear regression model was statistically significant and had a high R-square value of 0.593. This means that 59.3% of the variance in performance can be explained by transformational leadership. The R-square value suggests that transformational leadership is a strong predictor of performance. In other words, as transformational leadership behaviors increase, performance is likely to improve. The adjusted R-square value of 0.591 indicates that the model is a good fit and that the independent variable of transformational leadership contributes significantly to the prediction of performance. The standard error of the estimate (0.20565) represents the average distance between the actual performance scores and the predicted scores from the model. A lower value of the standard error of the estimate indicates a better fit of the model. In this case, the standard error of the estimate is relatively low, which suggests that the model provides accurate predictions of performance based on transformational leadership. Hence, the model fitness results for transformational leadership indicate that it is a significant predictor of performance, and the model provides a good fit. Moreover, the analysis of variance (ANOVA) was determined and the study results are presented in Table 5. The rationale of conducting the ANOVA was to show whether transformational leadership are significant in explaining the performance. The ANOVA test is a way to find out if survey results are significant.

Table 5: Analysis of Variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.5	1	19.5	461.077	.000b
	Residual	13.407	317	0.042		
	Total	32.906	318			

a Dependent Variable: Performance

b Predictors: (Constant), Transformational Leadership

Source: Study Data (2023)

Table 5 presents the analysis of variance (ANOVA) results for the linear regression model of performance with transformational leadership as the predictor variable. The ANOVA table is used to determine whether the model is a good fit for the data and to test the significance of the predictor variable. The ANOVA table shows that the regression model was statistically significant ($F(1, 317) = 461.077, p < 0.01$). This means that the variance in performance scores can be significantly predicted by the predictor variable of transformational leadership. The sum of squares (SS) of the regression model was 19.5, indicating that transformational leadership explains a significant amount of the variation in performance scores. The residual sum of squares (SS) of 13.407

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indicates the amount of unexplained variance in performance scores. The total sum of squares (SS) of 32.906 represents the total variance in performance scores. The ANOVA table shows that the model explains a large portion of the variance in performance, as indicated by the high F-value of 461.077. The significance level of the F-test is also provided in the ANOVA table, with a p-value of 0.000, indicating that the model is statistically significant. This means that the probability of obtaining a result as extreme as this by chance is very low, suggesting that the relationship between transformational leadership and performance is significant and unlikely to be due to chance. The result of regressions of the coefficient of transformational leadership is presented in Table 6

Table 6: Regression coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	0.530	0.077		6.908	0.000
Transformational leadership	0.703	0.033	0.770	21.473	0.000

a Dependent Variable: Performance

Source: Study Data (2023)

The results can be summarized by the following model;

$$P = 0.530 + 0.703TL$$

Where; P = Performance of State Agencies; TL= Transformational leadership

Table 6 presents the regression coefficients for the linear regression model of performance with transformational leadership as the predictor variable. The regression coefficients provide information on the strength and direction of the relationship between the predictor variable and the outcome variable. The table shows that the constant term is 0.530, indicating that the expected value of performance when transformational leadership is zero is 0.530. The unstandardized coefficient for transformational leadership is 0.703, indicating that for every one-unit increase in transformational leadership, performance is expected to increase by 0.703 holding other factors constant. The t-value of 21.473 for transformational leadership is highly significant ($p < 0.01$), indicating that the relationship between transformational leadership and performance is not due to chance. The t-value represents the ratio of the estimated coefficient to its standard error and indicates the extent to which the estimated coefficient is different from zero. Therefore, the regression coefficients suggest that transformational leadership is a significant predictor of performance. These findings indicate that organizations could benefit from investing in developing transformational leadership behaviors among their leaders to enhance performance. The study found that the p value is less than 0.05 (0.000). Thus, the null hypothesis is rejected. Hence transformational leadership has a significant effect on performance of public sector social security agencies in Kenya.

5.0 Conclusion

The study found that although most respondents disagreed with most of the survey questions related to transformational leadership, there was a positive and significant association between transformational leadership and performance. The study concluded that transformational leadership has a significant effect on the performance of public sector social security agencies in Kenya. The study's findings are consistent with previous research in different contexts, indicating the importance of transformational leadership in enhancing organizational performance. The components of transformational leadership can include seeking differing perspectives from employees, encouraging innovation and creativity, offering support and empowerment, promoting problem-solving, meeting employee needs, delegating tasks, fostering diversity, treating individuals as unique, delegating authority, sharing information, encouraging cooperation, instilling belief in positive impact, taking risks, complying with organizational values, earning trust and respect, modeling ethical behavior, aligning behavior with organizational goals, and encouraging high performance culture.

6.0 Recommendations

The study recommends that the management should adopt a transformational leadership style to enhance the performance of the agency. This can include seeking differing perspectives from employees, encouraging innovation and creativity, offering support and empowerment, promoting problem-solving, meeting employee needs, delegating tasks, fostering diversity, treating individuals as unique, delegating authority, sharing information, encouraging cooperation, instilling belief in positive impact, taking risks, complying with organizational values, earning trust and respect, modeling ethical behavior, aligning behavior with organizational goals, and encouraging a high-performance culture. The findings of the research have significant implications for the relevant theories in this study. The first theory that is deemed relevant based on the research objectives is the transformational leadership theory. The findings suggest that transformational leadership is an important aspect of effective management in public sector social security agencies in Kenya. The study reveals that transformational leaders are able to inspire and motivate their employees to perform at their best, which in turn improves the overall performance of the organization. The study findings also suggest that transformational leaders are better able to navigate the complex regulatory environment and manage institutional pressures, which is crucial for public sector social security agencies. Therefore, the findings support the importance of transformational leadership theory in understanding effective management in public sector social security agencies.

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