THE CONTRIBUTION OF SOCIAL SECURITY MERGER ON IMPROVING THE PERFORMANCE OF PUBLIC SERVICE SOCIAL SECURITY FUND

BY

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A Dissertation Submitted in Partial Fulfillment of the Requirements for Award of the Degree of Master of Business Administration in Corporate Management (MBA-CM) of Mzumbe University

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CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled **"*The Contribution of Social Security Mergers on improving the Performance of Public Service Social Security Fund*"** in partial/fulfillment of the requirements for the Degree of Master of Business Administration in Corporate Management of Mzumbe University

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ABBREVIATIONS AND ACRONYMS

GEPF	Government Employee Provident Fund
ILO	International Labor Organization
LAPF	Local Authority Pension Fund
MBA-CM	Master of Business Administration in Corporate Management
MUDCC	Mzumbe University Dar es Salaam Campus College
NSSF	National Social Security Fund
PPF	Parastatal Pension Fund
PSPF	Public Service Pension Fund
PSSSF	Public Service Social Security Fund
PSSSA	Public Service Social Security Act
WB	World Bank
WHO	World Health Organization
ZSSF	Zanzibar Social Security Fund

ABSTRACT

This study examined the contribution of social security merger on improving the performance of the Public Service Social Security Funds (PSSSF). Lack of the insights whether the undertaken merger improves the performance of the PSSSF or not paves the way for this study to be conducted so as to bring into existence such insights. The PSSSF constitutes, among others, members' contributions, funds transferred from former Funds, funds transferred from the NSSF by members transferred to the Fund, assets from the former Funds and monies from investments made by the Fund; the fund was specifically studied so as to examine the effects of the process of merger on the performance of the PSSSF in Tanzania, to find out the extent to which PSSSF monopoly influences scheme benefits and to find out the challenges that PSSSF encounters

This study had been the case that attracted in-depth investigation of a particular situation so as to attain in-depth knowledge about the research problem (the contribution of social security merger on improving the performance of the PSSSF). Based on such case study, both stratified and simple random sampling procedures were applied to obtain a sample size of 10 managerial staff and 30 non-managerial staff. The conceptual framework with both independent and dependent variables was used to enlighten this study. To collect the required data, questionnaire and in-depth interview methods were applied and then, the collected data were analyzed quantitatively and qualitatively.

The results of the analysis from the revealed findings show the contribution of the merger on the operating performance of Public Service Social Security are an expansion of the fund coverage to cover all public service employees in Tanzania, a large number of workforces that work to secure objectives of the PSSSF, enhancement of competitiveness of the fund which goes together removal of unnecessary competition so as to increase the market power of the fund with the ability to pay members' benefits

The study concluded that merger improves the operating performance of the fund regardless of the post-merger challenges. Then, the study recommended the

management and members of the PSSSF to work together on overcoming post-merger challenges

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CHAPTER ONE

THE PROBLEMS AND ITS CONTEXT

1.0 Introduction

This study examined the contribution of social security merger on improving the performance of the Public Service Social Security Fund (PSSSF). The amalgamation of (PPF, PSPF, LAPF, and GEPF) into PSSSF aimed to improve the quality of social security services through merger, since working together as a whole (merger) results more gain or more effects than working individually. But, despite this initiative of improving the quality of social security benefits particularly retirement benefits and time anecdote evidence shows that stubborn problems still persist. Since, little or no a systematic study has been conducted after the merger of the social security funds into PSSSF, this study was undertaken to investigate how the merger of previous social security funds has contributed on improving the performance of the consolidated PSSSF.

1.1 Background of the Problem

The successfulness of an organization, whether public or private, depends on how such organization operates its performance in a way that leads fulfillment of the organizational goals and objectives. One of the most applied strategies towards operating performance is the practice of a merger. According to Schraeder and Self (2003) merger refers to the consolidation of two or more entities into a new entity while Reuvid (2007), viewed merger as what occurs after a combination of two or more organizations for the purpose of forming a newly one organization which has the ability to perform better than the previously merged organizations. The practice of merger has opted around the globe as the way forward for the improvement of operating performance in the organization through expanding market share and increasing revenue, gaining competitive advantages, technological competencies, management expertise, reducing operational risk and cost and improving resource allocation, but on contrary, more than half of all practiced mergers fail to meet their intended objectives that were originally designed to achieve (Reuvid, 2007).

With the case of Tanzania, following the government establishment of the Public Service Social Security Act (No. 2), 2018, the practice of merger has occurred among social security funds where Parastatal Pension Fund (PPF), Public Service Pension Fund (PSPF), Local Authorities Pension Fund (LAPF) and Government Employees Provident Fund (GEPF) were merged under such Act to form Public Service Social Security Fund (PSSSF) which has an obligation to serve all public sectors' employees. The most considerable reason that drove the government into taking action of merging social security funds is improving the quality of social security service since having many social security funds reduces their ability to offer quality social security service (International Labour Organization, 2019).

With practicing merger, Public Service Social Security Fund needs service improvement since mostly of the offered social security service by formerly social security funds, apart from falling below the ILO minimum standard in term of number and quality of their services, also the offered services have been challenged with delaying in benefits processing that resulted delaying in making benefit payments on time especially to the retirees, also there have been the inadequacy benefits that did not match with the present-daily cost of living, poor data management with the inability to produce contribution records of several members on time (Swalehe, 2012; ILO, 2019). Other challenges that the formerly social security funds fail to address was concerned with coverage where keeping pace with growing population has not been satisfactory as evidenced in 1998, where all social security funds had approximately total of a 800,000 members which presented 6.5% of the working population and even when reached 2013, such 6.5% of the working population remained as the members of all social security funds (Ahmed, 2018).

Based on the National Social Security Policy which was adopted by the government of Tanzania in 2003, the policy insists on the extension of social security services to the majority of the Tanzanians so as to realize those goals and objectives set out in the 2025 vision of the country. With regard to such the National Social Security Policy (2003), the existed former social security funds were characterized with several shortcomings such as limited coverage of membership, inadequacy of benefits paid as many of existing benefits were reported to fall below the ILO minimum standards in terms of number and quality, also there had been a fragmentation and lack of coordination among former social security funds which then undermined the quality of the delivered social security benefits (The National Social Security Policy, 2003).

Since the logic behind merging social security funds is the synergy effect toward the improvement of social security service, government of Tanzania through its Minister of State in the Prime Minister's Office responsible for Policy, Parliamentary Affairs, Labour, Employment, Youth and Disabled Ms Jenister Mhagama has assured pensioners that under Public Service Social Security Fund, registration number of new members will be high, collection of contributions will reach the set target and pensioners belong to the PSSSF will be paid their monthly benefits without any delay (Mtema, 2018). Based on the reality that theoretically, the merger is great but practically, things tend to go awry, recently the Director General of PSSSF reported the failure of PSSSF to meet its set goal of collecting contributions, where between 2018-2019 the fund was required to 1.05 trillion of Tanzanian shillings but only 928.31 billion of Tanzanian shillings which is equal to 88.6% of such intended amount was collected by PSSSF, other unsatisfactory case was reported to be on the number of registered new members where 7,575 new members were registered in the period 9 months after starting operations of the fund (Khalifa, 2019). According to Galpin and Herndon (2014), the failure of the merger to bring about intended results may be attributed mainly by poor planning and execution of such merger or integration but if the organization invests sufficient time and effort in planning and execution the integrated merger, the value of what merged tends to be increased.

1.2 Statement of the Problem

With due consideration of today's globalized economy, merger activities have been practiced by public sectors and private sectors all over the world, where the motives behind the practice of merger are increasing market share, enhancing technological competencies, reducing operational risks, capital mobilization to strengthen the financial position, enhancing management expertise, gaining competitive advantages, improving resource allocations as all targeted into improving services delivery to meet customers' satisfaction (Bergamin and Braun, 2017). Based on the motives behind such merger practicing, the Tanzania Public Service Social Security Act of 2018 established the Public Service Social Security Fund (PSSSF) so as to realize attainment of the fund's objectives which are ensuring every person who is an employee in the public service receives retirement pension benefits as and when due, assisting improvident individuals to save through PSSSF so as to cater for their livelihood during old age and lastly, establishing a uniform set of rules, regulations and standards for the administration and payments of retirement pension and other benefits (Public Service Social Security Fund Act, 2018). The expectation towards the practiced merger is mainly for improving the quality of social security services, since those problems addressed in National Social Security Policy especially limited coverage which needed extension to cover majority of people, inadequacy benefits which needed improvement in terms of number, quality and magnitude so as to meet the basic needs of the beneficiaries and financing of social security services which needed to be well financed by the funds; those addressed problems were not solved by the former social security funds which were used to operate individually (the National Social Security Policy, 2003).

Therefore, based on the reason that since the practiced merge of social security funds (PPF, PSPF, LAPF, GEPF) into PSSSF, there had been no clear insights regarding whether the merger of social security fund has contributed to scheme quality in terms of improving the delivery of social security benefits especially retirement benefits or not. Hence, based on such alignment, this study was undertaken in order to explicate the contribution of the merger of social security funds to the performance of fund particularly on improving the scheme benefits.

1.3 Objectives of the Study

1.3.1 Main Objective

The main objective of this study was to examine the contributions of merger of Social Security Funds on improving the performance of the Public Service Social Security Fund (PSSSF)

1.3.2 Specific Objectives

The study was guided by three specific objectives

i. To examine the effects of the process of merger of the social security funds on the performance of PSSSF in Tanzania
ii. To find out the extent to which PSSSF monopoly influences scheme benefits to the retirees
iii. To find out the challenges facing the Public Service Social Security Fund (PSSSF)

1.4 Research Questions

i. What are the effects of the process of merger of social security funds on improving the performance of PSSSF in Tanzania?
ii. To which extent does Public Service Social Security Fund monopoly influence scheme benefits to the retirees?
iii. What are the challenges that facing Public Service Social Security Fund?

1.5 Significances of the Study

The results of this study are beneficial to the board of directors and management of Public Service Social Security Fund (PSSSF) by making them aware on the effects of the merger on the operating performance of the fund. Throughout the result of this study, awareness on the effects of merging social security funds into Public Service Social Security Fund in Tanzania, awareness on the role that the practiced merger of PSSSF results monopoly as well the extent to which such monopoly enhances the scheme benefits of the fund and awareness on the challenges that fund encounters together with their mitigation measures.

Also, the results of this study are significant to the government of Tanzania. Since this study intended to help Public Service Social Security Fund to make the best use of its merger so as to improve operating performance of the fund. Hence, with improved operating performance, fund able to increase the number of its members as well as increasing amount of the collected contributions which then, the collected contributions are properly managed so as to enable the government to borrow from Public Service Social Security Fund.

Furthermore, the results of this study are significant to the members of Public Service Social Security Fund. Previously, the former social security funds failed to satisfy their members with their service delivery since they were attributed to poor operating performance. Hence, with improved operating performance under the practice of merger, all members of PSSSF are going to be satisfied with the service delivery of the fund especially through efficient management of the collected members' contributions, speeding up verification processes of pensioners and making timely payment of the members' benefits.

Lastly, the results of this study serve as a source of literature review especially to the community of researchers. Since until today, there is little research studies that relate to the contribution of social security merger on improving the performance of the Social Security Funds, hence having the study like this *"the contributions of social security merger on improving the performance of Public Service Social Security Fund"*, the community of researchers have been served a lot in terms of accessing empirical literature.

1.6 Limitations of the Study

Firstly, it was hard to control extraneous variables from intervening the results of this study. The study on the contributions of the social security merger on improving the performance of Public Service Social Security Fund (PSSSF) was conducted in the natural setting where controlling extraneous variables apart from merger was extremely difficult. With regard to this study, the merger was treated as an independent variable and operating performance of PSSSF was treated as the dependent variable, but with the presence of extraneous variables, operating performance of PSSSF might probably being influenced by other variables apart from merger since the study was undertaken in a natural setting and not in the laboratory. To deal with this limitation, data collection tools were carefully formulated so as to obtain the intended information.

Also, there was a possibility of receiving incomplete responses especially during the process of collecting data through the questionnaire research method. This may appear due to the fact that during the process of data collection, the researcher distributed questionnaires to respondents and then, researcher left respondents so as to give them freedom during the process of answering the questionnaire. Therefore, under such circumstance, the chance to receive the incomplete questionnaires from the respondents was enlarged especially for those respondents who were not interested in answering questions. To deal with this limitation, the researcher cross-checked the received questionnaires from the respondents to identify those with incomplete responses and then, respondents were politely asked to complete their given questionnaires.

Shortage of time to accomplish the whole study. The study on the contributions of the merger on the operating performance of PSSSF required more time space for setting data collection tools, making data collection, analyzing the collected data so as to produce a research report on such a researched topic. Hence, for the study to cope with such limitation of time constraint, the available time was budgeted with regard to different research activities so as to meet the deadline of submitting dissertation at Mzumbe University Dar es Salaam Campus College.

1.7 Delimitations of the Study

The delimitation of this research study was highly determined by the desire of the researcher to gain better and complete knowledge concerns the contribution that the merger may bring toward the improvement of the operating performance of Public Service Social Security Fund (PSSF).

Firstly, the study was undertaken at the Public Service Social Security Fund (PSSSF) which is the social security fund formed as the result of merging former social security funds namely PPF, LAPF, GEPF and PSPF. Since the study was conducted only at the head offices of PSSSF, therefore, the results that were obtained from this study were not generalized to any other social security fund.

Second, the study participated in those respondents who were closely related to the operating performance of PSSSF that have direct link with objectives that PSSSF is obliged to fulfill so as to improved delivery of social service through that practiced merger. The respondents who comprised the sample size of this study were taken from board members, managerial employees and some of them were non-managerial employees.

Third, the study on the contribution of the social security merger on improving performance of the PSSSF used only one theory which was Synergy Gain theory. The theory of Synergy Gain was applied to guide this study due to its fitness to this study as intended to examine the contribution of the merged social security funds (PSPF, PPF, LAPF and GEPF) on improving performance of the PSSSF after being operating as the whole instead of being operating each apart.

Fourth, with regard to sampling strategies, the study on the effects of the social security merger on improving performance of the PSSSF was scoped into using only probability sampling strategy where stratified sampling technique was firstly applied and then followed by simple random sampling technique. The act of scoping this study into utilizing only probability sampling strategy was done so as to eliminate bias in the process of obtaining sample size.

The last delimitation for this study was based on the specific objectives which the researcher intends to achieve through this study. There were three specific objectives to guide this study; to examine the effects of the process of merger of social security funds (PPF, PSPF, LAPF, and GEPF) into Public Service Social Security Fund (PSSSF) in Tanzania, to find out the extent to which PSSSF monopoly has influenced scheme benefits and to find out the challenges facing operating performance of the Public Service Social Security Fund (PSSSF) as they brought through merging process

1.8 Organization of the Dissertation

This dissertation is organized into five chapters as a full dissertation. Chapter one stands for introduction and problem setting, the chapter was systematically presented background of the problem, statement of the problem, research questions, and objectives of the study, significance of the study, limitations of the study and delimitations of the study. Chapter two is the chapter for literature review; the chapter presents definition of the key terms, theoretical literature review, empirical literature review, research gap and conceptual framework. Chapter three concerns with research methodology that were used to study the contributions of mergers on the operating performance of Public Service Social Security Fund where systematically, the chapter presents an area of the study, research design, target population, sample size and sampling techniques, data collection techniques and instrumentation, validity and reliability, ethical consideration and data analysis plan. Chapter four is the chapter for the presentation of the findings and discussion, with this chapter the revealed research findings are presented and discussed consistently to ensure those specific objectives are well answered. Chapter five which is the last chapter of this dissertation presents a conclusion reached through those revealed findings and recommendations which based on the light given throughout the studied research topic.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

To shed the light on this study which concerns with studying the contributions of the social security merger on improving the performance of Public Service Social Security Fund (PSSSF), both theoretical and empirical literature has been critically reviewed. Based on the chapter concern, presentation of literature review covers definition of the key terms, theoretical literature review which emphasizes on relevant theories to this study, empirical literature review that considers specific objectives of the study, then research gap and ends with a conceptual framework.

2.1 Definition of the Key Terms

2.1.1 Merger

Merger refers to the combination of two or more companies into one new company or organization (Walace and Moles, 2003). Also, merger is regarded as the pooling of the interest through which two or more companies join together to create a new enterprise that requires agreements by both sets of shareholders (Leepsa and Mishra, 2016). According to Reuvid (2007) merger is categorized into three types which are horizontal merger which occurs when two or more companies sell similar services or products in the same market; vertical merger which occurs when merged companies or organizations are not competing with each other but they all exist in the same supply chain; and conglomerate merger which occurs when two or more merged organization sell their services or products in different markets. Based on those categories of merger, this study was concerned with horizontal merger, this is due to the reason that all those merged funds (PSPF, PPF, LAPF and GEPF) apart from providing same services, also they were operated in the same market (serving public sector employees)

2.1.2 Operating Performance

Operating performance refers to the measurable aspects of the outcome of an organization's process that affect organizational performance. Organizational performance is all about the capability of organization to accomplish its goal and objectives (Mahapatro, 2013). Also, organizational performance is regarded to be an indication of the organizational manner of performing effectively to achieve its objectives successfully (Cherrington, 1989). Based on the fact that the organization tends to perform various activities so as to accomplish its objectives, hence accomplishment of organizational objectives determines the performance of an organization.

2.1.3 Social Security Fund

Social Security Funds refers to the social insurance program that covers community as a whole or large section of the community as imposed and controlled by a government unit. Generally, social security fund involve compulsory contributions by employees or employers or both and the terms on which benefits are paid to recipients are determined by a government unit (Organization for Economic and Co-operative Development, 2001). With the case of Tanzania, the existing social security funds following the establishment of Public Service Social Security Act, 2018 are Public Service Social Security Fund (PSSSF) and National Social Security Fund (NSSF).

2.2 Relevant Theory

The relevant theory to the study which concerned with the contribution of the merger on the operating performance of Public Service Social Security Fund was the Synergy Gain Theory.

2.2.1 Synergy Gain Theory

The theory of synergy gain was firstly developed by Ansoff, in 1965. The word synergy comes from Greek word which means working together, but with regard to this study, synergy means working together as the whole or merged organizations that results more gains (Campbell and Sommers, 1998). According to this theory, the value of the merged or combined firms is always higher than the value of individual firms. The tenet of this theory is to attain synergistic effects, based on the fact that the value of the whole company is greater than the sum of each part value.

In association to the study of the contribution of the social security merger on improving performance of the Public Service Social Security Fund (PSSSF), the theory of Synergy Gain was applied to guide the study on revealing synergy effects that PSSSF gets from the merged social security funds (PPF, GEPF, LAPF and PSPF). Also, this current study was enlightened by Synergy Gain Theory to identify the synergistic gains in relationship to those specific objectives of the study (to examine the effects of the process of the merger of social security funds (PPF, PSPF, LAPF, and GEPF) into Public Service Social Security Fund (PSSSF) in Tanzania, to find out the extent to which PSSSF monopoly has influenced scheme benefits and to find out the challenges that face operating performance of the Public Service Social Security Fund).

Critically, the theory of Synergy Gain has attracted both divergence and convergence from different people; with the divergence, the theory was criticized for lacking the ability to create synergistic value once applied. According to Vijgen (2007), the deal for Merger and Acquisition is mainly for creating synergy out of the combined firms where acquirer and target firm each expects to positive returns because of that synergistic benefits. But such M&A has no ability to create value for the combined firms when synergy from Merger and Acquisition is lower than the takeover premium and integration costs. But, according to Molnar (2002) creation of synergetic value through merger is difficult due to the presence of the competitive environment in the business, where once company observes its competitor is making a bid to merge with certain companies so as to gain synergetic value through merger, such company tends to prevent the deal through working with the targeted firms and sometimes such working involves overpaying the targeted firm from not being acquired.

While with convergence, the theory of Synergy Gain is regarded to be suitable for ensuring synergetic gain value for the company. According to Ansoff (1965) synergistic gains for the merged organizations are realized from numerous sources including generating economies of scale and scope especially through assets combination, sales combination, sharing information, distribution channels, trademark and eliminating redundant operations sources. Another synergistic gain for the merged firm is financial benefits which can be gained through decreasing systematic risk by diversification, increasing firm's size to gain access to cheaper capital and establishing an internal capital market which allows more efficient capital allocation. Also, there is a managerial synergistic gain for the merged organization where one of the merged organization may provide superior knowledge and planning capabilities to the merged organizations which then, hugely advantageous especially to the future of those merged organization may be realized through sharing that knowledge and skills of know-how (Ansoff, 1965).

2.3 Analysis of the Empirical Literature Review

The analysis of the empirical literature review has been done with consideration to the previous research studies that found to be closely related to this study on the contributions of the social security merger on improving the performance of Public Service Social Security Fund (PSSSF). The presentation of the literature review has been done with carefully consideration to the specific objectives of this study; to examine the effects of the process of merger of social security funds (PPF, LAPF, PSPF and GEPF) into Public Service Social Security Fund (PSSSF) in Tanzania, to find out the extent to which PSSSF monopoly has influenced scheme benefits and to find out the challenges facing Public Service Social Security Fund.

2.3.1 The Effects of the Process of Merger of the Social Security Funds

Based on the analysis of various empirical literatures concerning the effects of the process of merger of the Social Security Funds, the process of merging funds has been found to have effects on the operating performance of the newly formed organization after the merger. With due consideration to what reported from various reviewed studies, the following are the effects of the process of merger of the Social Security Fund

Enlarge the coverage of the fund which then determines financial strength of the social security fund. One of the most reported effects of the process of merger towards enhancement of the operating performance of the social security funds are the enlargement of the fund’s coverage. According to the study which was undertaken among social security funds in Tanzania by Harrison (2014), the study reported that small coverage of the social security funds found in Tanzania weaken financial stability of the fund, since with small coverage, fund tend to collect a small amount of contributions from their members. Other reviewed study that shows the same effect of the merger practice is the study of Adoma (2015) which was undertaken in Ghana to study the effect of merger on the financial performance of the company where merger was reported to enlarge market share through widen up scope and coverage of the company which then enable the company to increase the number of its customer base that improved the financial performance of the company.

Increase the availability of labor forces that can be used to enhance the operating performance of the social security fund. According to the study of Enoff and Mckinnon (2011), social security fund needs adequate number of labor forces for following up the process of collecting contributions so as to ensure contributions are submitted to the fund on due amount and due date. Additionally, the study of Adoma (2015), with merger practice, an increasing number of labour forces of the new company was reported to be possible since all employees from the merged companies come together into new formed company after merger. Therefore, with increasing number of labour forces, the fund can easily disburse that adequate number of labour forces so as to enhance operating performance which may result in attainment of the set objectives of the organization.

Increasing market power of the organization. Market power as the relative ability to manipulate the price of service in the marketplace by manipulating the level of supply, demand or both is reported to be highly influenced through the process of merger. According to the World Health Organization (2004), separately social security funds were reported to bring about opportunities for employees to among the existing social security fund, as the result of this, some social security funds were reported to lack market power for them to increase the registration number of members as well as amount of collected contributions from various existing people which are necessary for the survival of the social security fund. Also, the Social Security Regulatory Authority Act of 2008 that among other things, has been used to provide a freedom for employees to choose social security fund for them to belong, due to the presence of many social security fund during that time, as the result of such freedom, many social security funds were reported to weaker market power, hence with the process of merger where social security funds came together as one fund, market power is reported to increase (Mtema, 2019).

Enhance competitiveness of the fund. With the process of merger, the organization tends to have the ability to offer services that meet the quality standards of the local and world markets, hence under such circumstance, enhancement of the organizational operating performance become easier for the fund, since clients become willing in registering and submitting their contributions fully and timely. According to International Social Security Association (2009) timely and full payment of contributions to the fund, by and on behalf of insured persons is easily when the services offered by the funds have the quality that satisfies the fund's members. Based on what revealed from previous studies that merger enhances the competitiveness of the firm, World Bank (2012) reported that improvement of social security services and allow accessibility of those improved services, reduces difficulties related to funds' collection of contributions from various members.

2.3.2 The Monopoly of the Fund and its Influences on the Scheme Benefits

With the process of merger, social security funds may able to monopolize the market through being the sole proprietor in the provision of social security services, since those who were used to be competitors against each other come together under newly one social security fund to provide social security services in the market. Hence, with regard to that monopolization, the delivery of scheme benefits from such social security fund tends be influenced. Based on various analyzed empirical literature from various studies, the following are the extent to which monopoly of the social security fund influences the scheme benefits.

Financing the scheme benefits with a due amount of payment. Since with strong monopoly power, social security fund can extend its coverage to wider communities which then, result in maximization of profit earned through a larger amount of the collected contributions, hence financing scheme benefits with a due amount of payment becomes possible (Seim and Waldfoge, 2010). Based on the result from a previous study of Adoma (2015), with attainment of monopoly power through the process of merger, organization tends to widen up scope and coverage of operation which then increase the customer base of that organization which then, increases the sales volumes and profitability of the firm that tends to determine availability of funds to finance various activities. Also, it was reported through the study of Harrison (2014) that small coverage among social security funds in Tanzania has been weakening financial stability of the fund, since with small coverage, social security fund tend to collect small amount of contributions. Also, the result from the study of Blahous (2015) reported the chance for the availability of funds for paying retirement benefits tends to be increased through the process of merging social security fund. Hence, with the practice of merger that enlarge coverage of funds, more contribution will be collected from many members so as to facilitate the process of financing scheme benefits with due required amount.

Timely financing payment of the scheme benefits. Social security fund has several benefits that require availability of funds to be financed on time, but with the presence of strong monopoly power that maximizing profitability of the fund, social security fund manages to finance various scheme benefits on time. According to the study which was undertaken by Seim and Waldfogel (2010) on the public monopoly and economic efficiency with evidence from the Pennsylvania Liquor Control Board's Entry Decision, the study found that monopoly of the firm maximize profits which then facilitates the continual attainment of the firms' objectives through financing various activities on due time. Also, the results from the study of Davis and Hashimoto (2014) which concerned with economic integration, monopoly power and productivity growth without scale effects, the study found that under the firm monopolization, various projects related to the performance of the firm get timely financed through the usage of profits earned through increasing of sales volume.

Attracting joint of expertise to improve the quality of delivering scheme benefits. With regard to the process of merger that resulting monopolization of the social security fund, different people with different expertise are brought together into newly formed organization (Harrison, 2014). With regard to the result from the study of Azhagaiah and Sathishkumar (2010) which was undertaken to study the impact of merger and Acquisitions on Operating Performance, the study reported that technical expertise tends to increase for the organization that formed through the process of merger and once that merger practice give firm monopoly power, various expertise are attracted to work to the firm that formed through the process of merger. Also, it was reported through the study of Harrison (2014) that among the factors that resulting delay in processing benefits and payment system of the retirees at NSSF and PPF is the presence of expertise gap among employees of the fund, therefore with attracting joint of expertise, fund tends to be benefited through speeding up the procedure of processing pensions for various members of the fund.

Increasing asset base of the social security fund to facilitate delivery of the benefits. Apart from merger process to increase the asset base through merging the assets of those merged organizations, also such merger process that resulting monopolization, enables organization to invest in technology and machineries to deliver quality services. According to the study of Kombo (2016) which was undertaken to evaluate the service performance of Zanzibar Social Security Fund (ZSSF), study reported failure of equipment especially computers has been a serious problem that limit the fund's activities including making verification process so as to pay benefits to the legible pensioners. Apart from failure of equipment that are needed to facilitate the process of delivering services, also most social security fund in developing countries are reported to be in need for equipment so as to speed up the process of delivering security service but with the presence of strong monopoly power, organization can use part of its earned profit to invest in equipment so as to facilitate provision of social security services (International Social Security Association, 2011). According to Copeland, Koller and Jack (1994) the process of merger is globally used to expand production scale of the organization, hence the merged organizations tend to combine their inventory, machinery and equipment so as to assist such expansion of production and provision of services. Also, with the case of the practiced merger in Tanzania where four social security funds were merged to form PSSSF, such merger which was practiced put all equipment of the former social security funds to be part of the PSSSF's equipment so as to support delivery of social security services to the members (Mtema, 2019). Other result from the study of White (2005) which was undertaken among Italian pension funds that agreed to merge, increasing asset base that results increasing availability of equipment for the fund operation was reported as benefits that a newly formed scheme through merger which increased monopoly power of the social security fund.

Having sufficient number of workforces in delivering scheme benefits. Throughout monopolization power that resulted from merger process, having sufficient number of employees through merging and recruiting of employees, tends to facilitates delivery of various scheme benefits. According to Harrison (2014), social security funds were found to be accompanied with the challenge of evasion of member's contribution which has been the reason for the delay in delivering various scheme benefits to the members, due to that reason, social security funds are required to have a plenty number of employees who can make a frequently follow up an employer for them to submit members' contributions so as to empower the funds in its way to pay various benefits. Also, it was reported through the study of Simonovits (2011) that funds need human resources with sufficiently skills who can make verification processes of the retirees' pension so as to get rid of the funds' delaying the process of paying retirement benefits.

Better management. Also, the monopoly of social security fund that resulting from merging organization, influences scheme benefits through better management. According to the study of Njugune (2013) which was undertaken to study the effects of merger on financial performance, the study reported one of the found effect of merger to be increasing efficiency management, since the process involves sharing of top management and staff so as to result in better management as well as reduction of management cost for the better operation of the fund. Hence, with due consideration to better management through availability of skilled human resources through merging and recruiting required skills by using profit maximized through monopoly, organization tends to deliver various scheme benefits to the recipients on time. Also, according to the study of Gaya (2011) which was undertaken to "assess the factors influencing the evasion of contributions and its effect in social security schemes in Tanzania," the study reported that better management is highly important for fund to deal with the problem of evading contributions submission which among other things result delaying in paying retirement benefits timely so as to improve delivery of scheme benefits.

2.3.3 Challenges facing Social Security Funds that formed through the Process of Merger

According to Cartwright and Cooper (1996) two thirds of the newly formed organizations through the process of merger fail to meet their intended expectations due to the existence of various challenges that accompany organizations that formed through the process of merger. Based on the views from differently reviewed empirical studies, the following are the challenges that facing social security fund

Challenge to retain employees. With due consideration to the process of merger where various employees are brought together to work in the newly formed organization, one of the most challenging problem is employee retention. According to the result from the study of Noah (2017) which was undertaken to assess the challenges of merger and acquisition strategy between UAP Holding and Old Mutual PLC, the study reported challenge of retaining employees in the post-merger organization to be severe where overlapping in job descriptions and job positions which accompanies with losing autonomy and ones' title result dissatisfaction among employees. With regard to the result from the study of Noah (2017), the department of Information Technology was found to have hard time in retaining employees as many of them made voluntary exit from the firm after such post-merger. Also, the result from the study of Giessner, Viki, Otten and Terry (2006) which was conducted to study the challenge of merging: Merger Pattern, Premerger Status and Merger Support, the study reported the challenge of retaining employees in the post-merger where lowering of status position after merging, results unwillingness of employees to continue working under such organization.

Cultural incompatibility. According to Subrarao and Ahamed (2017) integrating cultures of different employees who have been working in the organizations that previously have been competitors, it is difficult. Organizational culture as what acts as the glue that bind people into working together is necessary for the attainment of the organizational objectives. With due consideration to the results from the study of Kavanagh and Ashkanasy (2006) which was undertaken to assess the impact of leadership and change management strategy on organizational culture and individual acceptance of change during a merger, the study found that many post-merger organization especially department of human resource management that fails to set aside the sufficient time to examine the presence of cultural incompatibility or difference among their organizational employees, that cultural incompatibility negatively affect the operating performance of the post-merger organizations. According to Subrarao and Ahamed (2017), with the presence of cultural incompatibility, working environment for the employees tends to deterred.

Increasing in cost. The process of merger is reported by various reviewed studies to be accompanied with increasing in cost. With consideration to the result from the study of Noah (2017) which was undertaken to assess the challenges of merger and acquisition strategy between UAP Holding and Old Mutual PLC, the study found increasing in cost where salaries and wages for employees become doubles due to the increasing number of employees. Apart from increasing in cost in the salaries and wages, the study of Naoh (2017) reported post-merger organizations to have higher cost in training employees and recruiting new employees since post-merger organizations are accompanied with inability to retain employees during lay off that comes through the process of merging organizations.

Weakening customer loyalty. Since the process of merger involves brand dilution, weakening of customer loyalty becomes another challenge that faces many post-merger organizations. According to the study of Pahuja and Aggarwal (2016) which was undertaken to study the impact of merger and Acquisition on financial performance with the evidence from Indian Banking Industry, the study found that change in the brand brought challenge in the market in relation to the company's competitors, where the initial brand that was used to be easily recognized got diluted and lost its customer loyalty through merger practice.

2.4 Research Gap

Based on the analysis made on the previous empirical studies that closely related with the contributions of the process of merger on the operational performance of the Social Security Fund, the left research gap was clearly identified for this proposed study at PSSSF to fill that left research gap. With due consideration to those reviewed empirical studies, all previous studies failed to address the current problem on the operating performance of PSSSF especially the problems like failure to collect the required amount contributions so as to reach set target of collecting 1.05 trillion regardless with the presence of merger, also those previous studies continued to enlarge the gap since most of them apart from being undertaken outside of Tanzania, also they were not undertaken in the social security funds particularly PSSSF, in addition to that most of those reviewed empirical studies were not current, starting with the study of Harrison (2014), Adoma (2015), Enoff and Mckinnon (2011), WHO (2004), Mtema (2019), International Social Security Association (2009), World Bank (2012), Azhagaiah and

Sathishkumar (2010), Kombo (2016), Simonovits (2011), Copeland, Koller and Jack (1994), Noah (2017), Pahuja and Aggarwal (2016), Giessner, Viki, Otten and Terry (2006), Subrarao and Ahamed (2017) Njuguna (2013) and the study of Gaya (2002), due to that reason, new study particularly this one, it was needed so as to fill that left research gap

Therefore, with consideration to that left research gap, the study about the contributions of the process of merger on the operating performance of social security fund was undertaken at Public Service Social Security Fund so as to that left research gap.

2.5 Conceptual Framework

Figure 2.1 presents conceptual framework concerns the contributions of merger on operating performance of Public Service Social Security Fund. The presented conceptual framework shows both independent variable and dependent variable about this proposed study on the contributions of merger on the operating performance of PSSSF.

2.5.1 Independent Variable

This study has one independent variable which was merger. Based on those existing three categories of merger (horizontal, vertical and conglomerate merger), only horizontal merger was considered in this study as what contributes to the operating performance of the Public Service Social Security Fund due to the fact that the formation of Public Service Social Security Fund involved combination of four funds which have been selling the similar services (social security services) in the same market (public service employees) in Tanzania (Reuvid, 2007).

The positive side of merger as an independent variable of this study, Public Service Social Security Fund through the merged power may have control over market (monopoly) to guarantee economies of scale based on shared resources and services together with overall reduction of cost (Molnar, 2002). While with the negative side, such merger would result conjointly risk of PSSSF to have surplus employees in some department which is not good thing, but also merging of firms that have been doing similar activities means duplication and over capability of such organization, hence retrenchment become an option (Vijgen, 2007)

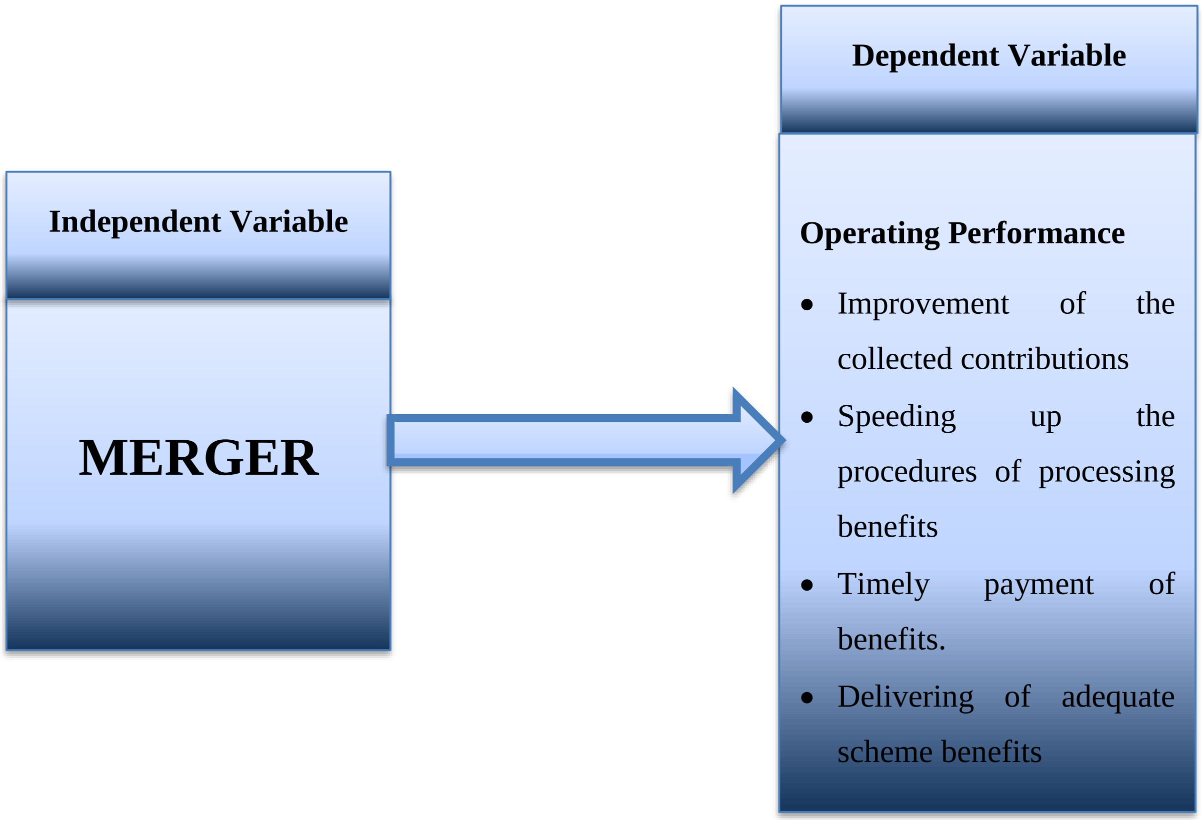
2.5.2 Dependent Variable

The dependent variable that is in the position of being resulted from the contribution of merger is operating performance of the PSSSF.

Operating performance as the measurable aspects of the outcome of an organization's process that affect organizational performance was measured to be positive if such operating performance enables the fund to increase the amount of the collected contributions from members, to speed up the procedure of processing benefits especially to those who retired, to deliver timely payment of benefits and to provide adequate social security services to the members of the fund (Kombo, 2016; Harrison, 2014; Simonovits, 2011; Seim and Waldfoge, 2010).

On the other side, operating performance would be regarded negatively if the fund fails to increase the amount of the collected contributions from members, to speed up the procedure of processing benefits especially to those who retired, to deliver timely payment of benefits and to provide adequate social security services to the members of the fund regardless the presence of such operating performance (Kombo, 2016; Harrison, 2014; Simonovits, 2011; Seim and Waldfoge, 2010).

Figure 2. 1: Conceptual Framework



Source: Researcher's Construct, 2020

2.6 Conclusion

To conclude, the chapter has successfully presented definition of the key terms applied in this study, relevant theory (Synergy Gain Theory) to enlighten the study on the contribution of merger towards operating performance, empirical literature on the basis of three specific objectives of the study which resulted to the creation of the research gap for this current study to fill.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This methodology chapter concerns with presenting the philosophical framework through the study about the contribution of the merger on the operating performance of PSSSF was based. The covered section under this chapter are area of the study, research design, target population, sample size and sampling procedures, data collection techniques and instrumentations, measurements of independent and dependent variables, data analysis plan, data validity, and reliability and ethical consideration.

3.1 Area of the Study

The study on the contributions of the process of thmerger on the operating performance was undertaken at the regional office of Public Service Social Security Fund which is located at Golden Jubilee Towers, Ohio Street which found in Ilala district in Dar es Salaam region. The selection of this study area was mainly determined not because of PSSSF office there, but also the nature of PSSSF formation which resulted from merging four former social security funds namely PPF, GEPF, LAPF and PSPF to form PSSSF. Therefore, with this proposed study, PSSSF was studied in terms of whether such practiced merger improves operating performance of Public Services Social Security Fund or not

3.2 Research Design

With case study research design, systematic gathering of enough information about the contribution of the merger on the operating performance was conducted at the regional office of the Public Service Social Security Fund. Since the goal of the case study is mainly for the provision of a complete and accurate description of the chosen single case, thus, the study on the contribution of the merger on the operating performance of PSSSF was in a good position to come with complete and accurate description of such chosen case (PSSSF) which would be made possible through the application of multiple methods (interview and questionnaire methods of data collection) to study the problem in-depth.

Advantageously, the adoption of case study research design in this study provided benefits such as adaptability of different types of research methods of data collection into different research settings, analytical thinking, communication skills of the researcher as well as enhancement of teamwork among different participants of this study (Yin, 2009).

Apart from those advantages, the case study research design might involve some weaknesses to this study such as being dependability on one person (Researcher) which might easily attract bias during the analysis of data and reporting of findings (Yin, 2009). Also, the design is criticized for being non-scientific, thus generalization of the result from this study was not allowed as the study was undertaken only at PSSSF (Yin, 2009).

3.3 Target Population

The study targeted population of managerial employees and population of non-managerial employees of the PSSSF. Such targeted population was comprised of 12 managerial employees and 33 non-managerial employees of the fund. Totally, the number of targeted population for this study was 45 respondents. The study on the contributions of the process of merger on the operating performance of Public Service Social Security Fund (PSSSF) was interested with such targeted population of managerial and non-managerial employees due to the fact that both managerial and non-managerial employees who are concerned directly with operating performance of the fund so as to realize the achievement of the fund set goals. Therefore, through participating managerial and non-managerial employees of the PSSSF, it was easy for this study to be successful in meeting all three objectives of this study, since those who were participated as the source of primary data for this study, they were also aware of operating performance of PSSSF especially in the registration of new members, collection of contributions, making investment, processing benefits payment for the members and the process of paying benefits including retirement benefits to retirees.

3.4 Sample Size and Sampling Procedures

3.4.1 Sample Size

Through the selection of the sample size, representation of all characteristics of the population was considered so as to let the sample draw inference from where is taken (targeted population). The sample size of this study was comprised of 40 respondents. Among those 40 respondents, 10 respondents were managerial employees of the PSSSF and other 30 respondents were non-managerial employees, all those respondents were selected from the employees of PSSSF.

To get the sample size of 40 respondents from the targeted population of 45 respondents, researcher of this study used Taro Yamane Formula of calculating sample size from the existing targeted population, under this applied formula 5% error of margin was used to calculate the sample size for this study. Based on the result of applying Taro Yamane Formula, the sample size of 40 respondents was obtained, where 10 respondents were comprised of managerial employees and other 30 respondents were comprised of non-managerial employees. Hence, through that sample size which was comprised of managerial employees and non-managerial employees of the PSSSF, the responses to all specific objectives of this study were collected for the study to meet its specific objectives.

$$n = \frac{N}{1+N(e)^2}$$

Where n = Desired Sample Size

N = Population of the Study (45)

e = Precision of Sampling error (0.05)

$$n = \frac{45}{1 + 45(0.05)^2} = \frac{45}{1 + 0.1125} = \frac{45}{1.1125} = \underline{40}$$

n = 40

Therefore, the desired sample size for this study was composed of 40 respondents

3.4.2 Sampling Procedures

The probability sampling procedure was applied to draw the required number of samples from the targeted population. With probability sampling procedures, three elements were used where the first element was concerned with that targeted population, the second element was sampling frame which was occupied with the list of items in which the required the sample size was drawn and the third element was the sample size of this proposed study. Through the application of probability sampling technique, stratified sampling technique and simple random sampling technique was used for the study to get 10 respondents who were managerial employees and 30 respondents who were non-managerial employees of the PSSSF.

3.4.2.1 Stratified Sampling Technique

This technique concerned with dividing the targeted population into homogeneous (shared attributes) and non-overlapping subgroups (strata) so as to ensure the entire targeted population is best represented through the formed strata. The first stratum was comprised of managerial employees of PSSSF while the second stratum was occupied with non-managerial employees of the PSSSF. The formulation of those two strata was necessary so as to allow another sampling technique to take place.

Apart from the stratified sampling technique to be an important technique that captures key population characteristics in the existing sample, also the technique has the ability to work well for the population of various attributes. With regard to this study, the stratified sampling technique was a necessary technique that reduced sample size errors so as to achieve a required precession in the selected sample size (Bhattacherje, 2012).

3.4.2.2 Simple Random Sampling Technique

Based on those formed strata through stratification sampling procedure, simple random sampling technique was applied into those strata to randomly select the required sample size of 40 respondents.

The first step in applying simple random sampling was assigning sequential numbers all respondents in the first and second stratum. Then, sequential numbers for each stratum were put into the bowl based on the number of respondents in each stratum and the researcher was responsible to make random selection of the required number of the respondent from each stratum without looking into that bowl. Hence, from the first stratum of managerial employees, 10 respondents were randomly selected from 12 respondents who were occupied in the first stratum while from the second stratum of non-managerial employees, 30 respondents were randomly selected from 33 respondents who were occupied in the second stratum. Hence, with regard to the number of respondents who were randomly selected from those strata, a total of 40 respondents were randomly selected as a sample size for this study on the contributions of the process of the merger on the operating performance of PSSSF.

This technique of simple random sampling was applied in this study for the reason that, the technique was free from bias in obtaining a sample for the study and also the technique was good in providing equal opportunities for being participated in the study. Apart from that, this technique had its weakness such as limiting the use of available knowledge concerning that targeted population from which sample was taken through sampling frame (Bhattacharjee, 2012).

3.5 Data Collection Techniques and Instruments

The existing primary source of data which was the sample size of 40 respondents required methods of data collection for the primary source of data. Hence, two methods of data collection (in-depth interview and questionnaire) which are suitable for the primary source of data were applied by this study.

3.5.1 In-Depth Interview Techniques

This is a qualitative research technique that was used to collect qualitative data from the field. The in-depth interview technique involved conducting of an intensive individual interview with a small number of respondents to explore their perceptive on a particular idea, program, or situation. This in-depth interview technique was used specifically to obtain primary data from the primary source (Berg and Lune, 2012).

The in-depth interview technique was applied to interview all managerial employees of the PSSSF so as to get their responses concerns the challenges facing the Public Service Social Security Fund. Through those collected information from managerial employees of PSSSF, the study used their responses to answer the third specific objective of this study.

The researcher used interview guideline to guide the whole process of the interview technique. Apart from interview guideline, the researcher used audio recording equipment's as it enabled the researcher to concentrate on listening to what was reported by an interviewees, together with maintenance of eye contact on respondents so as to facilitate the process of capturing a plenty of useful quotations for the dissertation writing. But also, note-taking (pen and note book) were applied during the interview as a caution for the failure of recording instruments as well as a means to encourage interviewees to continue talking, since with application of note taking, interviewees tended to think they had something important to continue saying to the researcher (Kumar, 2011).

3.5.2 Questionnaire

This is a quantitative technique which was used in this study not only for collecting quantitative data but also qualitative data through the application of open-ended questionnaire. In collecting primary data, a combined questionnaire with both close-ended and open-ended questions were used as the means to cope with the study flexibility. An open-ended questionnaire was used especially to avoid forcing respondents to answer in a certain way while a close-ended questionnaire with box-ticking was used because of the possibility of the study to collect quantitative data from the field. The simplicity of this method included easiness to analyze data and easiness to compare the obtained information from different respondents (Kumar, 2011).

A Combined questionnaire with different questions was applied to all respondents of this study (managerial and managerial employees of PSSSF). Through the application of combined questionnaire technique, the collected responses were used to answer the specific objective one and specific objective two of this study. During the data collection process through combined questionnaire, researcher was responsible to provide research questionnaire to the respondents and then, respondents were left until the process of answering those given questionnaires got completed.

The reasons to have a questionnaire technique involved the possibility of the study to collect quantitative data from the respondents, also questionnaire was deployed in this study since the technique was cheap to administer especially for the respondents who were not be available during the day of submitting research questionnaire to them for data collection and lastly, questionnaire technique guaranteed freedom for the respondents to explain their opinions related to the study.

3.6 Measurement of Variables

Both independent and dependent variable relating to this study on the effects of the merger on the operating performance of Public Service Social Security Fund were measured so as to collect the required data to meet those objectives of this study

3.6.1 Independent Variables

The measured independent variable in this study was the merger, particularly horizontal merger due to the fact that the formation of Public Service Social Security Fund involved merging of four funds which have been selling a similar services (social security services) in the same market (public service employees) in Tanzania (Reuvid, 2007). Such horizontal merger was measured in terms of its contribution towards the operating performance of the PSSSF.

3.6.2 Dependent Variable

Dependent variable of this study was operating performance of the Public Service Social Security Fund. Operating performance as the dependent variable was measured by looking at four important measures of such operating performance which are necessary for the fund to attain its set objectives. Firstly, the operating performance of PSSSF was measured through its ability towards increasing the amount of the collected contributions; secondly, that dependent variable was measured by looking at speed of processing benefits for the retirees' payments, thirdly was measured by looking at time taken to deliver pension benefits on time and lastly, it was measured by looking at the adequacy of delivering scheme benefits to the members

3.7 Data Analysis Plan

The collected qualitative data through in-depth interview method were analyzed qualitatively through content analysis method. The analysis of data through the content analysis method was done consistently so as to answer the third specific objective of this study which was to find out the challenges facing Public Social Security Fund especially after such merger practice. With application of content analysis method, the collected qualitative data were organized based on the themes developed from research questions where firstly, researcher selected a sample of text from many or population of text for analysis, secondly was a unitizing stage where the researcher identified and applied rules to divide each text into segment that that were treated as the separate units for analysis, thirdly was coding stage, where researcher constructed and apply one or more concepts to each unitized text segment and finally, the coded data were analyzed qualitatively to answer the third objective of this study (Bhattacherje, 2012).

While with the collected quantitative data which was mainly collected through questionnaire, quantitative method of data analysis was well applied. Those analyzed quantitative data were mainly concerned with the first and second specific objectives of this study; to examine the effects of the process of the merger of social security funds into Public Service Social Security Fund (PSSSF) in Tanzania and to find out the extent to which PSSSF monopoly influences the scheme benefits. Both, descriptive and inferential data analysis method was applied with the assistance of Statistical Package for Social Science (SPSS). The frequent distribution and percentages were used for quantitative data analysis where tables and figures were used to present the revealed findings in summary.

3.8 Validity and Reliability

In the validation process of the study's findings, ambiguities and unclear questions in the questionnaire and interview guidelines were carefully checked and corrected by the researcher of this study, also several copies of questionnaire checklist and interview guidelines were given to the research supervisor and other research experts for validating them. After research experts particularly research supervisor to go through those research instruments, research questionnaires were restructured from five point Likert scale (strong agree, agree, neutral, disagree and strong disagree) to three points Likert scale (agree, neutral and disagree). Hence, the modified three point Likert scale was preferred together with other suggestions from research experts especially in perfecting concepts and wording in the instruments of data collection.

After validating research instruments, reliability of the study's findings was done through carrying out a pilot testing. A pilot testing was done by involving few respondents who were twelve (12) and then supervisor provided comments which then resulted in editing of the several questions. Reliability was done so as to realize how respondents would react to those given questionnaire as well as to see whether items in the research questionnaire are clear enough for being understood, as the result of such reliability process, ambiguities of some items were identified and modified before the actual process of collecting data at the Public Service Social Security Fund.

3.9 Ethical Considerations

Ethics as the behavior to be observed and adhered by the researcher as recommended by American Psychological Association (APA) were paid attention during undertaken of this study. According to Webster's Dictionary (2018) ethics in research means conformance to the standards of conduct of a given profession or group. To ensure ethical consideration, firstly researcher collected introduction letter for data collection from Mzumbe University which then, facilitated the process of getting consent to conduct this study at PSSSF after submitting such letter which introduced researcher to the management of PSSSF. Also, the researcher ensured availability of verbal consent from both managerial employees and non-managerial employees of the PSSSF before starting the process of collecting their responses. To ensure confidentiality and objectivity in this study, respondents were not required to write their names on the questionnaires and additionally, the provided responses were guaranteed for being used only for academic purposes (writing dissertation or research report) and lastly ethical consideration, the researcher was open and honest in dealing with all respondents of this study regardless of their social and physical differences.

3.10 Summary of the Chapter Three

Chapter three presents research methodology that was applied in the study as proposed to be undertaken at the Ilala regional office of Public Service Social Security Fund. The sample size of this study was comprised with managerial and non-managerial employees of PSSSF. To study the problem in-depth, case study research design was used along with in-depth interview and questionnaire methods for collecting data from the chosen case (PSSSF). Analysis of the collected data was done through application of content analysis method for the qualitative data and descriptive analysis along with inferential analysis method for the quantitative data where the SPSS program for data analysis was used to facilitate the process of analyzing those collected quantitative data

CHAPTER FOUR

PRESENTATION OF FINDINGS

4.0 Introduction

Chapter four concerns with the presentation of the revealed research findings; both outputs from descriptive statistical analysis method as well as outputs from content analysis methods were systematically presented so as to reveal the existing contributions of the social security merger on improving the performance of the Public Service Social Security Fund (PSSSF). Based on what chapter four presents, findings were presented in alignment to those three specific objectives of this study which were to examine the effects of the process of merger of social security funds (PPF, PSPF, LAPF and GEPF) on the performance of the Public Service Social Security Fund (PSSSF) in Tanzania, to find out the extent to which PSSSF monopoly has influenced the scheme benefit and the last specific objective was to find out the challenges that face the Public Service Social Security Fund (PSSSF) as they were brought through the practice of merger. But also, the presentation of the findings covers demographic features (gender of the respondents, age of the respondents, educational level of the respondents and length period in terms of the year(s) in services).

4.1 Demographic Characteristics of the Respondents

Based on the presumption that demographic characteristics of the respondents influence the responses (opinions) of the respondents who served as the primary source of data for the study, therefore with regard to those sough responses to meet the research objective of this study, the studied demographic data become necessary to understand respondents' responses in relation to their demographic characteristics. To capture the intended demographic characteristics of all participated respondents in this study, the questionnaire method of data collection was applied to 40 respondents who served as the primary source of data for the study on the contribution of merger on the operating performance of the Public Service Social Security Fund.

4.1.1 Gender of the Respondents

The study on the contributions of the merger on the operating performance of the Public Service Social Security Fund (PSSSF) considered gender of the respondents as one of the demographic characteristics that plays a necessary role in influencing responses of the participated respondents. Based on such existing influence of gender on respondents' responses, the number of both male and female respondents as what compose the sample size of this study was studied. Therefore, all those participated respondents in this study were required to identify their appropriate gender in which they belong and the results are shown in table 4.1.

Table 4. 1: Gender of the Respondents

Sex of the Respondents			
		Frequency	Percent
	Male	22	55.0
	Female	18	45.0
	Total	**40**	**100.0**

Source: Research Findings, 2020

Table 4.1 shows the distribution of the participated respondents according to their gender (males and females). The findings from the analyzed findings in table 4.1 showed that 55% of the participated respondents were males while 45% of those participated respondents reported being females. Hence, with regard to what brought from the analyzed findings, the majority (55%) of the respondents were males. Despite the slight difference of response of 10%, the entire picture regarding contribution of merger incorporated almost equal insights from both men and women. But, such number of male respondents which are more than female respondents implies the presence of many male employees who were very confident concern the topic on the contribution of social security merger on improving the performance of the fund and with such confidence, male respondents tended to be highly encouraged to participated in this study as compared to those female respondents who were not equally encouraged as male respondents to participated in this study.

With making respondents aware of the research topic (contribution of merger on operating performance), male respondents were found to be highly encouraged to participate in this study than female respondents which then, create such a slight difference (10%) of the participation between male and female respondents. Contrarily, the study of Curtin, Presser and Singer (2000) entitled *"the effects of response rate changes on the index of consumer sentiment"* reported female respondents to be more likely to engage in the study than male respondents. Therefore, based on this study findings, to have many participants of one gender than another may be largely determined by the number of male and female respondents in the sample size and the next determinant becomes respondents' perception towards certain research topic as it can attract them different in terms of being willing to participate in the study.
be perceived differently between males and females

4.1.2 Age of the Respondents

Another demographic characteristic was the age of those participated respondents. Age as demographic characteristics was studied due to its influence on the respondents' responses regarding those asked questions to meet the objectives of this study. Based on such reason, all 40 participants of this study were required to identify their age through the existing four different age groups. The results of the analysis of data about the age of the respondents are shown in table 4.2.

Table 4. 2: Age of the Respondents

Age of the Respondents			
		Frequency	Percent
	16-25 years old	3	7.5
	26-35 years old	13	32.5
	36-45 years old	18	45.0
	46-55 years old	6	15.0
	Total	**40**	**100.0**

Source: Research Findings, 2020

Table 4.2 shows in summary the ages of those participated respondents in this study which concerned with contributions of the merger on the operating performance of the Public Service Social Security Fund (PSSSF). Throughout what presented in the table, the first age group which was 16 -25 years old was found being occupied by 7.5% respondents of the study while the second age group of 26-35 years old covered 32.5% of those participated respondents of the study, but the third age group which was 36-45 years old was occupied by 45% of those participated respondents and the last administered age group of 46-55 years old was suitable for 15% of those participated respondents of this study. Hence, based on study findings, the majority (45%) of the participated respondents were found to have age between 36 to 45 years old, this age group was capable of informing the study about the operating performance of the fund before and after a merger, since most of them had good experience in working in the former social security funds (PPF, PSPF, LAPF and GEPF) and currently, they are serving as employees of the PSSSF which formed after those former social security funds.

In association to previous study findings, these results were aligned with those of Moore and Tarnai (2002), revealed that older people are more unlikely to participate in the research study than young people, just like what was found from this study where older people (45-55 years older) constituted only 15% of all respondents who were willing to participate in this study.

4.1.3 The Highest Level of Education of the Respondents

Similarly to the previously reported demographic characteristics like gender and ages of the respondents that influence responses of the respondents, also educational level of the participated respondents was considered for being studied for the same reason. To capture such highest level of education of the respondents, the questionnaire with the checklist was administered to those 40 participants for them to check (tick) where their highest accomplished level of education belongs. Table 4.3 shows the results obtained from the analysis of data about the highest level of education of the respondents.

Table 4. 3: The Highest Educational Level of the Respondents

The Highest accomplished Level of Education			
		Frequency	Percent
	Diploma level of education	4	10.0
	Bachelor's Degree Level of Education	23	57.5
	Master's Degree Level of education	11	27.5
	Doctorate Degree Level of Education	2	5.0
	Total	**40**	**100.0**

Source: Research Findings, 2020

Table 4.3 shows the distribution of the participated respondents on the basis of their highest level of education. The revealed findings in table 4.3 showed 10% of the respondents in this study had accomplished a Diploma level of education while more than half of the participated respondents 57.5% reported to accomplish a Bachelor’s Degree level of education, but 27.5% of the participated respondents reported to accomplish a Master’s Degree level of education and last 5% of the participated respondents had completed Doctorate Degree level of education.

Hence, with regard to such revealed findings on the educational level of the participated respondents, the majority (57.5%) of the respondents were found to successfully complete a Bachelor’s Degree level of education. The main reason that resulted in the study to participate many respondents with first degree (Bachelor’s Degree) was due to their significant number at the Public Service Social Security Fund where many employees there have completed such education level and they can demonstrate high understanding ability of the merger of social security funds. These findings tally with those of Goyder and colleagues (2002) reported that more educated as well as more affluent people were more likely in taking part in being participants in the research than those who were less educated and less affluent.

4.1.4 Length of Period in the Services

The length period in the service at the fund was treated as another demographic characteristic of the respondents in this study. Such demographic characteristic becomes necessary since organizations like former social security funds (PPF, PSPF, GEPF and LAPF) and PSSSF employee their employees in different periods of time. Hence, based on fact that employees with different length period in service have different knowledge and experience regarding service delivery, as the result of this, such a length period in service was viewed as imperative regarding the way one responds to research questions. Table 4.4 shows the results of the analyzed data on the length period in the services

Table 4. 4: Length of Period in the Services

Length Period in the Services		
	Frequency	Percent
0-4 years in the services	6	15
5-8 years in the service	13	32.5
9-12 years in the service	14	35.0
13-above years in the service	7	17.5
Total	**40**	**100.0**

Source: Research Findings, 2020

Table 4.4 presents in summary the information about length period in the services of the participated respondents. The findings from the research findings showed that 15% of those participated respondents had 0-4 years in the services while 32.5% of the respondents had 5-8 years in serving at the social security funds, but 35% of those participated respondents were found to have 9-12 years in the services and other 17.5% of the respondents were found to have 13 to above years in serving at different social security funds apart from PSSSF.

With concern to what revealed from this study, majority of the respondents who presented 35% of all those participated respondents had 9 – 12 years in the services at the different social security funds. This findings of participating many people with 9-12 years in the services was determined by the reality that almost all PSSSF employees were formerly employees of the merged social security funds (PSPF, GEPF, LAPF and PPF) as well as their willingness to participate in this study because of their good knowledge of how merger contributes towards operating performance of the fund. In relating such revealed findings to other previous study, Aguinis (2009) reported that the longer the number of the years in service, the stronger the level of work experiences, hence based on such related study, this currently undertaken study at the Public Service Social Security Fund participated many respondents who had good working experiences as determined by their length period in the services at the social security Funds as something which accords great trust on the authenticity of the information provided.

4.2 The Effects of the Process of Mergers on the Operating Performance of PSSSF

The study on the contributions of merger on operating performance of the Public Service Social Security Fund (PSSSF) intended to achieve three specific objectives, one of those specific objectives was to examine the effects of the process of merger on operating performance of the Public Service Social Security Fund which the specific objective one of this study. To meet such specific objective, research questionnaire with three (3) points Likert scale e was administered to all 40 respondents who were participated in this study. Through the application of a questionnaire with 3 points likert scale, participants of the study were given 3 options to choose an appropriate answer from either agree, neutral or disagree in relation to various statements which were put in place to measure the effects of the process of a merger on the operating performance of PSSSF as shown in the table 4.5

Table 4. 5: Effects of the Process of Merger on operating performance * Agreement Levels Cross Tabulation

Statements	Agree	Neutral	Disagree	Total
It has expanded the coverage of the PSSSF in Tanzania	37 (92.5%)	3 (7.5%)		40(100%)
It has ensured PSSSF with having sufficient number of workforces	15 (37.5%)	11(27.5%)	14 (35%)	40(100%)
It enhances competitiveness of the PSSSF	38 (95%)	2 (5%)		40(100%)
It enhances market power of the PSSSF	40 (100%)			40(100%)
It has increased asset base of the PSSSF	40 (100%)			40(100%)
It has resulted an adequacy of the delivered services to the public servants	17 (42.5%)	13 (32.5%)	10 (25%)	40(100%)

Source: Research Findings, 2020

Table 4.5 shows in summary the revealed findings on the basis of various statements that were used in this study to measure the effects of the process of a merger on the operating performance of the Public Service Social Security Fund. The first statement which stated that the process of a merger has expanded the coverage of the Public Social Service Security Fund in Tanzania, 92.5% of the respondents reported being agreeing with such a statement, but the remained respondents who presented 7.5% of all those respondent reported being neutral with that statement. The next statement stated that the process of merger has ensured the PSSSF with having sufficient number of workforces to copy with the number of clients, the attracted responses to this statement was on agree response which reported by 15% of all respondent while 27% of the respondents were found to be neutral with such statement but 35% of the respondents tended to disagree with such second statement. The third statement stated that the process of merger enhances competitiveness of the PSSSF in which, 95% of those participated respondents reported being agreeing with that third statement while other 5% of the respondents reported being neutral. The fourth statement to measure the effect of merger process on the operating performance of the PSSSF stated that the process of merger enhance market power of the Public Service Social Security Fund in which 100% of those participated respondents reported being agreeing with that statement. The fifth applied statement stated that the process of merger has increased the asset base of the Public Service Social Security Fund in which 100% of all those participated respondents were found to agree with such statement. The last statement to measure the effect of merger process on the operating performance of the Public Service Social Security Fund stated that the process of merger has resulted an adequacy of the delivered services to the members in which 42% of all respondents reported being agreeing with that statement while 32.5% of the respondents were found being neutral and other 25% of the respondents disagreed with that statement.

4.3 The Extent to which Monopoly of the Public Service Social Security Fund influences the Scheme Benefits

To find out the extent to which monopoly of the Public Services Social Security Fund (PSSSF) influences the scheme benefits was the second specific objective of this study. To meet this second objective, a questionnaire with three (3) points Likerts was administered to all forty (40) respondents of this study where those participated respondents were required to respond on either agree, neutral, or disagree on several statements which were used find out the extent to which monopoly of the PSSSF influences the scheme benefits as shown in the table 4.6

Table 4. 6: The Extent to which PSSSF Monopoly influences Scheme Benefits * Level of Agreement Cross Tabulation

Statements	**Agree**	**Neutral**	**Disagree**	**Total**
Scheme benefits are financed with due amount	39 (97.5)	1(2.5%)		40(100%)
Timely financing delivery of the scheme benefits	21 (42.5%)	5 (12.5%)	24(35%)	40(100%)
Attracting joint to expertise to accurately processing the scheme benefits	40(100%)			40(100%)
Ability to invest in technologies and machineries to facilitate delivering scheme benefits	22 (55%)	7 (17.5%)	11 (27.5%)	40(100%)
Sufficient number of workforces as required to servicing clients	9(22.5%)	2 (5%)	29(72.5%)	40(100%)
Having better management to manage the delivery of the scheme benefits	40 (100%)			40(100%)

Source: Research Findings, 2020

The presented findings in the table 4.6 showed the results in summary of the analyzed data concerns the extent to which PSSSF monopoly influence scheme benefits of the fund. Based on those six applied statement, several responses were attracted. The first statement stated that PSSSF monopoly makes scheme benefits get financed with due amount, through this statement 97.5% of the respondents reported being agreeing while the remained 2.5% of the respondents were found being neutral with such statement. The followed statement stated that PSSSF monopoly ensures the timely delivery of the scheme benefits in which 42.5% of those participated respondents reported being agreeing while 12.5% of the respondents were found being neutral and 35% of the respondents disagreed with that statement. The third statement stated PSSSF monopoly ensures the jointly of expertise to accurately processing scheme benefits where all those participated respondents as represented 100% of the respondents reported being agreeing with such statement. The fourth statement stated that PSSSF monopoly results investment in technologies and machineries to facilitate delivery of scheme benefits in which 55% of the respondents were found to agree while 17.5% of the respondents reported being neutral and other 27.5% of the respondents reported to disagree with that statement. The fifth statement stated that PSSSF monopoly assure the fund with sufficient number of workforces to service clients in 22.5% of the respondents reported being agreeing while 5% of the respondents were neutral and other 72.5% of the respondents reported being disagreeing with that statement. The last statement stated that PSSSF monopoly ensures better management to manage the delivery of the scheme benefits in which 100% of all those participated respondents reported being agreeing with that statement.

4.4 Challenges facing Public Service Social Security Fund (PSSSF) which result from Practicing Merger

To find out the challenges facing Public Service Social Security Fund (PSSSF) as they result through the process of merger was the last specific objective of this study. To meet this specific objective of this study, in-depth interview was applied to collect information from managerial staff of the Public Service Social Security Fund. Based on the content analysis which was applied to analyze those collected data, several challenges were revealed from this study as what Public Service Social Security Fund encounters.

4.4.1 Cultural Incompatibility

Organizational culture as the shared values, beliefs and assumptions that tend to influence ones' behavior, expectation and attitude was reported to be one of the challenges that Public Service Social Security Fund (PSSSF) faces. The study found that cultural compatibility has been serious challenge towards operating performance of the Public Service Social Security Fund since the process of merger has brought all employees from old social security funds namely PPF, PSPF, GEPF and LAPF into one social security fund which is Public Service Social Security Fund (PSSSF). One of the interviewed staff from the unit of Public Relations and education reported that;

> *"Employees of Public Service Social Security Fund apart from being employees of different social security Funds, but also their previous social security funds (PPF, PSPF, GEPF and LAPF) had different organizational cultures that today affects operating performance of Public Service Social Security Fund (one interviewed member, 07th May, 2020)".*

Also, it was found that with such cultural incompatibility among employees of the PSSSF, employees prefer to work at the PSSSF just like they used to with previous social security funds. This contention was clearly articulated by the General Director of PSSSF during an interview by commenting that:

> *"The brought problem of cultural incompatibility has resulted PSSSF to incur cost of hiring external experts to help organization from its problem of cultural incompatibility that affects the fund (in-depth interview, PSSSF Director, 07th May, 2020)".*

4.4.2 Debts Burden of the Merged Social Security Funds

Since Public Service Social Security Fund was formed through the process merging four former social security funds (PPF, PSPF, LAPF and GEPF), hence debt burdens of those former social security funds become the debt burden for Public Service Social Security Fund (PSSSF) to bear. According to the interviewed respondent who was mainly responsible for benefit payment, the interviewee reported that;

> *"with existence of debt burden, Public Service Social Security Fund has been responsible to pay benefits to the people who were*

> *supposed to be paid by their former social security fund* (One interviewed member, 07th May, 2020)"

Another interviewed respondent reported that;

> *"from June 21 to July 24 of 2019, Public Service Social Security Fund has paid a total of 216 billion in which 125 billion was paid for gratuity pensions and the remained 92 billion was paid for monthly pensions* (One interviewed member, 07th *May, 2020)"*

Also, it was found that the merged former social security funds had many and large pending debts that today become the burden of PSSSF as many of them need large amount of money as well as time for being cleared.

4.4.3 Insufficient Number of Human Resources to handle PSSSF's Clients Effectively

Another challenge that Public Service Social Security Fund (PSSSF) faces today is having small number of employees who are required to serve PSSSF's clients. The study found that insufficient number of workforces results many clients of Public Service Social Security Fund (PSSSF) to consume a lot of time before getting the required services. Based on the interview with managerial staff from the Public Relation and Education Unit, the interviewee reported that;

> *"the process of merger resulted Public Service Social Security Fund to have 845 employees from former social security funds (PPF, PSPF, LAPF and GEPF) who are currently required to serve more than 7,63,000 clients* (One interviewed member, 07th May, 2020)."

Also, it was reported that insufficient number of workforces particularly those who are supposed to respond on phone calls through customer service is dissatisfactory, since many clients complain on consuming a lot to wait for their calls to be answered.

4.4.4 Clients fail to cope with the New Procedures of the Public Service Social Security Fund

Based on the revealed findings on the challenge that PSSSF face, failure of clients to cope with the new procedures of Public Service Social Security Fund was found to stand as the challenges of PSSSF resulted practiced merger. The study found that for the fund to pay benefits, complete records of the clients become necessary and all clients are required to keep updating their records every year, but there are number of many clients who are left out from being paid benefits because of failure to cope with such PSSSF procedure. One of the interviewed respondent from the managerial staff reported that;

> *"members of the Public Service Social Security Fund are required to update their records due the possibility of occurrence of changes as may be resulted from death occurrence or change of the dependents (One interviewed member, 07th May, 2020)*".

Throughout this study, failure to cope with new procedures of the PSSSF particularly in updating clients' record every year, the challenge limit the fund from continuing with its main role of paying benefits, since benefits are only paid those clients who have updated their records. Also, among 1,24,000 retirees who were required to update their records between January to March, 2019, only 113,000 retirees were reported to update their records.

4.4.5 Delaying in Timely Payment of the Benefits

Even though Public Service Social Security Fund is required to ensure benefits to the clients are paid on time, but realizing such requirement was found to be difficult due to the presence of challenges that Public Service Social Security Fund faces. Based on the conducted interview of one of the respondent from department of benefits reported that,

> *there have been delaying in benefit payments since employers submit contributions of their our members late and sometime, information*

> *on the paid contributions through bank delay to reach to the fund (One interviewed member, 07th May, 2020)*

Also another interviewed respondent who was managerial staff reported that;

> *"once client does update his or her records within the specified time, payment of benefits to that person tends to delay too, since PSSSF does make payment of benefits to those people with outdate or incomplete information (One interviewed member, 07th May, 2020)"*

4.4.6 Cost in Financing Culture Change Program

Apart from Public Service Social Security Fund to face the challenge of cultural incompatibility, also the PSSSF was to incur cost in financing culture change program for their employees. The Public Service Social Security Fund uses part of its finance to finance culture change program in which experts are hired to help Public Service Social Security Fund with its culture changing program. The study found that incurring cost to finance culture change program to be necessarily cost, since employees of the Public Service Social Security Fund were taken from different organizations which had different cultures from the one that PSSSF wants to establish. One of the interviewed respondent reported that *"frequently talking with employees are conducted by experts so as to impart to the employees the culture of the PSSSF*."

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.0 Introduction

Chapter five presents discussion of the revealed findings from the study which was undertaken at the Public Service Social Security Fund (PSSSF). Based on the three specific objectives of this study, the discussion chapter is organized into three headings; the effects of the process of merger on the performance of PSSSF, the extent to which PSSSF Monopoly influence the scheme benefits and the challenges that PSSSF encounters due to merger practice

5.1 The Effects of the Process of Mergers on the Performance of the PSSSF

In discussion, the process of merger was found to have effects on the performance of the Public Service Social Security Fund. In associating the revealed findings to other previously revealed findings; the study of the Adoma (2015) points out that the expansion of coverage in term of increasing market share or number of customers to be highly influenced through merger process, such effect was found to occur at PSSSF where the revealed findings from the fund show the presence of coverage expansion which resulted after merger as it currently covers all public sector employees in Tanzania and Zanzibar, in addition to that the fund has expanded to cover all 29 regions of Tanzania and Zanzibar through opening branch offices there. With relating to the study of Enoff and Mckinnon (2011) who argue that the process of merger to have several effects that determine performance of the fund such as ensuring sufficient number of labour forces so as to speeding up the process of collecting contributions, making benefits payment with due amount and due date to satisfy clients; the same results also have been found at the PSSSF where the process of merger has improved the operating performance of PSSSF through bringing more than 845 employees from former social security funds to PSSSF so as to ensure sufficiently number of workforces to serve the PSSSF's clients, apart from that the process of merger at PSSSF has strengthened the PSSSF's asset base as well as market power which then enhanced competitiveness of the fund together with ending unnecessary competition among social security fund and through those effects, today value of the fund financially reaches 5.8 trillion (Tz. Shillings). Also, it was reported by Director General of the PSSSF that through merging former social security funds, the raised value of the fund has been used to clear many pending debts of old social security funds through making gratuity payment and monthly pensions payment to the retirees

In associating the revealed findings from this study to the theory of Synergy Gain was applied to guide the study, the applied theory argues that working together as the whole results more gain since the value of the merged or combined firms is always higher than the value of the individual firms, such tenets become evidenced through the revealed findings from the Public Service Social Security Fund (Campbell and Sommer, 1998). The realization of the theory evidenced when the value of the financially raised to 5.8 trillion (Tanzania shillings) which is the highest fund's value than any other social security fund in Tanzania. Also, the applied theory of Synergy Gain argues on the presence of synergetic gain for the merged companies in terms of the operating performance through sales combination, sharing information, trademark, eliminating redundant operations, increasing firm size, superior knowledge and skills of the employees to improve the organizational performance of the merged firms, such tenets also get realized through the revealed findings from the PSSSF where the operating performance of the fund was found to be improved through the expansion of the fund coverage to gain larger market share which then determine a high level of the fund profitability.

To synthesis the revealed findings from the undertaken study at the PSSSF, the act of merging former social security funds to form PSSSF has resulted improvement on the operating performance of the fund especially through expansion of the fund's coverage (market share), strengthening asset base, competitiveness as well as enhancement of the market power.

5.2 The Extent to which Monopoly of the PSSSF influences the Scheme Benefits

In discussing the revealed findings concerning the extent to which monopoly of the PSSSF influence the scheme benefits; the study of Blahous (2015) which entitled *"understanding social security benefits adequacy: myths and realities of social security replacement rates*", reported that the chance for the availability of funds for paying retirement benefits tends to be increased through monopolizing market of social security services, similarly to the revealed findings from PSSSF where the process of merger apart from ensuring monopoly of the fund, also such monopolization of the fund tends to influence the scheme benefits especially through empowering the fund in its way to finance scheme benefits with due amount of money as well as due time for payment as the findings show that in between June 1 to July 24 of 2019, the fund paid 216 billion of Tanzania shillings (125 billion was for gratuity pensioners and other 92 billion was for monthly pensioners). The study of Seim and Waldforgel (2010) reported that monopoly of the firm maximizes profits which then facilitates the continual attainment of the firms' objectives through financing various activities on due time; on contrary to this study, the monopolization of PSSSF has resulted better management of the fund which then influences the scheme benefits through improvement of the existing benefits, introducing new benefits to the market such as non-employment benefits and sickness benefits together with ensuring all those opened regional branches are capable to pay the scheme benefits up to 20 million of Tanzanian shillings. But Harrison (2014) reported that delaying in processing benefits results delaying in paying retirees of NSSF and PPF, also that study pointed out such delaying to be derived from presence of expertise gap in those former social security funds, on contrary; the existing monopoly of PSSSF apart from filling expertise gap through jointing of expertise, enables PSSSF to install good electronic system that connects to the system of banks which then facilitate timely collection of contributions so as ensure timely payment of the scheme benefits, based on such alignment, the fund is accurately keeping the records of members electronically so as to speeding the process of processing benefits to facilitate timely payment

In associating between the revealed findings from this study to the theoretical tenets. Synergy Gain Theory states that, it is clear, the monopolization of the Public Service Social Security Fund is one of the synergetic gain that obtained through the process of merging four former social security funds. Also, the theory of Synergy Gain says that with synergetic gain, organization tends to generate economies of scale and scope especially through assets combination as evidenced through this undertaken study at PSSSF where through fund's monopolization, scheme benefits are financed with due amount of money as well as due time as occurred in between June 1 to July 24 of 2019 where the fund paid 216 billion of Tanzania shillings. The synergy theory argues on the presence of managerial synergistic gain for the merged organization especially being assured with superior knowledge and planning capabilities as what revealed at the PSSSF where such managerial synergetic gain resulted better management of the fund which influences the scheme benefits through improvement of the existing benefits, introducing new benefits to the market such as non-employment benefits and sickness benefits, installation of good electronic system that connects to the system of banks which then facilitate timely collection of contributions so as ensure timely payment of the scheme benefits to the members of the fund.

Generally, PSSSF monopoly plays a vital role of influencing positively the scheme benefits of the fund. With the existence of such monopoly, PSSSF able to finance its scheme benefits with due amount so as to deliver them on time, having jointly of expertise to process and deliver the scheme benefits of the fund, better technologies to and better management facilitate delivery of the scheme benefits and above all, it is profitability for the fund through monopolizing the market of social security services.

5.3 Challenges facing Public Service Social Security Fund (PSSSF) which result from Practicing Merger

The presented findings in the previous chapter presents six challenges (cultural incompatibility, debts burden of the merged social security funds, insufficient number of labour forces to handle PSSSF’s clients effectively, failure of clients to cope with the new procedures of the Public Services Social Security Fund, delaying in timely payments of the benefits and cost in financing culture change training programs) that the Public Service Social Security Fund encounter as resulted from merger practice.

5.3.1 Cultural Incompatibility

To discuss the challenge of cultural incompatibility which was revealed from this study in association to other empirical studies presented in the literature review; Subrarao and Ahmed (2017) reported the presence of difficulties for organization formed through the process of merger to integrate cultures of its employees who were taken from different organizations that earlier competed against one another, such difficult is what revealed to exist at the PSSSF which almost all of its employees come from different organizations (PPF, PSPF, GEPF and LAPF) that previously have been competitors. On contrary to what revealed from this study, Kavanagh and Ashkanasy (2006) clearly point out that for many post-merger organizations especially department of human resource management that fails to set aside the sufficient time to examine the presence of cultural incompatibility among their organizational employees, that cultural incompatibility negatively affect the operating performance of the post-merger organizations, but with the case of PSSSF’s department of Human Resources, the department was found to be aware with such problem and several efforts have been taken including hiring external experts to help the fund the problem of culture incompatibility.

In association to the theoretical literature (Synergy Gain Theory), the theory insists that synergetic effects can be gained by organization formed through merger since with such merger, working together as whole results more gain (Ansoff, 1965). But with the presence of culture incompatibility, employees may not work together as a whole and then, synergetic gain or effects get minimized. Hence, based on such revealed findings, culture incompatibility as the challenge that PSSSF encounters reduce the desired wholeness of the organization through the combined employee towards improving operating performance.

5.3.2 Debts Burden of the Merged Social Security Funds

In discussing the revealed findings from this study to the reviewed empirical literature; Naoh (2017) through his study which entitled *"the challenges of merger and acquisition strategy between UAP Holding and Old Mutual PLC",* such study reported that the significant cost burden that post-merger organizations incur is not paying debts of the merged partners but training employees and recruiting new employees, since most of the post-merger organizations are accompanied with inability to retain employees; on contrary to such study, what regarded by Naoh (2017) to be significant cost of the post-merger was not part (significant cost) of the Public Service Social Security Fund (PSSSF), since PSSSF has been succeed in retaining employees who were brought together through merger process.

In relating the revealed findings to the theoretical tenets particularly the Synergy Gain Theory which argues that the value of the merged or combined organizations is always higher than the value of the individual organization such tenets exist at the PSSSF, but such higher value after merger gets reduced once pre-merger organizations had debts as those debts tend to be transferred to the post-merger organization (Ansoff, 1965). Hence, based on what revealed at the PSSSF, the brought debts burden from its pre-merger funds costs the fund financially as it supposed to bear such burden.

5.3.3 Insufficient Number of Human Resources to handle PSSSF's Clients Effectively

To discuss the revealed findings from this study in association to the reviewed empirical literature presented in the chapter two of this study; Giessner, Viki, Otten and Terry (2006) through their study which entitled *"the challenge of merging: Merger Pattern, Premerger Status and Merger Support*", the study reported that insufficient number of workforces to the merged organization comes from the challenge of retaining employees in the post-merger where lowering the status position of some employees makes unwillingness to continue working under such post-merger organization. Contrary to what found from the study at Public Service Social Security Fund, insufficient number of employees to serve the clients of the fund does not come from failure of the fund to retain employees from those merged fund, but such challenge of having sufficient number of employees comes from having clients to serve as it is now needed to all public servants (retired and those who are still in services).

In associating the revealed findings to the applied theory of Synergy Gain, one of the things that regarded to bring synergetic gain is combination of human resources or employees as many of them are regarded to have potential to determine such synergetic gain (Campbell and Sommer, 1998). But with the case of the revealed findings from this study at the Public Service Social Security Fund, that 845 employees who came from different funds (PPF, PSPF, GEPT and LAPF) has failed to copy with the number of clients that belong to PSSSF as may of clients today are reporting to consume a lot of their time waiting for being served.

5.3.4 Clients fail to cope with the New Procedures of the Public Service Social Security Fund

In associating the revealed findings to the reviewed empirical studies presented in the literature review; the study of Pahuja and Aggarwal (2016) which entitled *"the impact of merger and Acquisition on financial performance with the evidence from Indian Banking Industry*" reported that change in the brand brought challenge in the market in relation to the company's competitors, where the initial brand that was used to be easily recognized by customers or clients gets diluted and lost its customer loyalty in the market. Hence, based on what found through the study of Pahuja and Aggarwal (2016), the reported challenge is much similar with the revealed challenge at the PSSSF where apart from having many clients from former social security funds, the number of un-served clients is also higher as many clients are aware of the procedures of their former social security fund and not the newly one as evidenced through revealed findings, where among 1,24,000 retirees who were required to update their records between

January to March, 2019, only 113,000 retirees were reported to update their records and other did update (not served).

With regard to the theoretical tenet, synergetic gain through merger, the theory argues among other thing that determine synergetic gain is combination of customers which resulted expansion of market share, such tenet has been found to be exploited by the Public Service Social Security Fund but the only limitation is verification of those customers. Therefore, such inability of clients to cope with new procedures of PSSSF results the fund to have dormant customers (since do not a give chance for the fund to serve them)

5.3.5 Delaying in Timely Payment of the Benefits

In discussing the revealed findings with consideration to those reviewed empirical studies appear in the literature review; the study of Azhagaiah and Sathishkumar (2010) which entitled "*the impact of merger and Acquisitions on Operating Performance*" reported that delaying in benefits payment to be mainly caused by having technical expertise gap that tend to delay the process of processing benefits for the retirees while the study of Harrison (2014) reported among the factors that resulting delay in processing benefits and payment system of the retirees at NSSF and PPF is the presence of expertise gap among employees of the fund; similarly to what revealed from the study at the PSSSF, the delay in making benefits payment was found to be what the fund encounter but such challenges are mainly caused by both sides (poor records keeping by the employees who are serving at the fund and inability of members to follow the procedures of updating their records at the fund).

In relationship to theory of Synergy Gain which was applied to guide the study, the intended synergetic gain through merger process gets difficult to be attained due to the presence of delaying in making benefits payments (Ansoff, 1965). . Hence, to ensure the synergetic gain is attainable to the fund, better management has to be responsible to handle all those things that limit the fund from having timely payment of benefits to the members.

5.3.6 Cost in Financing Culture Change Program

To provide a discussion between what revealed from this study and the reviewed empirical studies that appear in the literature review; the study of Naoh (2017) which entitled *"the challenges of merger and acquisition strategy between UAP Holding and Old Mutual PLC*", reported that the significant cost burden that post-merger organizations incur is not training employees and recruiting new employees but retaining them, this is due to the fact most of the post-merger organizations are accompanied with inability to retain employees due to the cultural incompatibility among employees, similarly, the found challenge of culture incompatibility was found to put PSSSF into incurring cost of hiring external experts to help the fund from such problem of culture incompatibility of the brought employees from former social security fund.

In associating the revealed findings from this study to the theory of Synergy Gain which was applied in this study, the argued synergetic gain or effects depend on culture compatibility so as to attain the wholeness of the organizational function which may results the fund into having higher value. Therefore, the challenge of culture incompatibility limits the intended synergetic effects that the Public Social Security Fund focuses to achieve through the practiced merger.

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.0 Introduction

This Chapter is concerned with presenting the reached conclusion from the study findings and recommendations for improvement of the operating performance of the fund where necessary.

6.1 Conclusion

Generally, this study examined the contribution of merger of social security funds (PPF, PSPF, GEPF and LAPF) into Public Service Social Security Fund (PSSSF) on the operating performance of the fund, based on such general objective, the study found the presence of effects of the process of merging social security fund into PSSSF. Those revealed effects that improve fund's operating performance are extension of the fund's coverage to cover all public service employees in Tanzania , assurance of the sufficient number of workforces to work for the fund, enhancement of competitiveness which goes together removal of unnecessary competition so as to increase market power of the fund as well as increasing assets base.

In alignment to such vein, the process of merging former social security funds resulted PSSSF monopoly which also plays significant role to the scheme benefits such as financing the scheme benefits with due amount and due time, jointing expertise from former social security funds, having sufficiently investment in viable ventures, technologies better management so as to enhance the fund's operating performance that paves the way to meet the set objectives. Apart from PSSSF to be benefited with merger process, there are several challenges that PSSSF encounters which include cultural incompatibility of its employees, debts burden of the merged social security funds, inability of workforces to cope with increasing demand of services, poor members' compliance with new procedures of the fund which results delaying in benefits payment and incurring cost so as to finance culture change program due to the presence of culture incompatibility. Hence, based on those revealed finding, merger process at the PSSSF provided great contributions to the operating performance of the fund regardless the presence of the emerged challenges to such practiced merger of the PSSSF.

6.2 Recommendations

In the view of the revealed research findings from this study which concerned with contributions of mergers on operating performance of the Public Service Social Security Fund (PSSSF), several recommendations are given as follow.

6.2.1 Recommendations to the Management of the Public Service Social Security Fund

To let the process of merger contributes positively to the operating performance of the Public Service Social Security Fund, the management of Public Service Social Security Fund should ensure that number of the employees cope with a number of clients so as to serve them effectively. The study shows that merger process results increasing of both, number of employees and number of clients due to extension of coverage which enlarge market share. But it is hardly for organization to have a balanced increase between number of employees and number of clients, thus, it is necessary for organization to identify the gap and fill it. Hence, with regard to what found at the PSSSF where number of employees is not significant enough to cope with the number of clients, hence hiring becomes necessary for the fund to overcome such existing gap.

Based on the recognition of the cultural incompatibility challenge as reported, frequent communication of the PSSSF vision to the employees should be done by the management especially through department meetings, posters and other forms of communication so as to replace the carried vision of former social security fund and let the employees united under one vision which will ensure culture compatibility. This recommendation becomes necessary since almost all employees of the Public Service Social Security Fund (PSSSF) were used to work to those merged social security funds in which the visions of those merged social security funds are not similar to the vision of the Public Service Social Security Fund, hence with frequent communication of the PSSSF vision, employees may be able to come together as employees of one fund who have one vision to focus.

Since the main reason for government to merger social security funds (PSPF, PPF, GEPF and LAPF) was for improvement of the social security services; hence the management has to take corrective measure to correct all those things (delaying in making benefits payment, wastage of members' records, inadequacy services that do not cope with increase of living cost and so on) that undermine the quality of the delivered services. Hence, with taking such corrective measure, the practiced merger process will be facilitated in its way to continue improving operating performance of the fund.

Since the improved operating performance is necessary for the fund to attain its set objectives, hence instead of regarding only merger as the way to improve operating performance, other means to improve operating performance of the fund should considered by the management. One of the great measure which Public Social Security Fund has consider so as to improve operating performance is practicing good corporate governance throughout the whole organization.

The management of the Public Service Social Security Fund (PSSSF) should have to recognize the areas that work well and those that do not work well as resulted from the practiced merger process. Hence, after such recognition, the management has to take responsibility on correcting those areas that do not work well. Based on given light from the revealed findings, the Public Service Social Security Fund needs to increase number of its workforces in order to ensure clients of Public Service Social Security Fund are served on time especially those who are calling customer service number 0800 1100 040 or 0800 1100 055 as they have been reporting to consume a lot of their time without being served.

6.2.2 Recommendation to the Members of the Public Service Social Security Fund

To ensure timely payment of the benefits particularly retirement benefits, all members of the PSSSF should be adhered with the procedures to follow as provided by their fund. Based on what revealed from this study, members of the fund contribute to untimely payment of their benefits if they do not take responsibility to update their records as required by the fund. Hence, it is necessary for all members of the Public Service Social Security Fund to take time out of their busy schedules to update their record every year with the specified time limit by the fund so as to facilitate timely payment of their benefits.

6.2.3 Contribution of the study

On the basis of the evidence drawn from this study finding; theoretically the study would be of value to the body of knowledge about the contribution of merger on the operating performance of the organization especially for the academicians and researchers. But empirically, the results from this study would be of significant value to the operating performance of the organization since this study provides more insights on the resources that organizations have to combine them together through merger so as to enhance operating performance with enlarged market share, more productivity and more profitability.

6.2.4 Recommendation for the Area of Further Studies

This current study was undertaken to examine the contribution of merger on the operating performance of the PSSSF, based on this study there are other areas for further studies like studying the contribution of merging social security funds (PSPF, PPF, GEPF and LAPF) on improving the living condition of the retirees and examining the of corporate governance on the operating performance of the Public Service Social Security Fund and

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APPENDICES

Appendix I: Data Collection Tools

Part One: Questionnaire for Managerial and Non-Managerial Employees

Introduction

Dear respondent,

My name is Monalisa Dennis and my research topic is about the contributions of the process of merger on the operating performance of the Public Service Social Security Fund. I am doing this research study as a part of my academic work that needed to accomplish my studies of Master of Business Administration in Corporate Management of Mzumbe University. With this research questionnaire submitted to you, you are kindly required to answer those questions to the best of your knowledge so as to assure my study with required data for report writing. All those collected information will be confidential (not shared with anyone)

A: Demographic Characteristics of the Respondents

i. Sex:
   a) Male ☐
   b) Female ☐

ii. Age
   a) 16-25 years old ☐
   b) 26-35years old ☐
   c) 36-45 years old ☐
   d) 46-55 years old ☐

iii. Your highest level of educational qualification
   a. Diploma ☐
   b. Bachelor's Degree ☐
   c. Master's Degree ☐

d. Doctorate Degree ☐

iv Number of year (s) in the service

a) 0-4 years ☐

b) 4-8 years ☐

c) 8-12 years ☐

d) 12-above years ☐

B: The Effects of the Process of Merger of the Social Security Funds (PPF, LAPF, GEPF and PSPF) into Public Service Social Security Fund (PSSSF) in Tanzania

1. Please, tick the number that best describes how you agree or disagree on the effects of the process of merger of the social security funds (PPF, LAPF, GEPF and PSPF) into Public Service Social Security Fund (PSSSF) in Tanzania

1= Agree, 2 = Neutral, 3 = Disagree

S/N	**Statements**	**1**	**2**	**3**
i.	The process of merger has expanded the coverage of the PSSSF in Tanzania			
ii.	The process of merger assures PSSSF with the sufficient number of workforces			
iii.	The process of merger enhances competitiveness of the PSSSF			
iv.	The process of merger enhances the market power of PSSSF			
v.	The process of merger has increased the asset base of the PSSSF			
vi.	The process of merger resulting an adequacy of services delivery to the public servants			

2. Do you regard the process of merger as what improves operating performance of the Public Service Social Security Fund?
    a) Yes ☐
    b) No ☐

3. If the answer is yes, please answer the following questions.
    i. What are the contributions of the process of merger on increasing the collection amount of contributions from PSSSF members?
    ____
    ____

    ii. How would you regard as the effect of merger on facilitating the procedures of processing benefits for the members who belong to the PSSSF?
    ____
    ____

    iii. How does the process of merger enhance timely payment of the benefits to the members who belong to PSSSF?
    ____
    ____

    iv. How does the process of merger improve the delivery of adequate social security services to the members who belong to PSSSF?
    ____
    ____

C: The Extent to which PSSSF Monopoly has influenced Scheme Benefits

1. Please, tick the number that best describes how you agree or disagree on the extent to which PSSSF monopoly influences scheme benefits
   1= Agree, 2 = Neutral, 3 = Disagree

S/N	Statements	1	2	3
i.	Financing the scheme benefits with due amount of			
ii.	Timely financing delivery of the scheme benefits			
iii.	Attracting joint of expertise to accurately processing scheme benefits			
iv.	Investing in technologies and machineries to facilitate delivery of the scheme benefits			
v.	Sufficient number of employees to cope with required benefits to the recipients			
vi.	Better management to manage delivery of the scheme benefits			

2. What are the scheme benefits that belong to Public Service Social Security Fund?____
   ____
   ____
3. Do you think that PSSSF monopoly influences profit-maximization of the fund?
   a) Yes ☐
   b) No ☐
4. Would you agree that PSSSF monopoly influence the delivery of the scheme benefits of the fund?
   a) Yes ☐
   b) No ☐

5. If the answer is yes, please answer the following questions

    i. What are the influences of the PSSSF monopoly on increasing amount of collecting contributions from various members? ____________________
    ____

    ii. What would you regard as the influence of PSSSF monopoly on facilitating the procedures of processing scheme benefits? ____________
    ____

    iii. How does the monopoly of PSSSF enhance timely payment of the scheme benefits to the members?
    ____
    ____

    v. How does the monopoly of PSSSF improve the delivery of adequate scheme benefits (social security services) to the members who belong to PSSSF? ____
    ____
    ____

Section II: Interview Guideline for Managerial Employees

Introduction

My name is Monalisa Dennis. I am undertaking research study concerns the contributions of the process of merger on the operating performance of the Public Service Social Security Fund (PSSSF). Undertaking research study is part of my academic work that is needed to accomplish my studies of Master of Business Administration in Corporate Management of Mzumbe University. Please, I ask for your participation into this research study through the process of interviewing. I assure you that all those information collected from this interview, they will be kept confidential and don't expect any harm to happen as the result of your participation.

The interview will take about 15 minutes. Are you available to respond to some of my questions right now?

a) Yes ☐
b) No ☐

A: Challenges facing the Process of Merger of the Public Service Social Security Fund

i. What do you know about the challenges of merger process that PSSSF faces? ____

____

ii. Is it difficult for PSSSF to retain employees who were brought together through merging process?

a) Yes ☐
b) No ☐

If yes, describe why? ____

____

iii. How does cultural incompatibility among employees who were brought together through merging process affect operating performance of the fund? ____

iv. Does PSSSF bear the burden of cost increasing as the result of its merging process?

a) Yes ☐

b) No ☐

If yes, please describe it? ____

v. Does merging process weaken customer loyalty of pre-merger organizations towards PSSSF?

a) Yes ☐

b) No ☐

If yes, please describe how? ____

vi. Are there any challenges that PSSSF facing because of its merging process?

a) Yes ☐

b) No ☐

If yes, identify those challenges and describe how they affect operating performance of PSSSF? ____

Thank you