Journal of Human Resource & Leadership

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ISSN: 2616-8421

Stratford Peer Reviewed Journals and Book Publishing
Journal of Human Resource & Leadership
Volume 7||Issue 4 ||Page 109-127||October|2023|
Email: info@stratfordjournals.org ISSN: 2616-8421

Mediating Effect of Social Security Administration on Relationship Between Transformational Leadership and Performance of Public Sector Social Security Agencies in Kenya

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How to cite this article: **Abdullahi, I. M., Ngui, T.& Keino, D. (2023). Mediating Effect of Social Security Administration on Relationship Between Transformational Leadership and Performance of Public Sector Social Security Agencies in Kenya.** ***Journal of Human Resource & Leadership, 7*** **(4), 109-127. https://doi.org/10.53819/81018102t5244**

Abstract

The management of social security by some state agencies has been accused of the issue of low coverage and not affordability. Thus, the purpose of the study was to examine the mediating effect of social security administration on relationship between transformational leadership and performance of public sector social security agencies in Kenya. The study was anchored on institutional theory. A positivist research philosophy was utilized in the study. The study adopted a correlational research design. The target population 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 in Kenya, resulting in a sample size of 352 participants. SPSS version 26 was used in the analysis of the data. The data was analyzed using descriptive and inferential statistics. The correlation results showed that social security administration is positively and significantly correlated with performance ($r = 0.796$, $p=0.000$). Social security administration plays a significant role in mediating the relationship between transformational leadership and performance in the public sector social security agencies in Kenya. The study concludes that social security administration encompasses several aspects, including having a clear vision and direction, inducing responsibility and technical expertise among employees. The study recommends that the management should prioritize having a clear vision and direction, instilling responsibility and technical expertise in employees. There is the need of maintaining an effective communication flow, promoting honesty and integrity, capitalizing on opportunities, prioritizing resource allocation based on urgency, investing financial resources wisely and keeping administration costs low. Social security agencies has to improve service delivery, communication and complaint platforms to be customer-centric. In addition, the government should develop a comprehensive social security policy for all citizens, including the informal sector.

Keywords: *Social security administration, transformational leadership, performance, public sector social security agencies, Kenya*

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 Iran, it is estimated that more than 45% of the workers, mainly in the informal sector and among seasonal labourers do not have any pension coverage (Doshmangir, Moshiri, Mostafavi, Alipouri Sakha & Assan, 2019). It was indicated by Baruti (2020) that Kosovo does not have typical social insurance institutions, although interest in insurance is rising. In South Asia, statutory social security personal coverage is estimated at 5 to 10 percent of the working population and, in some cases, is decreasing (Zanker, Mosler & Sturge, 2017). In most industrialized countries, such as USA and Europe, the social security coverage is close to 100 percent (Buğra, 2020). In Africa, the social security coverage is still low, with an average of 7% (Ndullah, 2019). The low social security coverage in Africa reflects the declining trend of formal employment on the continent. In South Africa, around 17.5 million out of 57 million South Africans receive social grants, the majority of which are children and the elderly, with little support for the unemployed (Fall & Steenkamp, 2020). Social assistance plays a critical role in reducing poverty inequality and protecting vulnerable households from economic shocks.

In Tanzania, Jin and Shah (2018) indicated that only around 7% of the entire population engages in social security programmes. Moreover, it was indicated that state agencies' performance of social security in Ghana stands at approximately 16% (Ayam, 2019). The government is responsible for creating an enabling regulatory framework for state agencies to enhance social security. Social security in Africa covers only a minority of the workforce. 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.

The study examined the mediating effect of social security administration on the relationship between transformational leadership and performance of public sector social security agencies in Kenya. Social security administration includes the overall management of an organization (Tran, 2019). Effective social security administration can be an essential factor in the provision of social security by organizations. Social security refers to policies and actions, including legislative measures, which enhance the capacity and opportunities for the poor and vulnerable to improve and sustain their lives, livelihoods and welfare. Poor administration can delay the processing of claims and poor record-keeping among social security providers (Chen & Cheung, 2017). Social Security is more than just a retirement program. It also provides important life insurance and disability insurance protection (Navar, Peterson, Steen, Wojdyla, Sanchez, Khan & Pencina, 2019). Social security administration can be influenced by transparency, accountability and resource prioritization in an organization (Garbiec, 2019). Transparent leadership means leading with openness and honesty. Social Security administration provides a foundation of income on which workers can build to plan for their retirement.

Social security provides valuable social insurance protection to workers who become disabled and to families whose breadwinner dies (Ahmed & Ndyali, 2018). Everyone has the right to social security. Transparent leaders keep their team in the loop, give out information freely and encourages open communication within their institutions (Zhang, Bai, Chen, Zhou, Yu, Zhou, & Chen, 2019). Efficiency in social security administration facilitates the organization to use the least inputs to achieve the highest output (Chen & Cheung, 2017). Accountability is accepting responsibility for the actions and being willing to own the outcomes of the choices, decisions, and actions made (Abdirahman & Sagwa, 2020). Being accountable means standing by decisions, actions, and the overall well-being of the organization's objectives. Accountability is a management process that ensures employees answer to their superiors for their actions and that supervisors behave responsibly (Chen & Cheung, 2017). An example of accountability is when an employee admits to an error made in an organization (Carmello, 2018). Administrative bottlenecks such as lack of transparency, accountability and poor record-keeping can delay providing social security (Chen & Cheung, 2017). Lack of incentive for the board has, in some cases, ill-motivated performance. Besides, nationwide coverage has led to extensive employment and considerable expenditures on building and infrastructure. Public social security schemes are not excluded from poor service delivery observed in many public institutions (Clasen, 2016). Poor record-keeping has resulted in difficulties for funds to track individual accounts or produce updated valuations of their assets. The lack of adequate record keeping provides an opportunity for corrupt practices (Tran, 2019).

Coverage of the social security includes the extent to which individuals have been entitled in the pension schemes (Jin & Shah, 2018). In some circumstances, the percentage of a worker's pre-retirement income is based on lifetime earnings. The amount of coverage in the social security retirement benefits vary depending on earnings (Ndullah, 2019). Social security coverage is a percentage of a worker's pre-retirement income based on lifetime earnings. It is noted by Abdirahman and Sagwa (2020) that the coverage of social security to self-employed workers in order to ensure social protection for workers in all types of employment has been identified as one key factor in increasing the coverage level. The affordability of the social security includes ensuring the majority of the Kenyans can afford to pay the funds (Bidaishiyeva, Nadirova, Kuldinova, Apakhayev, Khamzina & Buribayev, 2018). The affordability of social protection effectively and swiftly reduces inequality and poverty through transfers in cash and kind. A social security system needs to be affordable to ensure that benefits are effectively administered to all the individuals in a country (Odongo, 2019). Social security needs not only be desirable but also the affordable one (Abdi & Minja, 2018). Affordability depends on presence of the political will to reallocate available domestic and donor resources (Agunda, 2018; Ayam, 2019).

The performance of social security plays a critical role in reducing poverty, inequality and protecting vulnerable households from economic shocks (Jin & Shah, 2018). Through the performance of social welfare or assistance, states must guarantee protection to everyone, particularly those who are the most helpless in our society, in the event of unemployment, maternity, accident, illness, disability, old age or other such life circumstances (Kansiime, Tambo, Mugambi, Bundi, Kara & Owuor, 2021). According to the International Labour Organisation (2018), about 80 percent of the world's population has no access to formal social security beyond the possibilities presented by informal networks such as family, kinship groups or communities. The government is responsible for creating an enabling regulatory framework for state agencies to enhance social security. Social security in Africa covers only a minority of the workforce, and large segments of the labor force remain outside the reach of social security and are also not covered by any other forms of social security (Fraser, 2015). The performance of social security by state agencies in Kenya has not been adequate (Gatuku, 2020). In 2020, Retirement Benefits Authority noted that the total unremitted retirement benefit dues stood at Sh35 billion in 2020 (RBA, 2020). The commitment of the government toward social protection remains steady at 0.4 percent of GDP (Kenya Social Protection Sector Annual Report, 2020). The National Social Security Fund (NSSF) Act 2013 compels all employers, including the county government, to contribute to NSSF by the performances indicated in the Act. Hence, conducting of the study was worthy.

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) examined how transformational leadership, organizational culture, regulatory framework, and state corporation performance in Kenya relate. Organizational culture mediated, creating a conceptual gap.

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, social security administration and regulatory framework influence the performance of state agencies in Kenya?

1.2 Research Objective

To examine the mediating effect of social security administration on the relationship between transformational leadership and performance of public sector social security agencies in Kenya.

1.3 Research Hypothesis

H_0: Social security administration has no significant mediating effect on the relationship between transformational leadership and performance of public sector social security agencies in Kenya

2.0 Literature Review

The chapter presented the literature review. A literature review is a search and evaluation of the available literature according to the study objective (s). The section of the literature review included the presentation of a theory relevant to the study objective, empirical review and conceptual framework.

2.1 Theoretical Review

The study was anchored on institutional theory**.** The institutional theory, developed in the late 1970s by John Meyer and Brian Rowan, emphasizes the importance of accountability and transparency within organizations in order to improve efficiency (Dubey, Gunasekaran, Childe, Blome, & Papadopoulos, 2019). This theory is divided into three parts: regulative, normative, and cultural cognitive. The regulatory pillar emphasizes the use of guidelines, legislation, and sanctions as enforcement mechanisms, with experience-based conformity. Organizations are made up of cultural-cognitive and regulative elements that shape activities and resources and provide guidelines for collective living (Drori, 2019). The institutional theory emphasizes the impact of social and cultural pressures on institutions in shaping practices and frameworks (Munir, 2015). The institutional theory is relevant in the context of the research study because it describes how the institutional environment can influence social security administration systems. This theory offers valuable insights into the relationship between organizations and their environments, particularly in terms of social policies, norms, and values in management (Osman, Alwi, Mokhtar, Ali, Setapa, Muda, & Rahim, 2015). The study intends to investigate the extent to which social security administration supports the performance of state agencies by employing institutional theory. State agencies in Kenya have the potential to improve the performance of social security initiatives by adapting their social security administration practices. Policymakers and organizational leaders can improve performance outcomes by understanding the institutional pressures and expectations placed on organizations in the social security sector.

The institutional theory framework provides useful guidelines for analyzing the dynamics between organizations and their surroundings, with a particular emphasis on the social regulations, expectations, and values that act as sources of pressure on businesses. The study uses institutional theory to investigate the impact of these institutional factors on the performance of Kenya's public sector social security agencies. This analysis can help to broaden our understanding of the social and cultural influences that shape social security administration practices, as well as provide insights into the institutional framework in which these agencies operate. In conclusion, institutional theory provides a valuable lens for examining the influence of the institutional environment on social security administration and its impact on state agency performance. The study aims to provide insights into how social security administration can be improved to improve overall performance outcomes by taking into account social policies, norms, and values that shape organizational practices. With its emphasis on organizational responses to external pressures, the institutional theory framework informs the inclusion of the variable "social security administration" in the study and guides the analysis of the institutional dynamics within Kenya's social security sector.

2.2 Empirical Literature Review

Social security administration is the overall determination of policies and the establishment of broad programs aimed at meeting the organization's objectives (Beba & Church, 2020). Effective social security administration can be a significant factor in organizations' provision of social security. Poor administration can result in claims being processed late and social security providers failing to keep accurate records (Chen & Cheung, 2017). Administration efficiency allows the organization to use the fewest number of inputs to achieve the greatest amount of output. Administrative efficiency entails reducing the number of unnecessary resources used to produce a given output, such as personal time and energy (Kokhanovskaya, Fatykhova, Khachaturyan, & Khachaturyan, 2019). The accountability of employees, particularly those in managerial positions, can have a significant impact on the provision of social security by state agencies (Zhang, Bai, Chen, Zhou, Yu, Zhou, & Chen, 2019).

Sandhu, Alderwick, and Gottlieb's (2022) study investigates the financing strategies for social prescribing programs in England and the United States. The goal of social prescribing is to connect patients with nonmedical services and supports to address their social needs. In both countries, the number of such practices is growing, and policymakers are recognizing the need for explicit funding streams to support their implementation. Traditional health-care financing mechanisms were not designed to accommodate social prescribing practices, and flexible payment models may

https://doi.org/10.53819/81018102t5244

not be sufficient to facilitate their widespread adoption. As a result, policymakers are refocusing their efforts on creating specific funding streams for social prescribing programs. However, it is critical to assess the effectiveness of these financing strategies in promoting the acceptance and impact of these programs. The study emphasizes the importance of investing in community-based organizations and broader public services for social prescribing's long-term effectiveness and sustainability. Policymakers can ensure that social prescribing programs have the resources and infrastructure they need by supporting these organizations and services. The study emphasizes the importance of having explicit funding mechanisms in place for social prescribing programs in both England and the United States. It emphasizes the significance of assessing these approaches and investing in community-based organizations in order to maximize the effectiveness and sustainability of social prescribing initiatives.

Sholdarov and Mullaboev's (2019) research focuses on the issues surrounding the financial stability of Uzbekistan's pension supply system. The article investigates the current state of the pension system, identifies the factors that influence its financial stability, and discusses the system's current problems. The researchers offer scientific insights and conclusions aimed at ensuring the financial sustainability of Uzbekistan's pension system. They also make recommendations and suggestions to improve the system's financial stability. The study contributes to ongoing efforts in Uzbekistan to improve the financial sustainability of the pension system by addressing challenges and issues related to the system. It offers valuable insights that can help policymakers and stakeholders make better decisions, ultimately leading to the development and implementation of strategies that improve the long-term viability and effectiveness of the pension supply system. The study emphasizes the importance of addressing the financial stability of Uzbekistan's pension system and provides scientific conclusions and recommendations to support its long-term sustainability.

Tran (2019) conducted research on openness, transparency, and accountability in the Vietnamese social security sector. The study investigates the current state of these critical aspects of the social security system and their implications for governance and effectiveness. The study examines the extent to which openness, transparency, and accountability are practiced in the social security sector, taking into account the specific context of Vietnam. The research provides important insights into the system's strengths and weaknesses by analyzing existing mechanisms and practices, highlighting areas that require improvement. The findings add to the larger conversation about governance and social security by emphasizing the importance of openness, transparency, and accountability in promoting effective and efficient social security programs. The study also emphasizes the importance of ensuring proper resource management and protection in the social security sector in order to maintain public trust and improve the delivery of social protection services. The study's findings can be used to inform policy discussions and guide efforts to strengthen Vietnam's social security sector, ultimately benefiting the well-being and livelihoods of individuals and communities who rely on these critical social programs.

Huang and Zhang's (2021) research examines the effects of China's New Rural Pension Scheme (NRPS) on a variety of outcomes, including household income, food expenditure, labor supply, health, mortality, and nonfarm work. The researchers examine the impact of the NRPS on age-

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Journal of Human Resource & Leadership
Volume 7||Issue 4 ||Page 109-127||October|2023|
Email: info@stratfordiournals.ora ISSN: 2616-8421

eligible individuals on a county-by-county basis. The findings suggest that the NRPS has a positive impact on the well-being of people of retirement age. It specifically leads to increased household income and food expenditure, decreased farmwork participation, improved health outcomes, and lower mortality rates. The NRPS also helps age-ineligible adults transition from farmwork to nonfarm work, though it has no significant impact on their income, spending, or health. The study's findings provide important evidence of the power of social pensions to improve individual behaviors and welfare, particularly in developing countries such as China. The study contributes to the understanding of how social pension schemes can positively influence various dimensions of well-being by analyzing the impacts of the NRPS. These findings have implications not only for China, but also for other developing and developed countries that are implementing or considering social pension programs of a similar nature. The study emphasizes the importance of social pensions in improving individuals' economic and social outcomes, particularly in rural areas. The findings highlight the potential benefits of such programs in terms of poverty reduction, health improvement, and nonfarm employment promotion. These findings can help policymakers and researchers design and implement effective social pension schemes that benefit individuals and communities.

Bau (2021) investigates the relationship between government pension plans and traditional kinship practices, focusing on matrilocality and patrilocality. Matrilocality is the practice of daughters living with their parents after marriage, whereas patrilocality is the practice of sons living with their parents after marriage. These practices have implications for intergenerational support and care for elderly parents. The study examines the impact of pension policies on these kinship traditions using two policy experiments conducted in Ghana and Indonesia. The findings show that pension policies reduce the prevalence of matrilocality and patrilocality. In other words, when people have access to pension plans, they are less likely to practice traditional kinship. The study also investigates the relationship between these kinship traditions and parental investment in education. The findings suggest that parents who live with their children after marriage, whether through matrilocality or patrilocality, have stronger incentives to invest in their children's education. As a result, when pension plans change cultural practices by reducing matrilocality and patrilocality, educational investment falls. The study emphasizes the role of government pension policies in shaping cultural practices concerning kinship and intergenerational support. It demonstrates how policies can shape incentives and change long-held practices. The findings suggest that pension plans can influence family dynamics, educational investments, and potentially reshape cultural norms, in addition to providing retirement income. This study adds to our understanding of how policy interventions can affect cultural change. It emphasizes the potential for pension policies to change traditional kinship practices and the implications for education. Policymakers and researchers interested in understanding the complex relationship between policy, culture, and social outcomes should take note of the findings.

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

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Journal of Human Resource & Leadership
Volume 7||Issue 4 ||Page 109-127||October|2023|
Email: info@stratfordiournals.ora ISSN: 2616-8421

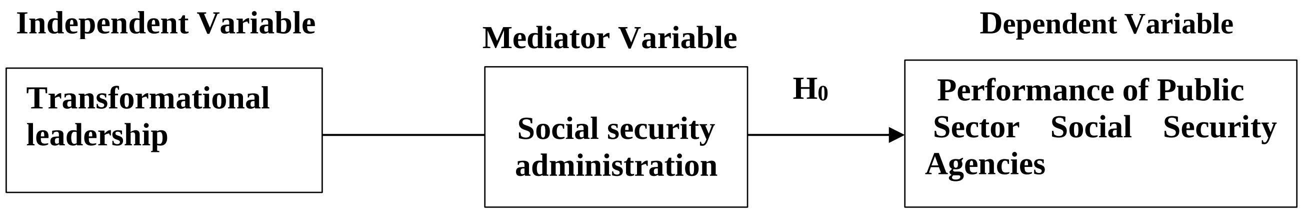

Figure 1: Conceptual Model
Source: Researcher 2023.

3.1 Research Methodology

Positivism research philosophy was utilized in this study. A positivism research philosophy was utilized since quantitative data was collected. This study used correlational research design. 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. 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

4.0 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)

The summary of response rates in 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 social security administration is presented in Table 2. Specifically, Table 2 provides an overview of the mean and standard deviation of statements related to social security administration. These statements were coded using a 5-point Likert scale, where a response of Strongly Disagree was given a score of 1, Disagree 2, Neutral 3, Agree 4 and a response of Strongly Agree was given a score of 5.

Table 2: Descriptive Statistics of Social Security Administration

Statements	N	Mean	Std. Deviation
The agency has clear vision and direction in social security administration	319	2.08	1.11
Employee in departments are well induced to be responsible in problem solving and offering technical expertise	319	2.13	1.05
There is well coordinated communication flow within departments and interdepartmentally	319	2.19	1.22
Staff in departments always observe honesty and integrity	319	2.22	1.17
There is sufficient capitalization of opportunities to maximize beneficiaries' value	319	2.04	1.10
The available resources in the organization are normally allocated based on urgency basis	319	2.21	1.09
The available financial resources are invested in the best portfolio for maximum yield	319	2.12	0.96
The administration cost to revenue collected is low	319	2.23	1.19
The organization discloses information to members regarding their contributions	319	2.21	1.17
The administration shares information with the junior staff regarding financial reports	319	1.86	1.08
The management is transparent on the projects being undertaken.	319	2.13	1.14
The management recognises people's hard work and successes	319	2.32	1.25
There exist good corporate governance	319	2.18	1.08
Average		**2.15**	**1.12**

Source: Study Data (2023)

Table 2 presents the descriptive statistics for 12 statements related to the Social Security Administration. The responses for these statements were scored using a 5-point Likert scale, with a score of 1 indicating Strongly Disagree, and a score of 5 indicating Strongly Agree. The first statement, "The agency has clear vision and direction in social security administration," had a mean score of 2.08 and a standard deviation of 1.11. This implies that the majority of the respondents disagreed that the agency has a clear vision and direction in social security administration. This may indicate that there is a lack of clarity in the agency's goals and objectives, which could lead to confusion and inefficiency. The second statement, "Employee in departments are well induced to be responsible in problem solving and offering technical expertise," had a mean score of 2.13 and a standard deviation of 1.05. This suggests that the respondents disagreed that employees in departments are well-induced to be responsible in problem-solving and offering technical expertise. The third statement, "There is well-coordinated communication flow within departments and interdepartmentally," had a mean score of 2.19 and a standard deviation of 1.22. This implies that the respondents disagreed that there is a well-coordinated communication flow within departments and interdepartmentally. However, the high standard deviation suggests that there may be some variability in the perceptions of the respondents. The fourth statement, "Staff in departments always observe honesty and integrity," had a mean score of 2.22 and a standard deviation of 1.17. This suggests that the most respondents disagreed that staff in departments always observe honesty and integrity. The fifth statement, "There is sufficient capitalization of opportunities to maximize beneficiaries' value," had a mean score of 2.04 and a standard deviation of 1.10. This implies that the respondents disagreed that there is sufficient capitalization of opportunities to maximize beneficiaries' value. This may indicate a lack of focus on maximizing the benefits provided to beneficiaries. The sixth statement, "The available resources in the organization are normally allocated based on urgency basis," had a mean score of 2.21 and a standard deviation of 1.09. This implies that most respondents disagreed that the available resources in the organization are normally allocated based on an urgency basis. The seventh statement, "The available financial resources are invested in the best portfolio for maximum yield," had a mean score of 2.12 and a standard deviation of 0.96. This suggests that the respondents somewhat agreed that the available financial resources are invested in the best portfolio for maximum yield.

The eighth statement, "The administration cost to revenue collected is low," had a mean score of 2.23 and a standard deviation of 1.19. This implies that most respondents disagreed that the administration cost to revenue collected is low. The ninth statement, "The organization discloses information to members regarding their contributions," had a mean score of 2.21 and a standard deviation of 1.17. This suggests that most respondents disagreed that the organization discloses information to members regarding their contributions. The tenth statement, "The administration shares information with the junior staff regarding financial reports," had a mean score of 1.86 and a standard deviation of 1.08. This implies that most respondents disagreed that the administration shares information with the junior staff regarding financial reports. This may indicate a lack of transparency and communication within the organization. The eleventh statement, "The management is transparent on the projects being undertaken," had a mean score of 2.13 and a standard deviation of 1.14. This suggests that most respondents disagreed that the management is transparent on the projects being undertaken.

The twelfth statement, "The management recognizes people's hard work and successes," had a mean score of 2.32 and a standard deviation of 1.25. This suggests that the majority of the respondents disagreed that the management recognizes people's hard work and successes. The thirteenth statement, "There exist good corporate governance," had a mean score of 2.18 and a standard deviation of 1.08. This suggests that the majority of the respondents were disagreeing regarding the existence of good corporate governance in the organization. Good corporate governance is essential for ensuring accountability, transparency, and ethical behavior in organizations. Therefore, this finding indicates that there is room for improvement in the organization's governance practices. The average mean score of the statements was 2.15 with a standard deviation of 1.12. This signified that most of the respondents were disagreeing the majority of the survey questions.

The study found that social security administration plays a crucial role in influencing the performance of Social Security. A top manager said "social security administration provides guidance and support to our employees, ensuring that they have the necessary resources and knowledge to deliver high-quality services to our clients. The SSA has established policies and procedures that govern our operations, and they hold us accountable for meeting their standards. This creates a culture of excellence that motivates our employees to perform at their best." Furthermore, another middle-level manager added, "Social Security Administration has improved the knowledge and expertise of our employees. They provide us with training and development opportunities that enable us to stay up-to-date with the latest industry trends and regulations. This has allowed us to make informed decisions and provide our clients with accurate information and advice. A top manager reported, "The SSA provides us with tools and technology that help us work more efficiently and effectively. This has improved our productivity and has allowed us to better serve our clients. "In addition, a middle manager said, "Employees collaborate to develop and implement policies that align with government regulations and best practices, and provide training and technical assistance to help state agencies effectively administer benefits." A top manager stated, "the Social Security Administration plays a critical role in supporting the performance of social security state agencies. We are committed to working closely with our state partners to ensure that benefits are delivered efficiently, accurately, and with integrity."

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 study results of the correlation are summarized in Table 3

Table 3: Correlation Analysis

		Performance	Social security administration
Performance	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Social security administration	Pearson Correlation	.796**	1.000
	Sig. (2-tailed)	0.000	

Source: Study Data (2023)

The correlation analysis presented in Table 3 revealed a strong and statistically significant positive correlation ($r = 0.796$, $p=0.000$) between the social security administration and performance. Thus, these findings indicate that social security administration play significant roles in influencing organizational performance. Organizations that give priority to these factors are more likely to attain superior levels of performance and potentially obtain a competitive edge in their respective industries.

4.4 Hypotheses Testing

The hypothesis testing evaluates the strength of evidence from the sample and provides a framework for making determinations related to the population. Hypothesis testing is used to confirm if the beta coefficients are significant in a linear regression model. Every time a linear regression model is run, a test can be conducted to examine if the line is significant or not by checking if the coefficient is significant. The second hypothesis to be tested was;

H_0: Social security administration have no significant mediating effect on the relationship between transformational leadership and performance of public sector social security agencies in Kenya.

The mediating effect was tested using a four-step approach as suggested by Baron and Kenny (1986), where regression analysis is conducted and the significance of coefficients is tested at each step.

Step 1: A Regression analysis with TL predicting P

$P = B_0 + B_1 TL + \varepsilon$ ……………………………………………………………………..(1)

Step 2: A Regression analysis with TL predicting SSA

$SSA = B0 + B1TL + \varepsilon$ ………………………………..……….. (2)

Step 3: A Regression analysis with SSA Predicting P

$P = B_0 + B_1 SSA + \varepsilon$…………………………………………………………….………..(3)

Step 4: A Regression analyses with TL and SSA Predicting P

$P = B_0 + B_1 TR + B_2 SSA + \varepsilon$…………………………………………………….…………..(4)

Where; P = Performance of State Agencies; TL= Transformational leadership; SSA= Social Security Administration; β_0 = Constant; β_1= Beta coefficients; ε = Error term

Step 1-3 was used to establish a Zero-order relationship among the variables. Baron and Kenny (1986) argue that situations, where one or more of the relations is non-significant depict no possibility of mediation. If they are significant relationships from steps 1 through 3, one proceeds to step 4, where mediation is supported if the effect of TL remains significant after controlling

SSA. If TL is not significant when SSA is controlled, then there is full mediation, and if both TL and SSA significantly predict P, there is partial mediation. The coefficient of determination (R squared) for the four steps is presented in Table 4.

Table 4: Model Fitness for Transformational leadership, Social Security Administration and Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.770a	0.593	0.591	0.20565
2	.887a	0.787	0.786	0.199985
3	.796a	0.633	0.632	0.195139
4	.808a	0.652	0.65	0.190265

Source: Study Data (2023)

The results in Table 4 show the R-square for the mediating effect had varying values. The R-Square for the first step of transformational leadership against performance is 59.3%, while the second step of regressing transformational leadership against social security administration is 78.7%. The third step in which the social security administration is regressed against performance had an R-square of 63.3%. Lastly, the R square found when transformational leadership and social security administration are regressed against performance is 65.2%. Moreover, the results of the analysis of variance in the four steps is summarized in Table 5. The rationale of conducting the ANOVA was to show whether the models are significant in explaining the performance. The ANOVA test is a way to find out if survey results are significant.

Table 5: ANOVA for Transformational leadership, Social Security Administration and Performance

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			
2	Regression	46.793	1	46.793	1170.001	.000b
	Residual	12.678	317	0.04		
	Total	59.471	318			
3	Regression	20.835	1	20.835	547.159	.000b
	Residual	12.071	317	0.038		
	Total	32.906	318			
4	Regression	21.467	2	10.734	296.5	.000b
	Residual	11.439	316	0.036		
	Total	32.906	318			

Source: Study Data (2023)

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Email: info@stratfordjournals.org ISSN: 2616-8421

The ANOVA results presented in Table 5 indicated that all the four models were significant at 0.000<0.05. The F-Statistic for model one was (F=461.077, p = 0.000<0.05), the F-Statistic for Model two was (F=1170.001, p = 0.000<0.05), the F-Statistic for model three was F=547.159, p = 0.000<0.05 and the f-Statistic for model four was (F=296.5, p = 0.000<0.05). The results for the regression of coefficients for transformational leadership, social security administration and performance are presented in Table 6.

Table 6: Regression Coefficients for Transformational leadership, Social Security Administration and Performance

Steps		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
2	(Constant)	0.003	0.075		0.039	0.969
	Transformational leadership	1.089	0.032	0.887	34.205	0.000
3	(Constant)	0.667	0.065		10.310	0.000
	Social Security Administration	0.592	0.025	0.796	23.391	0.000
4	(Constant)	0.531	0.071		7.483	0.000
	Transformational leadership	0.274	0.066	0.300	4.177	0.000
	Social Security Administration	0.394	0.053	0.530	7.372	0.000

Source: Study Data (2023)

The fitted models in four steps becomes;

i. P=0.530+0.703TL
ii. SSA=0.003+1.089TL
iii. P=0.667+0.592SSA
iv. P=0.531+0.274TL+0.394SSA

The regression of coefficients results presented in Table 6 shows that in step one, the regression model of transformational leadership on performance is positively and significantly related (β=0.703, p=0.000). In step two, transformational leadership and social security administration is positively and significantly related (β=1.089, p=0.000). In step three, the results show that the regression model of the social security administration on performance is positively and significantly related with (β=0.592, p=0.000). In step four, transformational leadership and social security administration on performance is positively and significantly related (β=0.274, p=0.000; β=0.394, p=0.000, respectively. The P values in steps 1 to 4 were less than 0.05. Notably, the decision was made based on step 4. Under step four, the P-value was found to be less than 0.05.

Hence, the null hypothesis was rejected. Therefore, social security administration have a significant mediating effect on the relationship between transformational leadership and performance of public sector social security agencies in Kenya.

5.0 Conclusion

The conclusions of the study are based on the findings. The objective of the study was to examine the mediating effect of social security administration on the relationship between transformational leadership and the performance of public sector social security agencies in Kenya. The study found that social security administration plays a significant mediating role between transformational leadership and performance in social security agencies in Kenya. The results showed that accountability, transparency, and efficient administration are crucial in ensuring positive performance outcomes in the social security sector, which is consistent with previous research. Social security administration encompasses several aspects, including having a clear vision and direction, inducing responsibility and technical expertise among employees, maintaining effective communication flow, promoting honesty and integrity, capitalizing on opportunities, prioritizing resource allocation based on urgency, investing financial resources wisely, keeping administration costs low, disclosing information to members, sharing financial reports with staff, maintaining transparency on projects, recognizing hard work and successes, and ensuring good corporate governance. Having a clear vision and direction helps social security agencies to focus their efforts on achieving their objectives effectively. Disclosing information to members and sharing financial reports with staff promotes transparency, which is essential for building trust between the agency and its stakeholders.

6.0 Recommendations

The management should prioritize having a clear vision and direction, instilling responsibility and technical expertise in employees, maintaining effective communication flow, promoting honesty and integrity, capitalizing on opportunities, prioritizing resource allocation based on urgency, investing financial resources wisely, keeping administration costs low and disclosing information to members.Social security agencies has to improve service delivery, communication, and feedback and complaint platforms to be customer-centric. Social security agencies should also adopt a culture of continuous improvement to improve operations and outcomes. All employers should register with social security agencies under government mandate. This policy would increase social security contributions, giving agencies more funds to pay benefits. This would also cover all workers and allow them to receive social security benefits. In addition, the government should develop a comprehensive social security policy for all citizens, including the informal sector. This policy should cover self-employed and informal sector workers, who are often excluded from social security. This policy should also consider vulnerable groups like women, the elderly, and the disabled. The study suggests several areas for further research. One area is to examine how digital transformation affects Kenyan social security agencies. As the world digitizes, social security agencies must learn how to use technology to improve services and customer satisfaction. Another topic is how stakeholder engagement affects social security agency effectiveness.

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Volume 7||Issue 4 ||Page 109-127||October|2023|
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