

**EXAMINATION OF THE FACTORS INFLUENCING BENEFICIARIES'
WITHDRAW FROM SOCIAL SECURITY SYSTEM (NSSF) IN ILALA
DAR ES SALAAM**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF SOCIAL WORK
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CERTIFICATION

The undersigned certifies that she has read and hereby recommends for acceptance by the Open University of Tanzania a dissertation titled: *“Examination of the Factors Influencing Beneficiaries’ Withdraw from Social Security System (NSSF) in Ilala Dar es Salaam”* in partial fulfillment of the requirements for the Degree of Master of Social Work of the Open University of Tanzania.

.....

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.....

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DECLARATION

I, **Clara V. F. Ngatuni**, do hereby declare that, this dissertation is my original work and it has not been presented to any other university or higher learning institution for any similar award.

.....

Signature

.....

Date

DEDICATION

This work is dedicated to my beloved husband Paul Mremi Lyimo who laid a foundation to my Education.

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ABSTRACT

The importance of social security benefits comes from the ability of the benefit being able to satisfy the needs and demands of the beneficiaries. Due to the demand and satisfaction of the beneficiaries some members decided to withdraw from social security fund. This study aims at examining factors influencing members withdraws from social security system in Tanzania a case of NSSF Ilala Municipal. In doing so this study has the following specific objectives (a) to assess demographic, social and economic factors influencing members to withdraw from NSSF (b) to analyze factors influencing beneficiaries satisfaction on the service offered by NSSF (c) to determine the internal competence of NSSF workers on the quality of service offered. Observation, questionnaires and literature reviews have led to confirmation that national social security fund is characterized by lots of inefficiencies. The targeted population of the research involved male and female who are NSSF members, workers and pensioners. A sample size of 100 was drawn. Simple random sampling method was adopted in selecting the sample size because it is based on the subjective judgment of the researcher, rather than random selection. Instruments used in data were questionnaire and observation method. Data collected were analysed through SPSS and excel as it keeps large amount of information and easy to analyze during data analysis. Furthermore, customer satisfaction cannot even be predicted as a result of poor quality services. Consequently, one would conclude that there is need for provision of education on the importance of social security schemes to members and training the employees on good customer services to meet the need of the beneficiaries and to NSSF coverage is important both in rural and urban areas.

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LIST OF ABBREVIATIONS

GEPF	Government Employee Provident Fund
ICT	Information Communication Technology
ILO	International Labour Organization
IOPS	International Organization for a participatory society
LAPF	Local Authority Provident Fund
NHIF	National Health Insurance Fund
NSSF	National Social Security Fund
PPF	Parastatal Pension Fund
PSPF	Public Service Provident Fund
SPSS	Statistical Package for the Social Services
SSRA	Social Security Regulatory Authority
URT	United Republic of Tanzania
WHO	World Health Organization
ZSSF	Zanzibar Social Security Fund

CHAPTER ONE

INTRODUCTION

1.1 Background of the Problem

Every human being is vulnerable to risks and uncertainties with respect to income as a means of life sustenance. To contain these risks, everyone needs some form of social security guaranteed by the family, community and the society as a whole. Such socioeconomic risks and uncertainties in human life form the basis for the need of social security. Social security is rooted in the need for solidarity and risk pooling by the society given that no individual can guarantee his or her own security (URT, 2003).

The concept of social security is broad with complex coverage. Social security means any kind of collective measures or activities designed to ensure that members of society meet their basic needs and are protected from the contingencies to enable them maintain a standard of living consistent with social norms. The social security concept has been changing with time from the traditional ways of security to modern ones (URT, 2003).

The World Bank in its 2001 paper on developing a social security strategy for Africa defines social security as ‘interventions that assist poor individuals, households and communities to reduce their vulnerability by managing risks better’. Social security is defined as ‘public actions carried out by the state or privately that: (a) enable people to deal more effectively with risk and their vulnerability to crises and changes in circumstances (such as unemployment or old age); and (b) help tackle extreme and

chronic poverty' (Dfid 2006: 15). In Tanzania's National Social Protection Framework document social protection is defined as 'traditional family and community support structures, and interventions by state and non-state actors that support individuals, households and communities to prevent, manage, and overcome the risks threatening their present and future security and well-being, and to embrace opportunities for their development and for social and economic progress in Tanzania' (URT, 2008:56).

The main aim of social security is to help individuals maintain a reasonable standard of living to the members when faced with social and economic contingencies; however, there has been an increasing recognition of the need to understand the adequacy of benefits. For instance, studies by Mangangila (2006), Mataba (2007) and Mlyansi (2008) show that the amount of benefit provided by various formal security systems in Tanzania is insufficient to avert poverty and they have thus failed to provide adequate social protection to members in distress leading to members withdraw from the social security fund. Besides, Haule (2004) asserts that, structural adjustment policies have led to the loss of members from the social security system such as the Parastatal Pension Fund and the National Social Security Fund because of retrenchment. This has led to the drain on the resources of the social security system due to the payment of benefits to thousands of workers who were withdrawn prematurely.

According to Mataba (2007) the current Social Security System seems to have many shortcomings due to lack of common guidelines for investments of social security funds in the country. Basically, social security systems are equally important in the

sense that they; extend social security coverage; reduces poverty among Tanzanians; increases protection for Tanzanians in aspects such as education, health, maternity, disability and old age, boosts economy through investments and opportunities for entrepreneurs through various social groups, contributes to the development of various projects of the government, increases employment to Tanzanians through projects facilitated by Pension Funds (SSRA, 2012).

The International Labour Organization (ILO) report (2014) indicates that, only around 27% of the world's populations are beneficiaries of social security fund arrangements. However, it was reported that the situation is worse in Peru, India and Bangladesh where the population covered by formal social security withdraws. Most beneficiaries of NSSF consider social security as irrelevant to their lives.

Most conventional social security systems adopted and implemented by African countries were however borrowed from their former colonial masters. During the colonial era formal, social security protection for the indigenous people was limited and in some cases non-existent, (Bailey, 2015).

In Algeria, Egypt, Libya and Tunisia, which provided social security fund since 1950s were facing serious withdraws of beneficiaries due poor management and financial resources of social security scheme (Bailey, 2015). One of the major issues of administration is noncompliance by contributors in the payment of contributions and the need for an adequate enforcement structure to deal with the situation, which fails by majority of social security scheme (Kaseke, 2003).

In Kenya, NSSF has been receiving complaints from retirees in relation to delays in processing of their claims to enable them receive their benefits after retirement. Research shows that approximately 3 million people are covered by a pension scheme, leaving over 30 million uncovered. Over 90 percent of those covered come from the formal sector an indication that pension penetration is worryingly too low. This makes it difficult for the government to adequately provide social security benefits to its citizens, which finally majority of beneficiaries decide to withdraw from social security fund (GOK, 2009).

In Tanzanian aspect, the population covered by formal social security arrangements is too small. Formal social security system covers only 5% of the labour force and 6% of the population, most of those covered are working in the urban formal sector and these system provide few benefits Bossert,(2007).,Tungaraza, D. F. (2004), Wangwe and Tibandebage, (2006), such as poverty reduction, increased pros like education, health, maternity, disability and old age, boosts.

According to the SSRA (Social Security Regulatory Authority) (2011), to the present time Tanzania mainland has about six social security schemes which are; the Government Employees Provident Fund (GEPF), the Local Authorities Pensions Fund (LAPF), the National Health Insurance Fund (NHIF), the National Social Security Fund (NSSF), Parastatal Pensions Fund (PPF) and Public Service Pension Fund (PSPF).

However, NSSF has been associated with higher loss of its members compared to other social securities due to the fact; it has the biggest number of members of around

946,533 (NSSF Annual report, 2010/2011) who have been withdrawing prematurely contribution fee and cash obtained as a result has been used to meet basic financial obligations, like paying school fees for their children, in the wake of high inflation.

The current Social Security System seems to have been caught by abrupt shift in paradigm as the incumbent President John Magufuli issued new directives to the scheme to invest in industries (The Citizen Newspaper May 10, 2016). Tanzania's pension funds are facing a bleak future as premature withdrawal of members' contributions rises. While the existing legal framework and the schemes' design do not provide for untimely withdrawal from the pension system, the practice is becoming more prevalent in all schemes as more Tanzanians opt out of retirement savings once they lose their jobs.

A study by the National Social Security Fund, the public pension manager, shows that from 2007 to 2011 withdrawals across all pension funds soared from Tsh46.6 billion to Tsh119.66 billion (NSSF Annual report, 2010/2011) equivalent to 29.7 per cent of total benefits paid, hurting the schemes' long-term plans. Such a pace of withdrawals could create social insecurity and place a higher burden on the working generation, analysts said. Members withdrawing their contributions from NSSF surged from 45,239 in 2007 to 85,760 in 2011. Although withdrawals have no long-term impact on schemes' pension liability, it is worth noting that the schemes lose liquid funds needed for investment that is meant to increase the value of their reserve funds.

Some of the NSSF members withdraw from pension funds were using the cash to meet basic financial obligations, like paying school fees for their children, in the wake

of high inflation. Inflation in Tanzania stood at 10.9 per cent in January 2017 according to National Bureau of Statistics. Most of the victims of retrenchments and job losses lack alternative benefits. Difficulty in accessing credit from banks and financial institutions make social security savings an easy target for capital needs, contrary to its objective of life insurance contingencies.

By allowing members to withdraw a total of Tsh119.66 billion (\$74.788 million) in 2011, Schemes were denied the opportunity to increase pensions in payment by five per cent to the detriment of pensioners. This amount of money is equivalent to five per cent of pension paid in 2011. The study is basically grounded on the three theories, namely theory of economic development, theory of human development and Positive Theory of Social Security.

1.2 Statement of the Problem

International Labour Organisation set an instrument which was adopted at its 35th session in June 1952, popularly known as ‘Social Security (minimum Standards) Convention No. 102. Itemised number of contingencies and benefits required in the minimum standards convention include’ Old Age, Invalidity, Survivorship, Employment Injury, maternity, medical Care, sickness, Unemployment and Death (National social security policy 2003).

Despite the deliberate measures taken by the government to improve provision of social services to the public and social security systems in the country yet there has been a high rate of members withdraw from social security system in the country with a total of Sh. 46.6 billion to Sh.119.66 billion, equivalent to 29.7% since 2010-15

Kaseke, (2012). Mlyansi, (2014) show that the amount of benefits provided by various formal security schemes in Tanzania is insufficient to avert poverty, social and economic distress and thus failed to provide adequate social protection to members in distress. Moreover, these schemes are faced with a host of other problems, such as the small rates of interest awarded annually to members, the evasion of payment of premiums by employers and a lack of transparency, the delaying of benefits and disparities in risks covered. Regardless of the known benefits of social schemes to offer post-retirement benefits such as cash money to its members, surprisingly members have opted for withdrawal. It is from these factors that one can question what are the reasons which influencing members withdraw from social security fund. The major purpose of the study was to examine the factors that influence member's withdrawal from the national social security fund.

1.3 Objectives of the Study

1.3.1 Major Objective

The main objective of the study was to identify factors influencing members withdraw from social security system in Tanzania.

1.3.2 Specific Objectives

- (i) To assess demographic, social and economic factors influencing members to withdraw from NSSF.
- (ii) To analyze the level of beneficiaries' satisfaction on the service offered by NSSF.
- (iii) To determine the internal competence of NSSF workers on the quality of service offered.

1.4 Research Questions

The following questions guided the study.

- (i) What are the demographic, social and economic factors influencing members to withdraw?
- (ii) At what level beneficiary satisfy with the service offered by NSSF?
- (iii) How does the competence of NSSF workers influence the quality of service offered?

1.5 Significance of the Study

To professional Social workers this study gives insight within the practice, it enables to assess the needs and resources within the environment as well as the impact of structural policies of social security. The outcome of the study should pave the way to develop appropriate intervention strategies, since social workers practice evidence based research to connect the disconnected.

The study is potential to policy makers, planners and program managers working on social security schemes who need to develop a guideline for improvement of social security to bring development which could lead direct relationship between living standard and development, while to the public and community as a whole this research creates awareness and insight to enable the community to understand the importance of social security schemes.

Moreover, the findings from this study should help policy makers and Government in formulating legal frameworks for the purpose attracting huge number of social security members and create easy working environment for social security system

workers and better services for clients while researchers and academicians would benefit in terms of deepening their understanding on issues regarding members withdraw from social security services in the country.

1.6 Scope of the Study

The study was only limited to the factors influencing members withdraw from social security system in Tanzania specifically on National Social Security Fund as social security system. The reasons this study was due to huge number of members withdraw from national social security fund as compared to other social security organizations such as LAPF, GEPF and PSPF.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter describes the literature review on the topic researched. The chapter covers main key parts, such as key concepts used in the research, theoretical framework and empirical studies. The chapter defines relevant theories followed by the general overview of Social security system in the country and worldwide, as well as presenting empirical studies relevant to the study.

2.2 Definition of the Key Concepts

2.2.1 Social Security

According to ILO, (2014) social security is defined as the protective measures which society provide for its members, through a series of public measures against economic and social distress that would otherwise be caused by the stoppages or substantial reduction of earnings resulting from sickness, maternity, employment injury, unemployment, disability, old age, death, the provision of medical care subsidies for families with children. Matto (2013) defines social security as the protection system from which the society provide for its members through a series of public measures against economic and social distress.

According to National Social Security Policy (2003) Social security means any kind of collective measures or activities designed to ensure that members of society meet their basic needs and are protected from the contingencies to enable them to maintain a standard of living consistent with social norms.

WHO (2010) defines Social security systems as the systems to enable every citizen to lead a worthy life as a member of cultured society. Social security systems provide countermeasures against the causes for needy circumstances including illness, injury, childbirth, disablement, death, old age, unemployment and having a lot of children by implementing economic security measures through insurance or by direct public spending. The systems ensure the minimum level of living to the needy by implementing public assistance programs and promote public health and social welfare (Holden, Sarah, and Schrass, 2010).

2.2.2 Social Security System

2.2.2.1 Pension Funds

A pension plan is a retirement plan that requires an employer to make contributions into a pool of funds set aside for a worker's future benefit. The pool of funds is invested on the employee's behalf, and the earnings on the investments generate income to the worker upon retirement (IOPS, 2011).

Pension funds are defined as a social security Institution. Social Security means any kind of collective measures or activities designed to ensure that members of the society meet their basic needs and are more protected from contingency to enable them to maintain a relatively decent standard of living consistent with social norms (Dau, 2003). On the other hand, a pension fund provides a regular monthly (periodic) payment to qualified retirees. However, these pension funds are associated with monthly payment made to someone who is retired from work, old age pension, pension check, pension fund, superannuation pension a regular payment to a person that is intended to allow them to subsist without working (RBA, 2012).

2.2.2.2 Concept of Members' Withdraw

Employers must keep records of what they have done to comply with the duties. Withdraw pension benefits under a defined contribution plan may allow the employee to have immediate rights to any contributions, plus any earnings on those contributions. Withdraw pension benefits is one of several benefits provided by social security funds in various countries around the globe.

According to Argento, *et al.*, (2012) early withdraw is one of its kinds that give members of social security funds, the flexibility and opportunity to access part or total cash lump sum of their pension contributions earlier before the pension age. The employee may not be entitled to receive any employer contributions unless he or she is vested. Under a defined benefit plan, most likely the benefits will stay with the pension plan until you become eligible to receive them. In some countries like South Africa for example, a member can receive a lump sum payment equal to members and employers' contributions plus accrued interest payable to a member who has resigned, dismissed, terminated from contract or absconded (IOPS, 2011).

2.3 Background to Social Security Programmes

The social security programmes based on essential insurances were established in Europe in the late 19th century. It was during the 20th century, however, that national Social security programmes developed more widely around the globe, not least as a result of decolonization and the institution of new independent states after the World War II. The development of social security has also been supported by various International conventions and instruments, and the recognition of social security as a basic human right was enshrined in the 1948 Universal Declaration of Human Rights.

Today, most countries have some types of social security systems. Worldwide, the most common types of programmes are for old-age, disability, and survivors' pensions, followed by programmes of benefits for work injuries and occupational diseases, sickness and maternity, family allowances and unemployment (ILO 2000).

According to ILO (2000), provident fund was a different form of social security that was introduced in Africa during colonial era. In countries such as Tanzania, Uganda and Zambia, provident funds were the dominant form of social security but these have since been transformed into social insurance schemes. The provident funds are compulsory saving schemes funded through the contributions of both the employer and employees. They provide protection mainly against an old age. Upon reaching retirement, a member receives a lump sum payment representing contributions in his/her account plus the interest accrued. Unluckily, provident funds do not offer income security as the value of the lump sum payment is eroded by inflation. The conversion of the provident funds into proper social insurance schemes has therefore enhanced income security.

2.3.1 Social Security in Tanzania

Tanzania Social security system comprises of six Social Security Institutions (SSIs) in the mainland and one scheme in the isles. In the past, each of these schemes covered a defined group of people or sector, and each scheme was established by a different legislation. Nevertheless, the existing SSIs cover less than a million people out of 44.9 million (National census report, 2002). That is, the majority of Tanzanians, which include the self-employed and the Informal Sector Employees (ISE), remain without any form of social protection. Generally, most of the Tanzanians are vulnerable to

social and economic insecurity. Thus, unless measures are taken to ensure that they can access some kind of social protection, they will continue to be vulnerable and mostly affected by pangs of poverty. A crucial policy issue is therefore, how lives and Livelihoods in developing countries such as Tanzania can be made more secure against adversity and deprivation (Stern & Burgess, 1991). For example, the SSIs have been for years offering conventional benefits namely; old age pension, survivors and withdrawal benefits. These benefits are not responsive to the social security needs of their respective members and particularly those who are vulnerable to social and economic insecurity in the Informal Sector (IS) (Isaka, 2016).

According to Isaka (2016), Social Security Sector has been changing dramatically. The SSRA act of 2008 has enhanced competition among Pension schemes in Tanzania mainland leading to improved services that include reduced period of benefit processing; increased number of benefits offered by Pension Schemes and minimized documentation required in lodging benefit claims. Additionally, SSRA has recently come up with a common retirement computation formula that is to be used by all Pension Funds. SSRA stipulates that the formula should be used to compute terminal benefits of all members registered after 1st of July, 2014.

2.3.2 The Role of Social Security

The social security is progressively more seen as a means strategy to put in to poverty reduction and sustainable growth. Poverty rises more sharply in the rural areas; the occurrence of rural poverty is significantly higher than that of urban poverty. Inequality also increased. Separately from poverty, vulnerability is of significance when discussion issues linked to social security. The weakness is the risk of falling

below the poverty line. Also In addition to those mentioned above, whoever live under the poverty line, large numbers of people, due to their vulnerability, face the risk of becoming poor or face transitory poverty (Gay, 2011). Even though there is a large need, social security is very limited in the country. There is no general or universal social security in Tanzania. There is no plan aimed at helping the poor by improving governance and presentation of public sector institutions; creating possessions, employment, and income creation opportunities; revamping social safety net systems; and improving access to basic services, though some schemes are run by the government, and also by nongovernmental organizations (NGOs) and the personal sector (Gay, 2011).

The Social security has the key role of providing protection to individuals and their dependents. It provides insurance against social and financial risks and smooth income flows over the life course. As defensive measure, social security helps permit individuals, households and economies to more fully realize their inherent potential, not least to improve well-being (Knox, 1992).

2.4 Modern Social Security in Tanzania

In Tanzania, modern social security is reflected from colonial era. However, the system benefited only a tiny fraction of the population in the country. All other funds such as the Parastatal Pension Fund (PPF), the Government Employees Provident Fund and now the Public Service Pension Fund were placed under the ministry responsible for finance (Social Security Act, 2008).

Among the arrangements included non-contributory system such as the one covering political leaders such as the president, the speaker, members of parliament and those

covering the army and the judiciary. The number of members and the beneficiaries from existing system are still negligible as compared to the size of the population in the country and the fact that traditional social protection practices were dominant in all 158 ethnic groups in Tanzania.

2.4.1 Socio-economic Condition for Members of Social Protection Schemes

The economic condition of the NSSF members who are withdrawing can be determined by many factors such as education level and income level. Members with low socio-economic status are likely to receive information about how their meagre financial resource can be utilised to meet short term obligation such as paying school fees for their children or any other unforeseen events that demand short term finance. Withdrawing members of social protection schemes live under marginal economic conditions, and are faced with endless problems such as diseases or loss of job due to layoff in private organisation.

2.5 Payback of Social Security Funds

Bailey, (2004) argues that income security constitutes one of the major objectives of social insurance – not only in terms of protecting people in their old age but also protecting workers against shocks from unemployment. While non-contributory social pensions and other forms of social assistance are becoming increasingly important, contributory social insurance systems are also expanding to cover those in the informal sector.

Ndiaye *et al.*, (2007) depicts that access to decent health care constitutes the major objectives of social insurance systems. Most African countries adopted policies

providing for free health care during the 1960s, but the structural adjustment programs of the 1980s largely abandoned this form of social protection. While formal insurance systems provided protection for a small minority of the population, health-care access deteriorated for the majority in the informal sector.

The introduction of user fees created conflicting impacts, increasing resources in some areas but imposing severe access barriers for many poor households. Inspired by European social health insurance systems, African countries began developing models of Community Health Insurance (CHI) from the late 1980s, and these approaches have proven increasingly successful. The principles are simple: on a voluntary basis individuals or households join a not for profit structure to share the financial risk of individual health-care expenditure; together they decide on the services covered and the contribution charged, Ndiaye *et al.*, (2007).

Social security is used as a tool used to administer and control employment. It is used in organizations to achieve and maintain certain levels of work output. Armstrong (2010) asserts that retirement benefit as a social security assists workers to readjust themselves appropriately into the society after retiring from work. It constitutes an important tool in the hands of management for enhancing workers morale which may lead to efficiency and increased productivity of workers in particular and the organization as a whole. Apart from that retirement benefit is a tool that employers apply to chart-out their corporate social responsibilities (CSR) and thereby attract goodwill. Moreover, social security nowadays plays progressively more significant role in the economy of any nation for the reason that the funds put aside for as retirement benefit could be utilized for the establishment of small enterprises. It can

also relieve pressure on the company for individual assistance by instilling in employees a sense of confidence at challenging responsibilities for their future (Armstrong, 2010).

Sterns, (2006) said that if well planned pension schemes could be used to discourage labor turnover. If contributions are remitted properly to the social security schemes by both the employers and employees, then it serves as a general area of joint interest and cooperation and therefore helps to foster better employment relations. Conversely, in the provision of pension as retirees terminal benefit the relationship between the employer and the employee is over and over again affected by such factors as: pensionable and gratuity age, the amount or the percentage of the proposed pension, method of financing, administration of pension and psychological pressure. In social security, the administration of pension consists of five vital constituents, that is: flexibility, amount of benefits, finance and contribution to cost of pension and gratuity and death benefits. Different schemes offer various strengths; weaknesses, opportunities and threats (SWOT) to its members, (Sterns, 2006).

2.6 Theoretical Framework

This part introduces theories behind the study that address directly or indirectly the phenomena under the study. These theories have implications to the way in which some critical aspects in members withdraw are evaluated, hence it is imperative to discuss some of these theories. A discussion of some of these theories is as follows:

2.6.1 Service Quality Gap theory/ Model

This model has two sides, via the service provider and the customer side. The model indicates customer quality perceptions are affected by a series of four distinct gaps

occurring in the organization. These gaps on the service provider's side can impede delivery of services that customers perceive to be of high quality. These gaps are;

Gap 1 Differences between customer's expectations and management perceptions of customer expectations

Gap 2 Differences between management perceptions of customer expectations and service quality specifications

Gap 3 Differences between service quality specifications and the actual service delivered

Gap 4 Differences between service delivered and what is communicated about the service to customers

According to this model, Customers judge quality relative to what they want. They view a firm's service quality by comparing their perceptions of service experience with their perception of what the service performance should be. A service quality gap results when service perception falls short of expectation. Defining quality in this way is more discriminating than in the traditional concept of satisfaction. It is also more consistent with quality principles and demonstrates high reliability and validity.

Gronroos, (1993) points out that customers become the focal point of the development of service quality because in the marketing concept, customers come first and that is what customers perceive as quality that is important. This became the foundation of the confirmation/disconfirmation concept of service quality that is the level of the quality perception depends on the degree to which quality expectations are confirmed or disconfirmed by the customers' experience of a given service.

It is from this that Gronroos developed this model. Parasuraman et al, (2013) also developed a unique model of service quality. According to this model, the quality of the services as perceived by the customer is the result of comparison between the real-life experiences of the service delivered. When experience exceeds expectations, the quality is high, and when experience does not reach the level of expectations the perceived quality is low. The model emphasis satisfaction as the core to the service, it follows therefore those members who are not satisfied by the service will decide to withdraw from the scheme.

2.6.2 The Relevance of the Service Quality Gap Theory in this Study

Basing on the potentiality of the quality of service according to this theory, the quality of the service is perceived by the customer in the result of comparison between the real life experience of the service delivered, when the experience exceeds expectation then the quality is high and when the experience does not reach the level of expectation its perceived quality low.

In the current study the theory helps to inform that, customers become the focal point of the development of service quality because in the marketing concept, customers come first and that is what customers perceive as quality that is important. Customers judge quality relative to what they want. They view a firm's service quality by comparing their perceptions of service experience with their perception of what the service performance should be, more over the theory emphasis satisfaction as the core to the service. Therefore beneficiaries who are not satisfied with the quality of the service provided will definitely withdraw from the scheme.

2.7 Conceptual Framework

A conceptual framework is an assemblage set of research concepts cum variables showing the logical relationships between dependent and independent variables (Ndunguru, 2007). The conceptual framework has been developed based on various ideas raised by various authors after the review of literatures. Various factors have been raised in various studies on factors contributing to members withdraw from social security fund in general.

Under this study, dependent variable was described as Factors influencing beneficiaries withdraw from NSSF while independent variables consisted of training, satisfaction, economic factors, social factors and demographic factors. The assumption for this model is that when the scheme addresses effectively the issues identified, there is increased possibility of making profits, hence providing meaningful social security benefits to its members which will discourage the beneficiaries to withdraw.

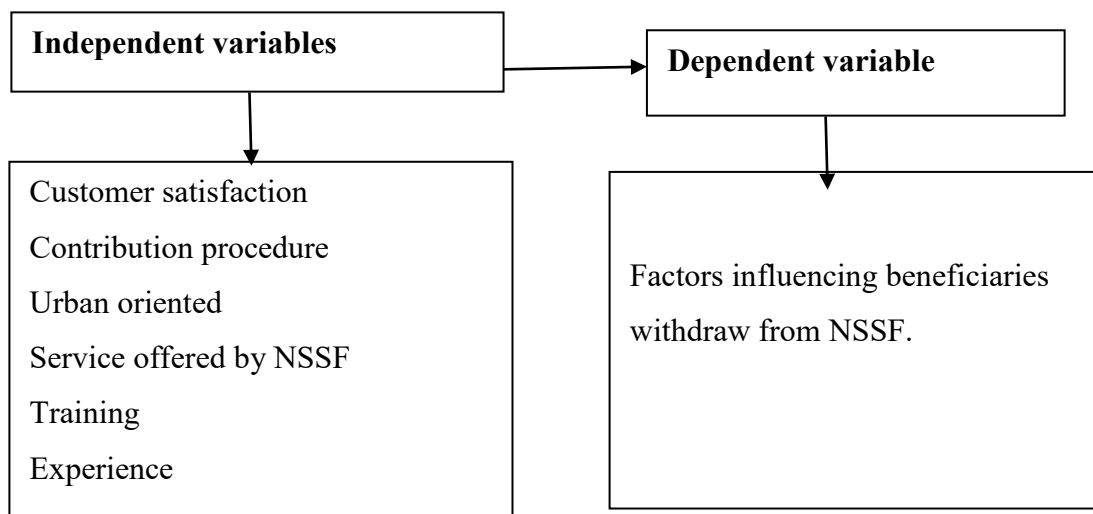


Figure 2.1: Conceptual Framework for Factors Influencing Beneficiaries Withdraw

Source: Developed by the Author (2017)

2.8 Review of Empirical Literature

Regarding the phenomenon under the study some practical studies of this nature have been carried out in Tanzania and elsewhere in worldwide in general. There are various findings from the different studies that have explained the possible factors that contribute to withdraw from various social security systems.

The study conducted by Baruti, (2007) pointed out that modern social security system in many developing countries cover a small minority of the population, namely, workers and employees in regular (urban and industrial) employment. A large part of the population, namely farmers, casual labourers and those self-employed outside agriculture depend on traditional forms of social security.

Moreover, the study by Matto (2000) on the existence of traditional social security institutions, namely, families, kinship and neighborhood in modern times established that the effectiveness of these traditional institutions have weakened due to government policies. With the above points, withdraw altitudes has been created among the social security system member and those interested to join the Social security system.

Beside that another study conducted by Tungaraza (1999) which focused on how changes in social security institutions are bound to increase insecurity of their members. The author was particularly interested in changes in traditional social security systems and their impact on women. Similarly, Omari (2013) also focused on the plight of women in the society. In his work, he highlights that formal security systems benefit only a relatively small number of women while the majorities have no

access to them. In areas where women are dominant, there are no developed formal social security programmes or systems and this has created members withdraw among the majority.

Another study conducted by Butrica and Issa (2010) revealed that, there is relationship between employees' early withdrawal and involuntary job loss. The study discovers that employees tend to withdraw their contributions because of unexpected job loss. It has been established that, most of the employees were not prepared, for unexpected job loss as a result they ended up depending on their pension benefits accounts. This has further impact in the life after pension as it reduces the amount of the pension benefits or cause total bankruptcy to the employee.

A survey by Holden, Sarah, and Schrass (2010) indicated that, about 5% of member in IRA scheme took a withdrawal at job change in 2008. The study revealed that more than half of workers spend at least some of their pension savings when offered the option. On the other hand, the studies also indicate that younger workers and those with small balances are more likely to spend the money than older workers and those with large balances. Still, this leakage amounts to a significant loss in pension income. If left untouched, savings at younger ages can grow over time into considerable sums at pension.

Baruti (2007) conducted a study on comprehensively on the role of pension fund in the transition towards a free market economy. The study examined the role of the Fund as a non-bank financial institution and the Tanzania transition period from planned to market economy. The study discovered the potential of the Fund to

diversify into banking business with an aim of improving members' benefits. A study by Metta (2007), Yahaya (2000) discovered that NSSF should operate on the market aspects of social security products.

Studies shows that lower to medium income group and younger persons have the tendency to withdraw early. This is why there is no certainty that, the income after the pension age will be sufficient to maintain the desired level of consumption, individuals save a portion of that income in order to increase the allocation of wealth available when they reach pension (Argento et al., 2012). Various studies suggested that, the life cycle model is the most useful framework of studying the link between ageing, consumption and saving Modigliani and Kotlikoff, (2006; 2014). The main result obtained from this framework is that the consumption is smoothed; the individuals will save in order to transfer purchasing power to the period of the pension. While main predictions of the life cycle tend to be supported by empirical evidence. Modigliani asserts that, the life cycle model is the most useful framework of studying the link between ageing, consumption and saving. (Modigliani and Bromberg, 2014). The main result obtained from this framework is that the consumption is smoothed: the individuals will save in order to transfer purchasing Power to the period of the pension (Freidan and Martin, 2009). Studies that have focused on the savings behavior of older persons, however, have been inconclusive regarding the correspondence between observed savings behavior and the pattern of saving and dissaving predicted.

King (2015) asserts that saving in pension is not necessarily inconsistent with the life-cycle, if one accounts for the aversion of individuals to uncertainty about the future.

Another explanation is that the generosity of pensions reduces the need to save in preparation for pension and to dissave while in pension. Another related explanation for lack of dissaving in pension is that deteriorating health may limit the ability of individuals to consume at levels that are higher than their pension income. Moreover, the pension wealth that retired persons hold is not liquid and they are not able to draw down their pension wealth any faster than the annuity payments that they receive.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Research methodology relates to grand plan of a research project that shows how a researcher intends to conduct the research and how to guard it against internal and external factors, which may influence and undermine its validity and acceptability as a knowledge base (Babbie 2004). Babbie adds that research methodology is the scientific procedures and processes of studying how research is done scientifically in various steps that are generally adopted by the researcher in studying the selected research problem and create recommendation of what must be done. This chapter covers research design, area of the study, sampling techniques, sample size, data collection techniques, validity, reliability of data, data analysis, and ethical consideration.

3.2 Study Area

The study was conducted at NSSF headquarters in Dares Salaam Tanzania. Where rich information was obtained due to the nature of information kept at headquarters. The presence of senior officials provided the researcher with all the needed information, which could not be otherwise obtained in lower hierarchy offices. Headquarter is a suitable place to meet with members who withdrawal so does their information.

3.3 Research Design

Research design is the determination and statement of the general research approach that encompasses the methodology and procedures employed to conduct scientific

research (Hesse-Biber *et al.*, 2004). This study used descriptive approach. Descriptive research design refers to the research design, which is used to collect data from a sample of population at time (Amin, 2004). Qualitative research approach was employed because of the usefulness in collecting information such as attitudes, opinions, experiences and expectations from the population and it sensitizes the study to anticipated or unknown problems (Krishnamurthy, 2000).

On the other hand Quantitative approach was used because some data were in terms of numbers, figures, decimals and percentage hence data were captured and measured to provide right information since quantitative research relies on numerical data (Kothari, 2004). Therefore both methods were used simultaneously to complete analysis of the event to the problem as in accordance with (Creswell *et al.*, 2003).

3.4 Sampling Design

Kothari (2004) referred to sampling design as a procedure that the researcher adopted to select items for the sample. Sampling design lay down the number of items to be included in the sample. The study used random sampling where every participant had equal chance of being selected and purposive samplings used to select participants at the desire of the researcher especially for senior officials. Head of departments were employed since they are well equipped with enough information on the phenomena under the study. Purposive sampling, describes purposeful sampling as a deliberate choice of an informant because of the qualities possessed by the informant (Cohen, 2000). The study adopted random and purposive samplings to secure the required sample of respondents.

3.4.1 Sample Size

A sample is a small group of respondents drawn from a population, which the researcher is interested, in gaining information and drawing conclusions (Creswell, 2005). Sample size is a number of items drawn from the universe or population (Kothari, 2004). Based on purposive sampling, respondents involved are; beneficiaries/members and key informant who are employees from different departments at NSSF Organization. From random sampling a total of 90 beneficiaries and members involved. Also 10 NSSF staff members interviewed from different departments. The sample size (n) of this study is calculated using the equation described by Kothari (2004):

$$n = N / (1 + N(e)^2)$$

Where;

N is a sample size,

N is the total number of the members/beneficiaries

e is the margin of error on (0.1).

In this case, $n = N / (1 + N(e)^2)$

$$n = 116,448 / (1 + 116,448(0.1)^2)$$

$$n = 116,448 / (1 + 116,448 * 0.01)$$

$$n = 116,448 / 1164.48$$

$$n = 100$$

Table 3.1: Number of Participant for Each Category

Category of Respondents	Numbers	Distribution
Members/beneficiaries	60	3 wards i.e. Ilala, Kariaoo and Buguruni
Key informants	12	3 from each wards
Focused group discussion	28	10 from each ward
Total	100	

Source: Authors, 2018

3.5 Data Collection

Data collection is the process of obtaining proof in an efficient and logical way so as to establish answers to the research problem (Dawson, 2002). Data collection is important in research as it allows for dissemination of accurate information and development of meaningful programs (Kothari, 2004). In current study both primary and secondary data were collected to generate reliable and accurate information.

3.5.1 Primary Data

Primary data are those, which are collected afresh and for the first time and thus happen to be original in character (Kothari, 2004). In this study different methods were employed and this is done intentionally since no single method is adequate in collecting valid and reliable data on a problem. Similarly, Bogdan and Biklen (2002) observed that exclusive reliance on one method might bias or distort the researcher's picture of a reality. Therefore, questionnaires, interviews and observations were used.

3.5.1.1 Structured Questionnaire

This method involved the setting of questions in ascending order as described by Kumar, (2005). Questionnaires were developed in which both open ended and close ended questions were adopted to capture response. A questionnaire is essentially a structured technique for collecting primary data. It is generally a series of written questions for which the respondents must provide the answers (Kothari, 2004). A questionnaire survey was used to collect primary data from NSSF members and staff during the study. A total of 100 questionnaires were used in this study and administered to the members of NSSF and staff (officials). The arrangement of question in the questionnaire followed the specific objectives of the study. Each

objective produced a set of questions and it took a maximum of forty minutes for a participant to administer.

3.5.1.2 Observation Method

The observation method provides the study with the opportunity to accumulate rich data and develop an in depth understanding of the subject investigation (Kothari, 2004). Participatory observation in this particular study adopted monitoring of social interaction in relation to factors influencing beneficiaries withdraw from National social security system. Therefore participatory observation was used to collect data, which is valid since data collected were used to supplement the response provided by the participants.

3.6 Secondary Data

The secondary data are those which have already been collected by someone else and which have already been passed through the statistical process (Kothari 2008). Review of the published and unpublished literature especially those considered more relevant and pertinent to the research problem were undertaken. The relevant source of information were collected through books, records, reports, memoranda, agendas, NSSF administrative documents, Webpage's, newspapers, articles, government publications and official statistics used. Borg and Gall (1989) argued that often the insights gained through the review of literature saved as much time in conducting the research as the review required.

3.7 Data Analysis Methods

Based on the nature of this study and the type of data collected are the major aspects to consider during the time of data analysis (Kothari, 2004). In this study the

researcher used qualitative technique to analyze data in the form of logical statements and arguments. The researcher used qualitative to analyze data, percentages and tables used to summarize the amount of data obtained from the field. Computer program software Statistical Package for Social Science (SPSS) version 20 was used. SPSS is a large and powerful general purpose statistical package with excellent data management facilities and high-quality graphics (Symonds, 2010:8). Besides, it makes possible for researchers to analyze every kind of statistics related to quantitative studies.

Moreover, editing and coding were done since it is the process of condensing data into smaller units through creation of categories and concepts from data. The SPSS helped the researcher in extracting out descriptive statistics such as frequencies. The “descriptive statistics is a set of statistical tools that allow us to accurately describe a large volume of data with just a few values” (Brace, Kemp and Snelgar 2003). Therefore, descriptive statistical techniques were used to obtain frequencies, analyze and summarize data before making inferences.

3.8 Validity and Reliability

3.8.1 Validity

Validity is the instrument capable of measuring what is accurately, effectively and efficiently (Omar, 2011). To improve the validity the researcher conducted pre-tests the questionnaire over a number of people before officially distributing to the participants. This ensures that the interview guides and questionnaires focused on the topic under investigation and the purpose of the study was clearly explained to the respondents and issues of concerned were resolved satisfactorily. The procedures for

interview observation and questionnaire were pre tested, explained to the respondents as insisted by Hesse-Biber and levy (2004), respondents were assured of anonymity and confidentiality, which encouraged frankness during the interview.

3.8.2 Reliability

Merriam (2005) holds that in qualitative research reliability is concerned with how far the results found in the study were consistent over time. To ensure the reliability the researcher used the triangulation the researcher used many methods like interview and documents. The similarity of information across the methods to assist the researcher to confirm the consistency of information in the investigation. Babbie (2005) describes reliability as a condition in which the same results achieved whenever the same technique is repeated to do the same study.

3.9 Ethical Considerations

Sullivan (2002) asserts that, social researchers are bound to ethical considerations in their studies. The researcher observed the rights of all respondents including the information given by respondent, which are kept confidential to avoid harming the respondent. In this regard the researcher served the respondents with consent form which was dully filled to confirm his consent and the research directives such as seeking permission from the required offices and officers was thought. Also, all the respondents respected, and the information provided by respondents is kept confidential. The researcher was strictly adhering to the research ethics. Human rights and national policies observed so as not to violate the scientific standards research producers. Therefore, attention paid to the rules and regulations of research before and during the actual field.

CHAPTER FOUR

FINDINGS, ANALYSIS AND DISCUSSION

4.1 Introduction

The focus of this study was to identify factors influencing members withdraw from social security system in Tanzania. The populations of this study were drawn from members/beneficiaries, expected beneficiaries and staffs of National Social Security Fund (NSSF). The above Pension Fund has been selected due to the fact that it has a large number of Members and the rate of retirement is considered to be high. Questionnaires were given to respondents to get the data required for this study together with interviews and formal discussion.

The previous chapter has presented and discussed the methodology that was used during the process of data collection. In this chapter, the first section will describe the respondents' characteristics and the second section presents the main findings of the study.

4.2 Characteristics of the Respondents

In describing the main characteristics of the respondents, an emphasis placed on the age group, sex and education level.

4.2.1 Respondents' Age and Sex Structure

This section examines the age and sex characteristics of the studied population. This is done in order to determine the relationship between the age group and sex of the respondents.

Table 4.1: Presents the Age Group and Sex Structure of Respondents (N=100)

Age Group	Male	Percentage	Female	Percentage	Total
20-29	9	9	4	4	10
30-39	16	16	13	13	21
40-49	22	22	18	18	45
50-59	8	8	4	4	20
60+	4	4	2	2	4
Total	59	59	41	41	100

Source: Field Data, 2018

As Table 4.1 shows, of the 100 respondents who were interviewed, those who were in the age range of between 20 to 29 years were 13, out of which only 9 were males and 4 were females. Those in the age range of between 30 to 39 years were 29, out of which 16 were males while 13 were females. The third group had the age range between 40 to 49 years, 40 of whom 22 were males and 18 were females. The fourth group had the age range between 50 to 59 years, 12 of whom 8 were males and 4 were females. The group aged from 60 years and above had 6 respondents of whom 4 were male and 2 were female. The table shows majority of the respondents who were interviewed were males 59 percent and 41 percent of the respondents were females.

Clearly, the respondents who were in the second category of 30 years were majority withdraws from social security fund followed by third category of 40 years. This is supported by (Argento *et al.*, 2012) shows that lower to medium income group and younger persons have the tendency to withdraw early. This is why there is no certainty that, the income after the pension age could be sufficient to maintain the desired level of consumption, individuals save a portion of that income in order to increase the allocation of wealth available when they reach pension

4.2.2 Education Level of Respondents'

Given the fact that this study involved different kinds of respondents, it was important to consider respondents' level of education.

Table 4.2: Summarizes the Education Level

Education Level	Frequency	Percentage
Primary Education	6	6
Secondary Education	17	17
Advanced Level	24	24
University Level	38	38
Literacy Classes	15	15
Total	100	100

Source: Field Data, 2018

From Table 4.2 it is evident that respondents who had attained primary education were 6 who accounted for six percent out of the total 100 respondents, 17 percent had gone through secondary education, 24 percent had gone through advanced level, 38 percent had gone through university level and 15 percent had gone through literacy classes. Basing on the data, it is evident that the education level of the respondent is characterized by a balanced equilibrium as there are respondents with low level of education as well as those with satisfactory level of education.

This reflect the fact that, all respondents are literate enough to know their rights regarding their benefits though it is not a guarantee that they will be able to follow and adhere to the procedures laid down. A survey by Holden, Sarah, and Schrass (2010) indicated that, majority of member in scheme took a withdrawal at job change in general. The study revealed that more than half of workers spend at least some of their

pension savings when offered the option. On the other hand, the studies also indicate that younger workers and those with small balances are more likely to spend the money than older workers and those with large balances.

4.3 Demographic, Social and Economic Factors Influence Members to Withdraw from NSSF

Under this first specific objective the research was intended to look on level of satisfaction in terms of adequate and equity, contribution procedures and urban oriented (coverage).

4.3.1 Level of Satisfaction to Beneficiary on Benefits Offered in Term of Adequacy and Equity

Table 4.3: Customer Satisfaction in Terms of Adequacy and Equity

Category	Frequency	Percent
Dissatisfied	48	48
Neutral	25	25
Satisfying	27	27
Total	100	100

Source: Field Data, 2018

Table 4.3 shows that, 48 percent of the respondents show that they are dissatisfied, 25 percent are neutral while 27 percent they are satisfied with the service offered in terms of adequacy and equity. The intention of the researcher was to see if the benefits given are adequate and equity to customers. In the measuring adequacy researcher look on the maximum and minimum benefit given by NSSF in a month, and in measuring equity researcher look how the benefits given by the NSSF are considerate

to its members. In order to understand so, the researcher asked the respondents to answer if the benefits given were satisfying to contributors by consideration the present socio-political and economic situation at that particular time and the duration they have contributed in these schemes. Also, it was realized that, the maximum and minimum rate depends on the amount of deductions made out of the salary.

The researcher realized that the pattern of the answers reflected the amount contributed monthly from the salary. In this it was realized that, majority of those who disagreed with the amount given as a benefit were low income earners, whose most of them made decision of withdraw from the scheme while those who said the benefits are satisfying were high income earners.

4.3.2 Contribution Procedure

In Tanzania, for a long time, the social security sector lacked co-ordination at national level as each Fund scheme reported to different Ministries with differing operational rules and procedures. As a result, contribution rates benefit structures, qualifying conditions as well as plans and priorities differed from one institution to another.

According to Bandawe (2010) National Social Security Fund (NSSF) charge 20 percent, Local Government Provident Fund (LAPF) charge 20 percent contribution rate, National Health Insurance Fund (NHIF) charges 6 percent Government Employees Provident Fund (GEPF) charges 25 percent and Zanzibar Social Security Fund (ZSSF) charges 15 percent Moreover, of all the Social Security Fund, GEPF has high contribution rate of 25 percent.

Implicitly, this means that GEPF retirees/ members get the highest benefits. Conversely, findings from URT (2003) showed that some employers provide remunerations composed of basic salaries and allowances, while deductions for social security are based on basic salaries only. This leads to lower benefits from social security institutions upon retirement. Generally, drawing from Dau (2003) presentation, the NSSF (2010) Annual report showed that still there is unfair competition among the Social Security Funds in the registration of members. This makes NSSF to lose more of their members and decided to join at another's social security institutions.

The following are some of the challenges encountered during the year under review: in 2007/2008 the number of premature withdraws have tremendously increased. This is caused by the prevailing socio-economic factors. Efforts are being made to educate members to retain their contributions once the employment ceases so as to benefit from the pensions offered by the Fund (NSSF Annual report, 2007/2008).

4.3.3 Urban Oriented

Finding from field shows that majority of members of NSSF are urban oriented and most of the operations are taking place in urban areas where by the rural people have low access to these scheme. Therefore the high number of the clients are urban oriented and where by rural people have been discriminated from these services. This has been found as factors for members to withdraw since retirees are mostly found in rural and it became difficult to make follow up for his/her pension benefits. People prefer institution which works with rural people through all the time and not partially as it is done to NSSF. This is supported by Tungaraza, (1999) most of retirees in

developing countries are spent their life at rural area where most of the social security schemes are not found around compared to coverage at the urban areas. The study conducted by Bossert, (2014) pointed out that modern social security system in many developing countries cover a small minority of the population, namely, workers and employees in regular (urban and industrial) employment.

4.4 Factors Influence Beneficiary's Satisfaction on the Service Offered by NSSF

Under this, the researcher was interested in understanding the rate at which the customers are satisfied with the nature of the services given by the Scheme. Basically, the reason for this objective is to see how many customers are satisfied with the services and the relationship to customer withdrawal from the scheme. According to Isaka, (2011) poor customer service can result into some members not being satisfied with the benefits given.

Table 4.4: Services Offered by NSSF

Categories	Frequency	Percent
Payment of the benefits		
Improved	18	18
Constant	37	37
Declined	45	45
Language by customer care		
Improved	33	33
Constant	18	18
Declined	49	49
Customer care services centers		
Improved	42	42
Constant	48	48
Declined	10	10
Time taken to get services		
Improved	22	22
Constant	39	39
Declined	61	61

Source: Field Data 2018

Table 4.4 shows that, 45 percent of the respondents says the payments of the benefits to the beneficiaries is declined, 45 percent of respondents says the language of customers care is declined, 48 percent of the respondents says the customer care services center are constant while 61 percent of the respondents says the time taken to get service is declined. The reason for this high percent of the respondents not being satisfied with the time taken to get services is because members are standing in long queue for long time when they processing their benefits. Also the beneficiary mentioned to decline of payments because there is delay of payments. According to Gay (2002), some of the beneficiaries who retired stayed for nearly between six and twelve months before they received their commuted pension gratuity or monthly payments since they left their jobs. And last is the language by customer care declined because of the use of harsh languages by customer care when inquiring about their benefits problems. Pensioners are faced with the problem of long bureaucratic procedures, it take too long both in terms of time effluxion before benefits are received, and bureaucratic and even unnecessarily complicates the approval of benefits. Kakooza, (2010) from there, it is reasonable to argue that high percent of respondents are not satisfied with the services given by NSSF hence it influencing them to withdraw from the scheme. Moreover, some beneficiaries reviled that there is neglects to some of the pensioners particularly those who are low income earners where they take long period of time to increase their benefit rate.

4.5 To Determine the Internal Competence of NSSF Workers on the Quality of Service Offered

In this section, the researcher aims to assess the level of competence of NSSF workers through checking their competence in terms of experience, and trainings that they

have received throughout time with relationship to members withdraws from the scheme. Below is the result of each factor as obtained from key informant?

4.5.1 Training

Training forms an important component in capacity building. People with high frequency in training attending usually contain some important information that enables them to perform certain activities better than those who have not attended. Like any other business enterprise, capacity building to individual staffs in social security industry is a key determinant of quality services in the industry and so are the benefit offered.

The result from the study shows that most staffs at NSSF attend training as indicated by NSSF expert who mentioned that, 83.6 percent staff attending training while 16.4 percent staff was not yet attending training for the year 2015-2016. These results should supposedly reflect high quality services from the scheme. This data reflected what was also again mentioned in their Annual Reports which showed that the institutions recognized the importance of training and hence it continued encouraging and sponsoring its employees to attend various training courses locally and internationally. The conducted trainings include Benefit seminars, inspector seminars and customer care and procurement courses.

Also a total of 63 employees benefited from internal courses i.e. advanced driving courses, records management, accountant and auditor conferences, secretarial courses, report writing and presentation skills and other 20 employees have benefited from different external courses. Furthermore, NSSF sponsored 3 employees to undertake

different courses, 10 staff were given permission under private sponsored while 7 staffs provided with education loan. The Table 4.5 contains list of staffs on studies/training since 2013/14-2016.

Table 4.5: Showing List of Staff on Studies/Training Since 2013/14-2016

Categories	2013/14	2014/15	2015/16
Under Institution sponsorship	2	2	3
Under private sponsorship	5	8	10
Under loan facility	4	6	7
Total			47

Source: Field Data 2018

4.5.2 Experience

Information from key informant from three wards shows duration in employment 16.7 percent of the informant have been in employment for less than three years, four had been in employment between 4-6 years, one (8.3 percent) of the informant had been in office for 7-10 years, while 5 (41.7 percent) of the informant had been in office for more than 11 years. This implies that most of the respondents have longer experience in this scheme hence provision of accurate information and services to the customer should be good despite that majority of workers who stay for a long time at their passion they tend to work not in efficient and effective way.

Table 4.6: Duration of Working Experience on Staff of NSSF as Key Informant

Year	Frequency	Percent
1-3	2	16.7
4-6	4	33.3
7-10	1	8.3
11 and above	5	41.7
Total	12	100

Source: Field Data 2017

For management employees, 40 percent of the respondents had been in organization between 7 to 10 years while 60 percent of them have more than 11 years.

4.5.3 Ability to Solve Problems on Time

Table 4.7: Organisation Solves Problems on Time

		Frequency	Percent
Valid	Not sure	14	11.7
	Disagree	65	70.5
	Strongly disagree	21	17.8
	Total	100	100.0

Source: Researcher, 2018

Respondents stipulated different perception on the capacity of staff in problem solving service as indicated on the table above. 14 respondents which is equal to 11.7 percent were not sure. 65 respondents which is equal to 70.5 percent disagreed that problems were not solved on time, while 21 respondents which is equal to 17.8 percent strongly disagreed.

Since (70.5percent + 17.8 percent) that is 88.3 percent of the respondents disagreed that problems were solved on time, it was revealed that customers were not satisfied with the internal competence of staff on problem solving service.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATION

5.1 Introduction

This chapter gives out a conclusion and recommendations of the study. The conclusions are based on the findings from the specific objectives, while the recommendations are the actions to be taken to improve the role of the NSSF.

5.2 Conclusion

This study aims at examine the factors influencing beneficiaries withdraw from social security system in Tanzania, a case of NSSF. Also the study would add to the scarce empirical literature on social security benefits; would inform NSSF policy makers on review of policy so as to be followed by national social security fund for the benefits of members and would improve service offered by the scheme for the beneficiaries.

The study had three specific objectives. These objectives were as follows: (i) to assess demographic, social and economic factors influencing members to withdraws from in terms of contribution procedures and urban oriented (ii) to analyze factors influencing beneficiaries satisfaction on the service offered by NSSF on the level of customer satisfaction and the service offered by NSSF. (iii) To determine the internal competence of NSSF workers on the quality of service offered in term of training and experience.

In order to effectively achieve these objectives, the study utilized several research questions. According to specific objective one which has to look on satisfaction on the

adequate and equity to customer it show that some members are not satisfied with the contribution by considering the present social, political and economic perspective. Another variable is contribution procedure, which seems that beneficiaries look on the schemes which pay higher benefits, this make NSSF to lose their member and decide to join another institution.

The second specific objective based on beneficiaries' satisfaction the reason for this objective is to see how many customers are satisfied with the services and the relationship to customer withdrawal from the scheme. The results shows that there poor customer service which result into some members not being satisfied with the benefits given and decide to withdraw from the scheme. The reasons for unsatisfying had mentioned by members such as long time of payment on the benefits, harsh languages to members, long time to get service at care center.

The last specific objective which based on training and experience, it show that there is provision of training to the staffs though it is not much to cover all staffs because the number of staffs who permitted to attend training and courses are very few compare to the capacity of beneficiaries. The institutions recognized the importance of training and hence it continued encouraging and sponsoring its employees to attend various training courses locally and internationally. The conducted trainings include Benefit seminars, inspector seminars and customer care and procurement courses.

5.3 Recommendation

Based on the above conclusions, the following recommendations are suggested. First, NSSF as a whole should endeavor to improve service quality offered to customers if

they are interested in achieving loyalty. This is because, service quality has been found to perform poor to customers.

Second, the NSSF Managements should also adopt different appropriate strategies such as relationship marketing in order to promote customer satisfaction, thereby achieving more customer loyalty.

Third, Management of organizations could examine those other factors apart from service quality that the customers withdraw. In this case, the management could always adjust on those other factors to provide its customers with the best values and also dictate the important dimension(s) to lay more emphasis in improving service quality, loyalty and customer satisfaction.

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APPENDICES

Appendix I: Questionnaire for Respondent

The purpose of questionnaires is to solicit your views on factors influencing members withdraw from social security system in Tanzania, a case of NSSF Dar es Salaam. The main purpose of this study is to identify the reasons for members to withdraw from social security fund, specifically NSSF by a student from Open University of Tanzania (OUT) for the partial fulfillment of the requirement for the award the Degree of Master in Social Work. Information obtained from this research shall be used for academic purposes only. The researcher is kindly requesting you to fill your response as accurately as possible to enable the researcher to obtain as much relevant data that will meet the intended instructions

Please circle the correct answer

1. Age (in Years)

- a) Between 20 and 29
- b) Between 30 and 39
- c) Between 40 and 49
- d) Between 50 and 59
- e) Above 60+

2. Sex

- a) Male
- b) Female

3. Level of education

- a) Primary Education

b) Secondary Education

c) Advanced Level

d) University Level

e) Literacy Classes

4. Which steps did you take when doing follow up of your pension and which documents were needed during preparation of your

pension?.....
.....
.....

5. Which of the following best describes you? Are you.....

a) Not currently receiving Social Security benefits, but you expect to receive them at some point in future

b) Not currently receiving Social Security benefits, but you don't expect to receive them at some point in future 10 – 20 years

c) Currently receiving Social Security

6. Awareness of the procedure of pension payment;

a) They know procedure

b) They do not know procedure

7. Are you aware of any law(s) and/or regulations with regards to Benefits payment in Social Security Fund in Tanzania? (especially NSSF)

a) Yes

b) No

Mention

them.....

8. Are there any established mechanisms/systems in the payment of terminal benefits which you are familiar with?

a) Yes

b) No

If yes, please mention them

.....

.....

9. How long usually retirees spend, after retirement in receiving the pension?.....

10. Duration of payment;

a) There is Delay

b) There is no delay

11. What are perceptions of people on service provided at NSSF?

Categories	Satisfactory	Not Satisfactory
Customer services offered on time		
Access of pensions on time		
Delivery of service on time		

12. Where do you get information at first place about NSSF?

.....

13. Do you think if there is a Social Security Institution which pays benefits to its clients better than your current institution?

a) Yes

b) No

(b) If yes, please mention them

.....
.....

(c) Please explain what the reasons would be behind your answer in (b)

.....
.....

14. General comments on how to protect members of social security fund from with drawing in Tanzania?

.....
.....
.....

“Thanks for your Cooperation”

Appendix II: Observation Checklist

1. It takes too long to get service because of long queues and few staff to serve them.
2. Complaints from the members about the time it takes to get their benefits were mainly due to the organization's inefficiency. When customers asked to be served the workers response is that the network is down.
3. Lack of public relations among some of the employees and also poor understanding of public relations made it easy for members early withdraw.
4. Using of personal phones during working hours is an ongoing problem in most offices in our country – NSSF is no exception. Some workers are texting while talking to customers without considering the customer's rights, and these rights are rights to be heard and informed