AN ASSESSMENT ON SERVICES QUALITY IN SOCIAL SECURITY SCHEMES IN TANZANIA; AS A CASE STUDY OF NSSF – TANGA REGIONAL OFFICE

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A Dissertation submitted in partial fulfillment of the requirement for the award of the Master Degree 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 ‘an assessment of service quality in social security schemes in Tanzania’, in partial fulfillment of the requirement for the award of the degree of Master of Business Administration in Corporate Management (MBA-CM) of Mzumbe University.

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DECLARATION

I, Nguzo, Said Khalfan declare that, this dissertation report is my own original work and that has not been presented to any other University for a similar or any degree award.

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DEDICATION

I would like to dedicate this dissertation to my lovely wife, parents, and relatives who fought tooth and nail to make sure that I complete my studies successfully, and for their daily prayers that enabled me to complete my masters' degree program at Mzumbe University.

May the Almighty Allah bless them all!

ABBREVIATIONS AND ACRONYMS

GEPF	-	Government Employees Provident Fund
ILO	-	International Labor Organization
ISO	-	International Standard Organization
LAPF	-	Local Authority Pensions Fund
LGA	-	Local Government Authorities
MIS	-	Management Information System
NHIF	-	National Health Insurance
NSSF	-	National Social Security Fund
PSPF	-	Public Service Pension Fund
PPF	-	Parastatal Pension Fund
SPSS	-	Statistical Package for Social Science
ZSSF	-	The Zanzibar Social Security Fund

ABSTRACT

The research intended to investigate the service quality in social security scheme in Tanzania, whereby the objective of this study is to identify factors that affect service quality in social security schemes, to evaluate factors with significant contribution to customer satisfaction in service organization as well as to determine ways for improving service quality in social security schemes.

The evaluation was done to determine service quality in social security scheme in Tanzania at NSSF Tanga regional office whereby the respondents who were NSSF Members, NSSF pensioners and NSSF workers responded that good customer services offered as one among the factors contributing to service quality in social security scheme.

The target population of the research also involved both male and female who are NSSF members, NSSF workers and NSSF pensioners. A sample size of 50 was drawn. Simple random sampling method was adopted in selecting a sample size because it is based on the subjective judgment of the researcher, rather than random selection

Also, the main instrument which was used in collecting data was questionnaire method since it keep large amount of information and relatively easy to analyze during data analysis.

Education towards importance of pensions funds, should be increased so as to improve service quality provided by NSSF due to the fact that the fund could improve the service quality to its customers

Furthermore, consideration of views and amend Act and modernization of social security system should be modified as a way of improving service quality among pensions funds in the country.

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CHAPTR ONE

1.0 Introduction

This chapter provides a background of the study, statement of the problem, objective of the study, research questions, and significance of the study, scope of the study and limitation of the study. The study investigates on quality services in social security scheme in Tanzania, as a case study of NSSF - Tanga regional office.

1.1 Background of the study

Quality service was introduced worldwide since 1880’s when businesses realised that quality service is important in businesses and that it helps in maintaining competitive advantage in a competitive market. As it is, competition cannot be maintained by only the quality of the products produced but also the service provided to the customers. Service industry includes: sectors such as securities, insurance, appliance repair, maintenance, securities brokerage, long distance telephone service, automobile repair service and others (Wal, Pampallis & Bond, 2002)

Nowadays quality services are increasingly important to the economy because service industry has grown significantly and the working populations in the service industry have increased steadily worldwide. Service industries stimulate the economy of many countries worldwide. (Reichheld; Sasser, 1990). In today’s global competitive environment delivering service quality is considered as an essential strategy for success and survival in service industry so as to survive in the market service industry should provide quality service to their customers in order to satisfy their customers (Parasuraman *et a*l., 1985; Zeithmal *et al*., 1990).

As superiority in quality has become the key advantage for service sector sustainability, competitive advantage and success in the service industry is important. In service industry, most of these service firms are based on improved productivity, increased market share, enhanced customers attraction and loyalty and sustained profitability are not able to provide the quality of the service needed by their customers (Lassar *et al.*,2000). Moreover, service industry sector especially pension fund has grown rapidly and more pension funds have been growing, the delivery of quality service is a crucial problem. Most of these pension funds fail to deliver quality service as quality is one of the most expected aspects of almost all service products. Most of these service sectors fail to deliver what the firm intends to deliver. This is because it may be entirely different from what the consumer receive and understand the needs of their customers. Also maintaining the quality of the service in a service industry is seen as a complex aspect. This results in some of this security schemes fail to deliver quality service and to survival in the competitive market. (Jabnoun, 2003)

In any case, surviving in difficult and competitive market requires good quality service. For that reason, service quality has become more important to service sectors and that service quality has relationship with customer satisfaction. Given that, the customers are the target group of a particular service and without customers service cannot be provided and this shows that service quality as having apparent relationship with customers (Zeithaml, 1981). Service quality in social security scheme is critical for satisfaction and retention of customers because providing quality service in security schemes is important for pensioners. This is because pensioners and other customers expect to get quality service which will make them satisfied. Good and quality service and retentation of customers which is caused by customer satisfaction is when customers are retained due to the service quality provided by social security scheme (Al-Tamimi, 2003).

Formal social security is a regulated mechanism of protecting citizens against social contingencies. This system has existed in Tanzania well before independence; whereby various policy statements have been made and Acts passed in regard to the protection of the population against contingencies like injury, loss of employment and old age. These include the Master and Native Ordinance Cap 78 as amended by Cap. 371, Provident Fund (Government Employees) Ordinance Cap 51, Provident Fund (Local Authorities) Ordinance Cap. 53 and the Workmen’s Compensation Ordinance Cap 262. After independence new legislations were enacted and others amended. These include the Severance Allowance Act No. 57 of 1962; the National Provident Fund Act No. 36 of

1964 amended by Act. No. 2 of 1975 which was later repealed and replaced by the National Social Security Fund Act No. 28 of 1997; the Parastatal Pensions Act No. 14 of 1978, the Public Service Retirement Benefits Act of 1999, the National Health Insurance Fund Act No. 8 of 1999 and Local Authorities Provident Fund Act. No. 6 of 2000.

The International Labour Organization (ILO) Social Security (Minimum standards) Convention of 1952 describes eight specific contingencies, which social security schemes should cover. By implication, these contingencies do define and delineate boundaries of social protection which any country or Central and Local Government Authorities (LGAs) should provide to the population.

Today, most of old age people who served in public sector are dependent on the terminal benefits as their major source of income after retiring from public services, so they need it urgently and should be paid on time without unnecessary delays.

1.2 Statement of the Problem

The concepts of service quality have been highly considered and used in marketing texts and activities, during previous decades. Marketing researchers have praised the advantages of satisfaction and quality, and have mentioned them as indices of an organisation competitive benefit (Ruyter, 1997).

On the other hand, service loyalty is one of the most important structures in service marketing, due to its effect on customers' repeated purchases, and in fact, those loyal customers who purchase repeatedly are considered as the base of any business (Caruana, 2002).

Although these concepts have been used so many times in the marketing literature, but the relations between these three concepts still remain ambiguous Naeem & Saift (2009). Therefore, the researcher intends to study the relation of these three concepts taking NSSF Tanga regional office as a study area.

Limitation of services quality in social security schemes in general affects one out of every four NSSF members or pensioners in their lifetime, regardless of age, social class, race, disability or life style (Lindsey and Beach, 2004).

1.3 Objectives of Study

1.3.1 General Objectives

The main objective of the study was to assess services quality in social security schemes at NSSF, Tanga Regional Office in Tanzania.

1.3.2 Specific objectives

The study sought to achieve these objectives:

i. To identify factors attributing service quality in social security schemes.
ii. To evaluate effects of service quality in social security schemes
iii. To determine ways used by social security schemes modernize provision of service quality.

1.4 Research Questions

This study has these research questions.

i. What are the factors attributing service quality in social security schemes?
ii. What are the effects of service in social security schemes?
iii. What are the ways used by social security schemes to modernize provision of service quality?

1.5 Scope of the study

The study was conducted at NSSF Tanga regional office focusing on the party of service quality in social security schemes. The key assumption was tested on the influence of service quality towards provision of services. The study used interview guide for organisation internal members and questionnaire for members and pensioners.

1.6 Significance of the Study

The study is expected to provide NSSF, government and other pension security schemes with the valuable information regarding services quality in social security schemes in Tanzania.

Furthermore, the study would add up to existing literature on the influence on service quality and also the study would provide insight to social security schemes on the influence of service quality.

Theoretically, the research is expected to add knowledge to the existing literature accumulated by the researchers and academicians. Study will be also valuable to the government, employers, pension funds and governments institution at large on the importance of offering good services quality.

However, the study also is expected to encourage other researchers to conduct further study on whether service quality background has significant influence on provision of service quality in other social security industry in Tanzania.

1.7 Limitation of the study

The Researcher faced some limitations in conducting this study. The limitations included, but not limited to financial constraints and time scarcity. Shortage of Fund was because the Researcher was under self-sponsorship; hence, difficult to meet all requirements of the study. On the other hand, Time was limited as the Researcher had other responsibilities like pressure of work and family assistance.

Furthermore, NSSF had office in all Regions and Districts in Tanzania Mainland which could not be easy to carry research to all of NSSF offices.

1.7.1 Delimitations of the Study

In order to overcome the stated limitations, the study concentrated only in Tanga Regional office.

Under reasons that, the NSSF Tanga had all types of members from primary level to University level, from private sector, public sector and those self employed. Efforts were done to make sure that available time and funds were efficiently and effectively utilised to accomplish the task.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents different literatures that show meaning of different concepts/variables that are used in the study, the description of the variables, the measurement of the research variables, relationship among research variables and similar studies from different areas. The presentation of literature review enables the researcher to come up with theoretical conceptual framework of the study.

2.1 Definition of key terms

2.1.1 Quality

Quality is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs. It has features of service that meets requirements of customers and it leads to customer satisfaction. This is because it accords with the characteristics of the product to meet the external client's needs and fitness for customer purpose (Kotler *et al.,* 2002). Quality is the degree to which a customer's perceived expectations are met based on a subjective judgment of the service transaction. This is because quality is judged by the product performance which results in customer satisfaction and freedom from product deficiencies which avoids customer dissatisfaction. It is the extent to which the customers or users believe the product or service surpasses their needs and expectation (Juran, 1985).

2.1.2 Service

Service is a set of characteristics that meet the client's needs strengthens the links between the customers and organisation. Service involves two parties as it cannot operate without parties, the client/customer and the service provider. And therefore service strengthens the relationship between the two parties the service provider which is the organisation and client/customer (Walfried, et al. 2003)

While another scholar, defined service as the process consisting of a series of more or less intangible activities that normally, but not necessarily always take place in interactions between the customer and the service employee. Additionally, physical resources or goods and/or systems of the service provider which are provided as solutions to customers problems. It is any activity and it takes place whether there is or no interaction between the client and service provider, products or systems of the service provider which are offered as solutions to solve problems for customers (Gronroos, 2000)

2.1.3 Service quality

Booms and Mohr (1994, p. 97) define service quality as ‘the consumer’s overall impression of the relative inferiority / superiority of the organisation and its services’. Parasuraman, Zeithaml and Berry (1985, p. 48) defined service quality as ‘a function of the differences between expectation and performance along the quality dimensions’. Roest and Pieters’ (1997) define that service quality is a relativistic and cognitive discrepancy between experience-based norms and performances concerning service benefits. Caruana, (2002) define Service quality as the degree of discrepancy between customers’ normative expectation for service and their perceptions of service performance. (Parasuraman *et al.*, 1985). The definition of service quality was further developed as “the overall evaluation of a specific service firm that results from comparing that firm’s performance with the customer’s general expectations of how firms in that industry should perform. While other researchers (e.g. Cronin and Taylor, 1994; Taylor & Cronin, 1994) view service quality as a form of attitude representing a long-run overall evaluation.

Definitions of service quality hold that this is the result of the comparison that customers make between their expectations about a service and their perception of the way the service has been performed (Lehtinen & Lehtinen, 1982; Lewis & Booms, 1983, Gronroos, 1984; Parasuraman *et al.*, 1985; 1988)

2.1.4 Social security

According to the Universal Declaration of Human Rights, 2012. Article 22, Social security is a right for everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality. In simple terms, the signatories agree that society in which a person lives should help them to develop and to make the most of all the advantages (culture, work, social welfare) which are offered to them in the country.

Furthermore, ISSA defines social security as an insurance programs and social assistance that offers mutual benefit to qualifying members. It embraces national provident funds, pension schemes and other social arrangement schemes that, according to the respective country policies they form part of strategy on social protection program for that country. ISSA 1927 Constitution, (2007).

2.1.5 Schemes

A scheme means the mandatory pension schemes existing in Tanzania mainland. (Social Security Act No. 5 of 2012) In Tanzania the dominant scheme is social insurance due to low economic capability of the government to issue free coverage to all its citizens, however there are some basic steps that the government is taking care of like free primary education and health care to the elders though it is not practiced adequately.

One of the major roles of Social security schemes is provision of social protection and income security for members and basic needs for all the citizens. In African countries this has not been possible. Ackson, (2010) revealed that in Tanzania it is only 6% of the working force that are covered. In Global statistics, ILO, (2010/11) presented that by the year 2010 coverage was 50% of the entire world population.

2.1.6 Dimensions of service quality

According to the SERVQUAL model Parasuraman *et al.* (1988) service quality can be measured by identifying the gaps between customers expectations of the service to be provided and their perception of the actual performance of the service received. Parasuraman et al. (1985) have found that consumers consider five dimensions in their assessment of service quality.

Reliability: it is the ability to perform the promised services dependably and accurately such as acting according to the promises and declaration. The enterprises can be able to execute the agreed services provided correctly and reliably i.e. the company delivers on its promises, service provision, problem resolution, and pricing. Customers want to do business with companies that keep their promises, particularly their promises about the core service attribute. Organisation with reliability delivers on its promises.

Responsiveness: is the willingness to help customers, accompanied by courtesy, quick response, and a speedy resolution of the customers concern and provide prompt services. This dimension emphasise attentiveness and promptness in dealing with customers request, questions, complaints, and problems, responsiveness is communicated to customers by length of time they have to wait for assistance.

It involves answering questions, or attention to problems, responsiveness also captures the notion of flexibility and ability to customise the services to customer needs to make the dimension of responsiveness a company must certain view the process of services delivery and handling request from the customer's point of view rather than from company's point of view.

Standard for speed and promptness that reflects the company's view of internal process requirements may be very different from the customer's services requirement for speed and promptness. Therefore the companies need well-staffed customer's services department as well as responsive front-line people in all contact position.

Assurance: it is defined as the employee's knowledge and courtesy and ability of the firm and its employees to inspire trust and confidence. It is particularly important for service organisations to ensure assurance as the customers perceive as involving in high risk and about which they feel uncertain about their ability to evaluate outcomes.

Trust and confidence are embodied in the person who links the customers to the company such as securities brokers, insurance agent, lawyer, or counsellors in such a services context the company seeks to build trust and loyalty between key contact people and individual customers.

Empathy: it is defined as the caring, individualised attention the firm provides to its customers. The essence of empathy is conveying, through personalised or customised service, that customers are unique and special.

Customers want to feel understood by and important to firms that provide services to them. Personnel at small services firms often know customers by name and build relationships that reflect their personal knowledge of customer's requirement and preferences.

Tangible: it is defined as the appearance of the physical facilities, equipment, personnel and communication material. All of these provide physical representations or images of the services that customers' particularly new customers will use to evaluate quality.

Services industries that emphasise tangibles in their strategic include: hospitality services where the customer visits the establishment to receive the service. Although tangibles are often used by service companies to enhance their image, provide continuity and signal quality to customers, most companies combine tangibles with another dimension to create service quality strategy for the firm.
It means things which are physically observed by the customers it include: personnel, physical facilities, materials and appearance able and skilled personnel. Tangible provide customers to evaluate the capability of the service provider (Zeithmal, 2003)

2.2 Characteristics of service quality

Variability: it is difference which comes in at the level of delivery of service due the difference in human behaviour of those offering services and the consumer. Also individual units of service production tend to be unique, especially when compared with non-service processes such as mass production.

This is because it is a distinguishing characteristic of service that reflects the variation in consistency from one service transaction to the next. The performance of the service often varies from producer to producer and from customer to customer. Similarly it differs from day to day since uniform quality is difficult to assure because what the firm intends to deliver may be entirely different from what the consumer receive.

Without doubt, this is because of different circumstances which may hinder the performance of the service to be effective and efficient as planned and done by the organisation. Equally, this can be due to different service which customers need; also, this may lead to variability of the services (Booms & Bitner (1981)

Most services cannot be counted, measured, inventoried tested and verified in advance as it cannot be touched as service is an act or performance that one part can offer to another that is essentially intangible. Service does not result in the ownership of anything and therefore due to the intangibility in nature it cannot be touched or sensed counted, measured, and inventoried in the same manner as physical goods due to its intangibility in nature (Parasuraman *et al*., 1990)

Intangibity: it is a distinguishing characteristic of services that makes them unable to be touched or sensed in the same manner as physical goods. Most of the services are intangible because they are performance rather than objects. The intangibility of service is performance/ experience they cannot be displayed, sampled, tested or evaluated before purchase/consumption (Parasuraman *et al.,* 1990).

Inseparability: services are produced, sold and consumed in one place at the same time customers have to be present during production and consumption. Service cannot be separated from its place of production as it cannot be done by involving one party. So service is inseparable as it must involve the concerned parties and therefore during service provision two parties must be involved in the process in order for the service to be effective and efficient (Zeithaml *et al.,* 1985).

Perishability: services cannot be inventoried as service are produced and consumed at the same time implying they cannot be stored for later usage. Service cannot be kept in stock they are produced and consumed and if not consumed their value is lost unused. Services cannot be returned by the customer as service are produced sold and consumed in one place at the same time and the activities done must involve two parties and therefore services cannot be stored for future use (Zeithaml & Bitner, 2003).

2.3 Dimensions or measurement of customer satisfaction

Loyalty; if a service provider can satisfy the needs of the customer better than its competitors, it is easier to create loyalty as high customer loyalty is mainly caused by high customer satisfaction. Effective satisfaction must be able to create loyalty amongst customers (Oliver, 1999).

Customer retention: when organisations succeed in retaining their customers for a long period of time it shows that customers are satisfied with the service or product of the organisation concerned and therefore they do not see the need of moving to another organisation to search for the service or product concerned (Parasuraman, 1988).

Purchase behaviour: the purchase behaviour of customers can be identified if their customers are satisfied with a certain kind of a product or they may not repeat to. The purchase behaviour of the customers assures that the customers are satisfied with the product or service given by the organisation concerned and that the customer does not see the reason of buying or receiving the service from another organisation (Zeithmal, 2003).

2.4 Relationship between service quality and customer satisfaction

Service quality has been reported as having apparent relationship to customer satisfaction as customers cannot get satisfaction without service quality. Service quality is a key point that leads to customer satisfaction. The provision of service quality leads to customer satisfaction. This is because providing quality service results in customer satisfaction.

Mostly customers expect good service which leads to customer satisfaction. (Boltan & Drew, 1991; Boulding *et al*., 1993). Service quality has a direct link with customer satisfaction as they both depend on each other. Customer cannot get satisfaction without getting service quality. Therefore service quality has a direct link with customer satisfaction as service quality leads to customer satisfaction. Service quality is what customers expect and therefore it leads to customer satisfaction (Parasuraman et *al.*, 1988; Hazlina *et al.*, 2011; Parasuraman *et a.*, 1985).

Service quality is the whole investigation of the services which are less considered and customers' satisfaction shows the result of the transaction of servicing the customers. Indeed customers' satisfaction is the prediction of customers' expectations and services quality and the examination of ideal standards expected by the customers. Although, satisfaction and service quality have common points, in general, satisfaction is a more extensive concept than quality. This is because quality focuses on service dimensions and services quality is considered as a part of satisfaction. Service quality indicates customer's understanding of the services while satisfaction is more extensive including service quality, Product's Quality, price, situational factors and immediate ones (Karimi, 2005).

Since customer satisfaction has been considered to be based on the customer’s experience on a particular service encounter’ It is in line with the fact that service quality is a determinant of customer satisfaction, because service quality comes from outcome of the services from service providers in organisations (Cronin & Taylor, 1992).

Customer satisfaction came as a result of service quality. In relating customer satisfaction and service quality, researchers have been more precise about the meaning and measurements of satisfaction and service quality. Satisfaction and service quality have certain things in common, but satisfaction generally is a broader concept, whereas service quality focuses specifically on dimensions of service (Anderson & Sullivan 1993); Fornell *et al*., (1996); Spreng & Macky, 1996).

2.5 Empirical study

Mosahab *et al.,* (2010) carried out a study on Service Quality, Customer Satisfaction and Loyalty: A Test of mediation. The researcher was interested to determine the quality of services offered by Sepah Bank, and also to study the relationship between the service quality, satisfaction and loyalty. The research was categorised as descriptive research based on the method of obtaining the considered data. Since these data are made for studying the distribution of statistical population characteristics through sampling of population, the survey was done on the basis of cross sectional method. Results of this research show that in all aspects, customers' expectation is higher than their perceptions of the Bank's operation, and in fact the quality of offered services is low. The researcher concluded that there is a positive and meaningful relation among all fivefold dimensions of service quality with satisfaction and loyalty, which in both cases assurance and tangibles have the most and the least relation with satisfaction and loyalty.

Bontis (2007) studied the mediating effect of organisational reputation on customer loyalty and service recommendation in the banking industry. Objective of the research was to develop an understanding of the mediating effect of organisational reputation on service recommendation and customer loyalty in the banking industry. Four models were developed that were variations of the American Customer Satisfaction Model (ACSM). These models were then tested by using the Partial Least Squares (PLS) procedure on a data collected from a survey that yielded 8,098 respondents. Findings revealed that "customer satisfaction enhances reputation in the service environment. It was also discovered that reputation partially mediates the relationship between satisfaction and loyalty, and that reputation partially mediates the relationship between satisfaction and recommendation. And lastly the study concludes that "reputation serves as a partial mediator of two links: customer satisfaction and loyalty, and satisfaction and recommendation in the banking industry".

Owen (2001) conducted a study about customer satisfaction in Islamic Banks by using the service quality model. Their study used a survey of 360 customers selected by Systematic Random Sampling. Using CARTER model scale, their results suggested that customer satisfaction in Islamic banks “should be measured through the proposed 34 items instead of reducing it into the original number of SERVQUAL’s five dimensions and their 22 items”. Their results conclude that in Islamic banks, managers and practitioners should be aware of cultural or religious dimension.

Mohammad (2011) investigated Service Quality Perspectives and Customer Satisfaction in Commercial Banks Working in Jordan. His study used 260 questionnaires distributed randomly to customers of commercial banks branches located (thirteen commercial banks in Jordan) in IRBID (Acity of Jordan). Multiple regression analysis was employed to test the impact of service quality on customer satisfaction. The results of this study indicated that service quality is an important antecedent of customer satisfaction.

It is apparent from the present study that managers and decision makers in Jordanian commercial banks to seek and improve the elements of service quality that make the most significant contributions on customer satisfaction.

Lupimo (2006) conducted a study aiming at exploring importance of service quality and customer satisfaction as well as factors for improvement of service delivery by government executive agencies. The study aimed at investigating service quality factors that are of great concern to customers when evaluating service quality and customer satisfaction on services. Also the study aimed at investigating firm’s awareness on important factors to customers and strategies that are placed to ensure improved service delivery, as well as strategies that the management can consider to improve the quality of services and increase customer satisfaction.

The study findings show that, when evaluating service quality, customers consider all service quality factors. However, some factors such as competence of employees, equipment and timeliness are given great consideration. Other factors are firms relationship with customers, customer income level and management culture. Researchers conclude that, management should build culture of conducting customer survey regularly so as to understand customer needs and hence narrow down the existing gap.

Kesuma et al., (2013) concentrated there study on Service Quality Influence on Patient Loyalty: Customer Relationship Management as Mediation Variable (Study on Private Hospital Industry in Denpasar. objective to identify and examine (1) service quality influence on patient loyalty; and (2) service quality influence on patient loyalty mediated by CRM. The population was patients of Private Hospitals accredited by minimum five standards, and had BOR (Bed Occupancy Rate) score of minimum 50% in Denpasar. Collecting sample of study used two levels of judgment sampling. The first level was purposive sampling to determine the means of choosing sample. The amount of sample was 100 respondents analyzed by Generalised Structured Component Analysis (GSCA). Results proved that Service Quality positively and significantly affected Customer Loyalty. It is presented empirical evidence not only on the direct relationship between Service Quality and Customer Loyalty, but also the role of Customer Relationship Management (CRM). The implementation of which was proven to play a positive role on Customer Loyalty. The researcher concludes that service quality positively and significantly affected customer loyalty. It indicated higher service quality could add to customer loyalty; (2) the implementation of Customer Relationship Management (CRM) mediated Service Quality influence on Customer Loyalty.

2.6 Social Security Schemes overview

Most of man’s actions are dictated by his quest of security for protection against the vagaries of a harsh world. Primitive man was protecting himself against wild animals, hunger and shelter, before the development of societies, primitive man wandered from place to place hunting for food. Security lay in his ability to overcome his prey and protect himself against any adversary. When he became too old and/or weak from ill health, he naturally fell prey to his adversaries. With the development of societies, came different community structures, namely village, clan, extended family and nuclear family. All these structures provided security for their members, but the one structure which covered an appreciable number of people, maintained intimate relations and provided most visible protection based on principles of solidarity, was the extended family. In the extended family sick people, old people and orphanage were given first priority on protection (Hauli, 1994).

The extended family system provided all kinds of protection including those which are provided by modern schemes. The benefits include old age, Invalidity, Sickness, Survivors, Maternity and family assistance. These societal structures were not limited to Africa as they were only varying in degree when compared to those existed in Europe, Asia, America and other places wherever there was a human existence (Mkullo, 1994)

After the Industrial Revolution which came as a result of introduction of machines, the competition between factory produced goods and family producers became very stiff whereby the factory goods were less expensive compared to those produced by the family; therefore, people were forced to abandoned their family business and forced to move to the city to search for Jobs, the situation weakened the economic base of the rural society and ultimately to the complete loss of contact between the urban migrant and their extended family. Eventually, the urban jobless had nowhere to turn to (Hauli, 1994).

The growth of population on urban jobless in a country like England led to the enactment of the poor laws in the sixteenth century. These laws which were prosecuted by Parish Overseas, sought to provide relief for the aged, sick, and the infant poor. It also provided work for able bodied at the workhouse. However the laws did not bring any significant relief as they were dehumanising and humiliating people (Hauli, 1994).

The poor laws were followed by the formation of Worker's associations and trade guilds which were aimed at providing protection and security through the principle of solidarity.

In all these movement, society made one fundamental error, there was an illusion that rational man would, of his own desire, save enough to take care of any contingencies that may befall him during or after his working life. This was not possible. To date salaries/wages have never been enough to enable workers put aside something on their own for the purpose of paying hospital bills or to cover substantial loss of income. The most important outcome of the series of events to date was the realisation of the need for community action in the provision of protection against the consequences of illness, old age, death of the bread winner and other misfortunes. This resulted in pressure being put on Governments, through those who could catch the ears of the authorities, to enact various laws catering for the social security protection of workers and citizens in general.

The late eighteenth century saw a rapid growth in voluntary and charitable help, example there were the charity organisation society for the relief of mendacity and prevention of crime (Hauli, 1994).

The development of social security in Britain has been influenced by the findings of social research since the late nineteenth century. At this time, pioneering social researchers began to investigate the extent and causes of poverty. In 1886, Charles Booth estimated that about one third of those in East of London were living in poverty (Booth, 1889). He found that unemployment was the major cause of poverty, but the low-paid work was also an important factor. Another pioneering study was carried out in NewYork in 1899 by Seebohm Rowntree. He made a distinction between primary poverty and secondary poverty, where income was adequate to meet basic needs but deprivation was caused because some money was being spent on non essential items (Rowntree, 1901).

Various movement were formed in different periods including Labour exchange in 1909, National Insurance Act of 1911, and Widows, Orphans and Old age contributory Pensions Act of 1952 (Stephen & Karen, 1999).

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Clive Bailey (1999) indicates that, in English speaking African countries, particularly among the former British colonies there was a relatively uniform framework for the social security system. In countries like the United Republic of Tanzania one could typically find the following provisions which date from the colonial or immediate post-independence period together with their major weaknesses:

(i) A non-contributory defined benefit pension scheme for permanent public servants and members of the armed forces.

Weakness: The absence of a contributory fund combined with economic difficulties has resulted in a failure in most countries to maintain the real value of pensions.

(ii) A provident fund for private sector employees and non-pensionable public servants including employees of state owned enterprises which was effectively a compulsory savings scheme based on earnings related to contributions paid by members and their employers.

Weakness: Lump sum payments do not provide adequate long-term income security and contributions invested have often failed to produce a positive return.

(iii) A range of other benefits such as workers compensation, sick pay, maternity leave, severance payments were provided directly by employers under a legal obligation.

Weakness: This has tended to result in friction between employers and workers and in some instances of evasion or discrimination.

(iv) A public health care system providing generally free access to health care requirements.

Weakness: Economic difficulties and structural adjustment programmes have resulted in an inability for public health care systems to deliver adequate health care. In addition, the percentage of the labor force covered by such provisions has remained low (often less than 10 percent of the population) with the majority of the labour force who work on their own account or in the informal sector excluded from coverage (Bailey, 1999).

Many countries have in recent years undertaken reforms to address these weaknesses. In Tanzania, the Government has recognised the need for reform to take place within a national strategy to ensure coordination and consistency of social protection is correctly done. There are several strands to the reform process, during colonial period the following schemes were formed:

i. The Government Employees Provident Fund of 1942.

ii. The Local Authority Provident Fund of 1944.
iii. The Workman's compensation of 1949
iv. The Government Pension of 1954.

Hauli (1994) explains that after independence there were substantial reviews for those laws because they seemed to cover only certain categories of persons. The post–independence protection laws include: -

i. Severance Allowance Act of 1962;

ii. National Provident Fund Act of 1964, as amended in 1975 and extended in the National Social Security Fund in 1998

iii. Parastatal Pension Fund Act No.14 of 1978;

iv. Political Leaders Pension Act of 1981;

v. Public Service Retirement Act of 1999; and

vi. National Health Insurance Fund Act No.8 of 1999.

By 2003, National social security policy provided five social security schemes, but currently there are seven mandatory social security institutions providing social security services in Tanzania and one provident fund as indicated below:

i) National Social Security Fund (NSSF) - covers employees of private sector and non pensionable parastatal and Government employees;

ii) Public Service Pension Fund (PSPF) - provides protection to employees of central Government and other executive agencies of the Government.

iii) Parastatal Pension Fund (PPF) - offers social protection to employees from the private and parastatal organizations

iv) Local Authority Pensions Fund (LAPF) - covers employees of local Government.

v) Government Employees Provident Fund (GEPF) - which offers provident fund benefits to non-pensionable Police and Prison officers.

vi) National Health Insurance (NHIF) - provides health insurance coverage to pensionable employees of the central and local Government.

vii) The Zanzibar Social Security Fund (ZSSF) - covers employees in both public and private sectors in Zanzibar.

All these movements are the concern of the Government to make sure that the Social Security schemes provides the best services and products to meet the purpose of social protection in the society (URT, 2003).

Provision of social protection to mankind began because societies are part and parcel of human existence. Since time immemorial social security has been provided in different forms depending on the environment of a given society, coverage was directed to the same category of people regardless of their environment. The groups covered were the elderly people, children, orphans, widows and sick people. The people were provided with the basic needs such as food, shelter, and medical care although the provision given was not sufficient (Hauli, 1994). Customers in social security firms expected to receive quality and timely services when they visit Social security Fund.

Customer service is the provision of service to customers before, during and after a purchase. Everyone in the organisation is providing one or all of these- perhaps they recognise which ones perhaps not. Kurtenbach (2000) explains that those who are successful in customer service rank their customers experience as the top priority.

Ettore (2001) is of the view that, concentrating on current customer’s information can and should be obtained to better understand their view of the service provided. The quality of service provided determines the level of satisfaction of the customer even though what is seen as quality by one customer may not necessarily be quality to another.

Customer satisfaction is a measure of how products and services are supplied by a company meet or surpass customer expectation. In a competitive marketplace where a business competes for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. (Herbert, 2004) Customer satisfaction is an asset that should be monitored and managed just like any physical asset. The relationship between customer service and customer satisfaction is a vital one.

In a competitive market place, understanding customer needs become crucial; therefore, companies in this case, have moved from product-centric to customer-centric positions. Customer satisfaction is influenced by the type of service provided. (Olsen, 2002) Satisfaction is a challenge particularly in the security funds based service as customers can easily switch from one security funds to another of a better service.

In today's fast-paced and increasingly competitive market, the bottom line of a firm's marketing strategies and tactics is to make profits and contribute to the growth of the company. Customer satisfaction, service quality and customer loyalty are global issues that affect all organizations, be it large or small, profit or non-profit, global or local. (Kang, 2002). Many companies are interested in studying, evaluating and implementing marketing strategies that aim at improving services quality and maximizing share of customers in view of the beneficial effects on the financial performance for the firm.

Service quality, customer satisfaction and loyalty have long been recognized as playing a crucial role for success and survival in today's competitive market. Not surprisingly, considerable research has been conducted on these three concepts. Notably, the service quality and customer satisfaction concepts have been linked to customer behavioral intentions like purchase and loyalty intention willingness to spread positive word of mouth, referral, and complaint intention by many researchers (Olsen, 2002; Kang, Nobuyuki & Herbert, 2004; Söderlund & Öhman, 2005). The most commonly found studies were related to the 'antecedents, moderating, mediating and behavioral consequences' relationships among these variables – customer satisfaction, service quality, customer loyalty. However, there have been mixed results produced.

As many industry sectors mature, competitive advantage through high quality service is an increasingly important weapon in business survival. The NSSF has certainly not been exempted from increased competition or rising consumer expectations of quality. NSSF is undergoing a dramatic transformation and experiencing heightened competition. NSSF have been working harder to provide quality services purposely to satisfy its members, such efforts among others NSSF in its corporate plan objective has committed to improve members' benefits and improve customer services as stipulated to its vision and Mission.

The NSSF always tries to improve benefits offered to its members. The following strategies have been deployed:

i. adjusting/indexing the existing benefits; and
ii. Introducing supplementary benefits.

NSSF always planned and improving services offered to its customers by reducing registration period, payment processing period and time taken to update members' records. The following strategies have been used:

i. Improve process efficiency;
ii. Implement business continuity management; an
iii. Improve Management Information System (MIS)

The fact is that NSSF is regarded as a low credence service and the quality of the services are difficult to prove until customers patronise the NSSF. Moreover, the quality of the service that customers encounter may be different each time they re-visit that particular security fund, thus influencing the level of satisfaction and eventually affecting their customer loyalty.

Given these important issues that need to be addressed, the main purpose of this study was to examine the factors that affect service quality to customer loyalty in the NSSF context. Specifically, this study aims at examining the nature and strength of effects between customer satisfaction, service quality and customer's loyalty. The predictive ability of customer satisfaction and service quality on customer loyalty will also be analysed

2.7 Tanzania social security policy of 2003

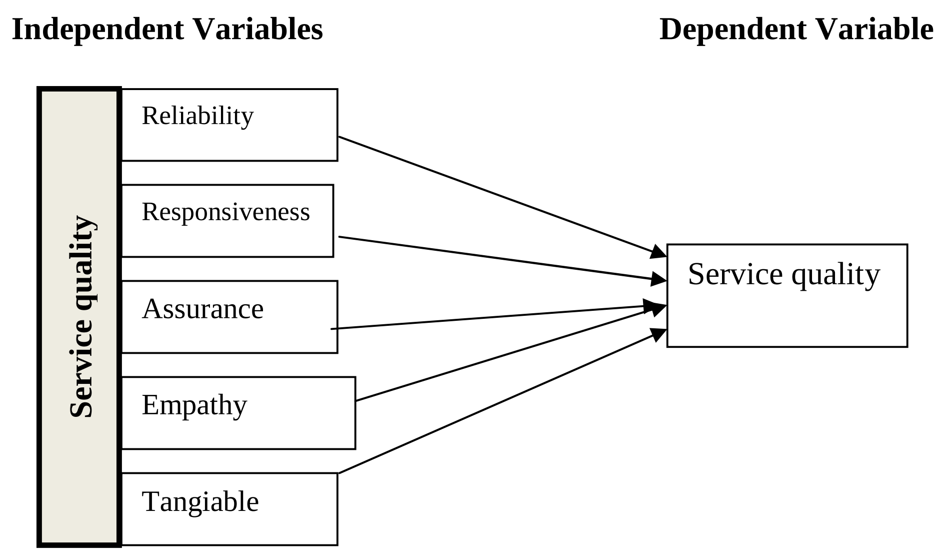
This is a government document issued to address social, economic and political changes occurring in the country. It accounts in extending social security to benefit the citizens and ensure harmonized activities. The policy began in 2001 and adopted in 2003.

This policy has some shortfalls to be addressed so as to help in boosting social security institutes in the country. First of all the policy does not recognize tax financed social security schemes, while one of the functions of social security schemes is redistribution of income. The best means to do this is by tax system.

2.8 Conceptual frame work

It is narrative outline or diagrammatic shows the relationship between dependent and independent variables (Smyth, 2004).

Figure 1: conceptual frame work



CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This section was dealing with the methods used to obtain information for the study. These includes the study design, the study area (scope), the research variables and their operationalisation, the study population, the sample size, data collection and instruments for data collection and data analysis.

3.1 Research Design

The study used to assess the degree of relationship that exists between two or more variables. It analyses the correlation between two or more variables (Orodho, 2003). Also a similar study by (Shanka, 2012; Mmbando D, 2014) used correlation design for research design for examining service quality, pensioner's satisfaction and loyalty.

3.2 Study Area

The research was conducted within Tanga region NSSF branch. NSSF was chosen by the researcher because it is one among the pension funds within the country.

This fund was chosen not only it is the 2nd largest pension fund in the country but also different people from youth age to adults are accessing their pensions benefits from it along in the same line, researcher can easily interact to get reliable information concerning the study and other related factors influenced the researcher to conduct this study on quality services in social security scheme in Tanzania.

3.3 Population

The study was carried out among the NSSF (Tanga) customers to find out on quality services in social security scheme in Tanzania, as a case study of NSSF - Tanga regional office. A total of 50 respondents used as a population who was considered the true representative population.

3.4 Sample Selection

The study was conducted at the NSSF, Tanga regional office. A sample of 50 respondents was targeted. The sampling method was used as probability sampling approach and therefore customers were selected randomly. Customers was the representatives of the population since they was targeted to the study. In the study, a total of 50 questionnaires were distributed, whereby they were answered by customers and returned.

3.5 Sampling strategies

Simple random sampling technique was adopted to select the study participants. This resulted in having equal probability for everyone to participate in the study (Kothari, 2004). Based on simple random selection a sample of fifty (50) respondents who were NSSF members, pensioners and NSSF workers claims and those who waited for their benefit cheques were randomly selected using survey. The survey used was generated in advance and distributed to all the respondents. Those customers who pick up the code for participation were requested to participate in the study after consenting. This was done through maximising the scope or range of variation of participants in the study. This method was mainly applied to find out how a small group or a representative group is doing for the purpose of illustration or explanation.

3.6 Data collection Method

In this study, data were collected through interviews and self administered. Semi-structured questionnaires were employed to gather information from NSF members and NSSF staffs. Also in depth interviews were conducted to managerial staff at NSSF.

3.6.1 Primary Data Collection

Primary data were collected from the individuals who were members of NSSF for at least five years and the staff who dealt with customers daily. Questionnaire was the main tool used to collect data. In-depth interviews were used to complement questionnaire.

3.6.2 Questionnaires

Questionnaires were used to collect data. The questionnaire used form of fixed-response alternative questions that require the respondent to answer from a predetermined set of answers to every question as described by Malhotra;Birks (2003). The questionnaires employed the Likert non-comparative scaling technique.

The questionnaire contained two sections, namely A and B. Section A has questions on demography (age, gender, education, occupation and marital status) while section B includes questions on customer satisfaction with the service quality and loyalty of the customer to NSSF. The questionnaire was constructed entirely in English.

3.6.3 Documentary Review

Documents are any written or recorded materials which are not prepared at the request of the inquirer or for the purpose of evaluation (Ghuba;Lincolin, 1985). This study used both sources of information reports and books.

3.6.4 Secondary Data Collection

Secondary data were collected through reviewing documents. This involved reviewing of past documents on the service care delivery standards as stipulated by NSSF regulations and NSSF corporate plan.

3.6.5. In-depth interviews

The in depth interview were conducted to the staff attending members because were the ones who managed and controlled all the operations of the Fund.

3.6.6. Qualitative data collection

Qualitative data were recorded using tape recorder using the guideline with the leading questions. The tape was transcribed in the word document and analysis was done using thematic framework of which the data were organized per themes.

The study used both Primary and Secondary data. Secondary data was collected as the method of analysis of documents. Such documents included official records, reports, as well as the published data used in the review of outstanding literature. Primary data on the other hand was obtained directly from the field and they were collected through questionnaires.

3.7 Data Analysis

Data was collected by only quantitative methods. Preliminary Data from questionnaires were compiled, sorted, edited, classified and coded into a coding sheet and analysed using a computerised data analysis package (SPSS). The demographic characteristic illustrated the distribution of respondents' categories in relation to Age, Gender, and level of education, occupation and marital status.

3.8 Validity of the Study

The validity of the questionnaire approach was obtained by presenting it to at least one professional person, including the researcher's supervisor because according to Amin (2005) content and construct validity is determined by expert judgment. Besides ensuring reliability the questionnaire were tested with a small group of customers before going into actual data collection.

3.9 Validity testing

Validity refers to the extent to which an empirical measurement adequately reflects the real meaning of the concept under consideration (Babbie, 2004). A valid measures what it is intended to measure. Shadish, Cook and Campbell (2002) define validity as "the approximate truth of an inference" (p. 34). There are four types of validity: statistical conclusion validity, construct validity, internal validity and external validity. In the next paragraphs each type is explained and they are assessed for this study.

3.10 Reliability Test

Reliability is defined as fundamentally concerned with issues of consistency of measures (Bryman & Bell, 2003). In the literature, three main types of reliability have been identified by researchers. These are internal consistency, split half reliability and test-retest reliability. All the three method attempts to verify the reliability of the constructs of a scale but they rely on different methodologies. For the purposes of this study; however, internal consistency is the main focus. Thus, the study employed Cronbach's alpha to verify the internal consistency of each construct in order to achieve reliability. The result of 0.91 implies an acceptable level of internal reliability.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents discussion on the findings from the study. It is divided into two main parts. The first part presents socio-economic characteristics on two groups of respondents. The social characteristics are sex, age, education level and occupation of the respondents on the quality services in social security schemes in Tanzania, a case study of NSSF, Tanga Regional Office. The second part of the chapter discusses the findings on the on the assessment of quality services in social security schemes in Tanzania.

4.2 Socio economic characteristics of the respondents

4.2.1 Sex of the respondents

The study intended to ask for opinion from both women and men on on the assessment of quality services in social security schemes in Tanzania, a case study of NSSF, Tanga Regional Office, whereby the study revealed that, there is much number of men than women working at NSSF. This demonstrated that, majority of men prefers working in this filed than women. Also men exceeded more than 74 percent of women moreover, many of the respondents are working in at NSSF Tanga regional office due to the fact that there is no equal opportunity between these genders in this field, as shown in the table below:-

Table 4.1 Respondents distribution by Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	37	74.0	74.0	74.0
	Female	13	26.0	26.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2015

Moreover, apart from that this field failed to respond the policy of the government which considers gender balance in both private sector and public sectors, whereby women are few compared to men, according to respondents/employees who were women they urged that because of employment opportunities in the country they have decided to work in that field as a way of improving their living standards as shown in the figure below:-

4.2.2 Respondents age

According to the table below, many respondents' were in between 29 to 38 years of age, the age which is better due to the fact they have strength and capable to perform their activity well, so it is feasible for them to perform well their activities in their working areas.

However, others who ranges 39-48 years they are having working experience but they can't perform well on their daily tasks compared to those who are under 40 years of age.

But also the study discovered that, the numbers of respondents who are above 49 years were few compared to youth because most of them were approaching retired age so some of them are waiting for their time to retire as shown in the table below:-

4.2.3 Age of the respondents

Basing on the results, the age and working environment of the respondents/employees may allow those who are youth and hinders old once due to the fact that youth might be stronger and work more than the old once since they are energetic enough to afford working in any circumstance that's why there was little number of old people as shown in the table below:-

Table 4.2 Age of the respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-28	9	18.0	18.0	18.0
	29-38	19	38.0	38.0	56.0
	39-48	15	30.0	30.0	86.0
	49+	7	14.0	14.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2015

4.3 Marital status of the respondents

The collected data shows that 6 (12%) respondents were single while 36 (72%) respondents were married, widow ranked with 5(10%) of the respondents and the remaining 3(6%) respondents were divorced as shown in the table below.

Table 4.3 Marital status of the respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	6	12.0	12.0	12.0
	Married	36	72.0	72.0	84.0
	Widow	5	10.0	10.0	94.0
	Divorced	3	6.0	6.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2015

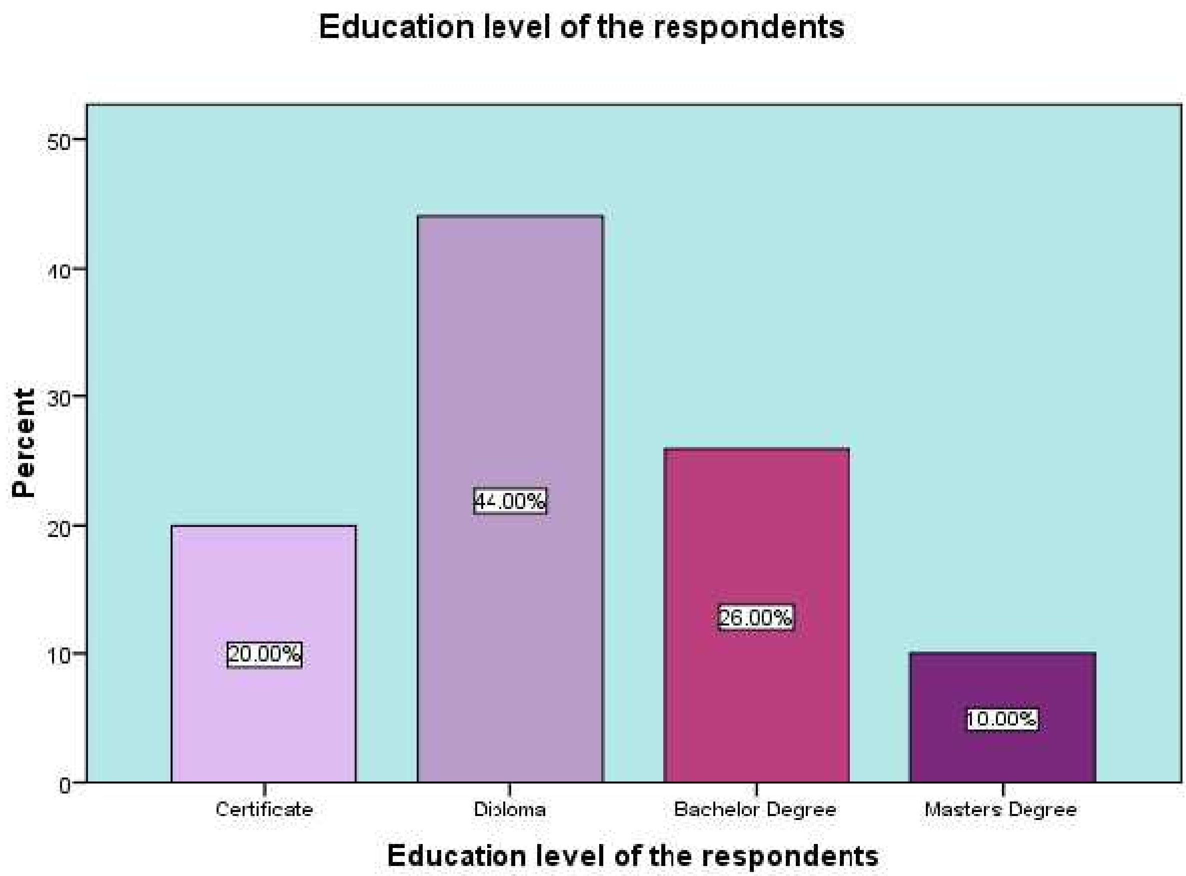
Moreover, in this area the study was referring to the working circumstances, situation and all the surrounding including all necessary working conditions. Baring in mind that NSSF workers are living normal life though they are living in different surrounding, it was considered necessary to get view of different workers at the working place.

Furthermore, the study inquired to know how the respondents were feeling on their working environment. This was asked to ascertain that work environment was one of the factors that do affect their performance.

4.4 Education level of the respondents

According to the data collected, the study involved different respondents with different level of education as follows, certificate level, 10 equivalent to (20%) of the respondents, while those who were having Diploma level of education were 22 (44%) respondents, respondents with Bachelor degree level of education were 13 (26%) and the remaining 5 (10%) respondents were having Masters degree respectively, according to the revealed data it shows that majority of respondents working at NSSF Tanga are having diploma level followed by degree level. However, those with certificate some of them are in colleges developing their education level while those with masters are few due to the fact some of them are very expensive to employ. The figure below illustrates well respondents' level of education.

Figure 4.1: Education level of the respondents



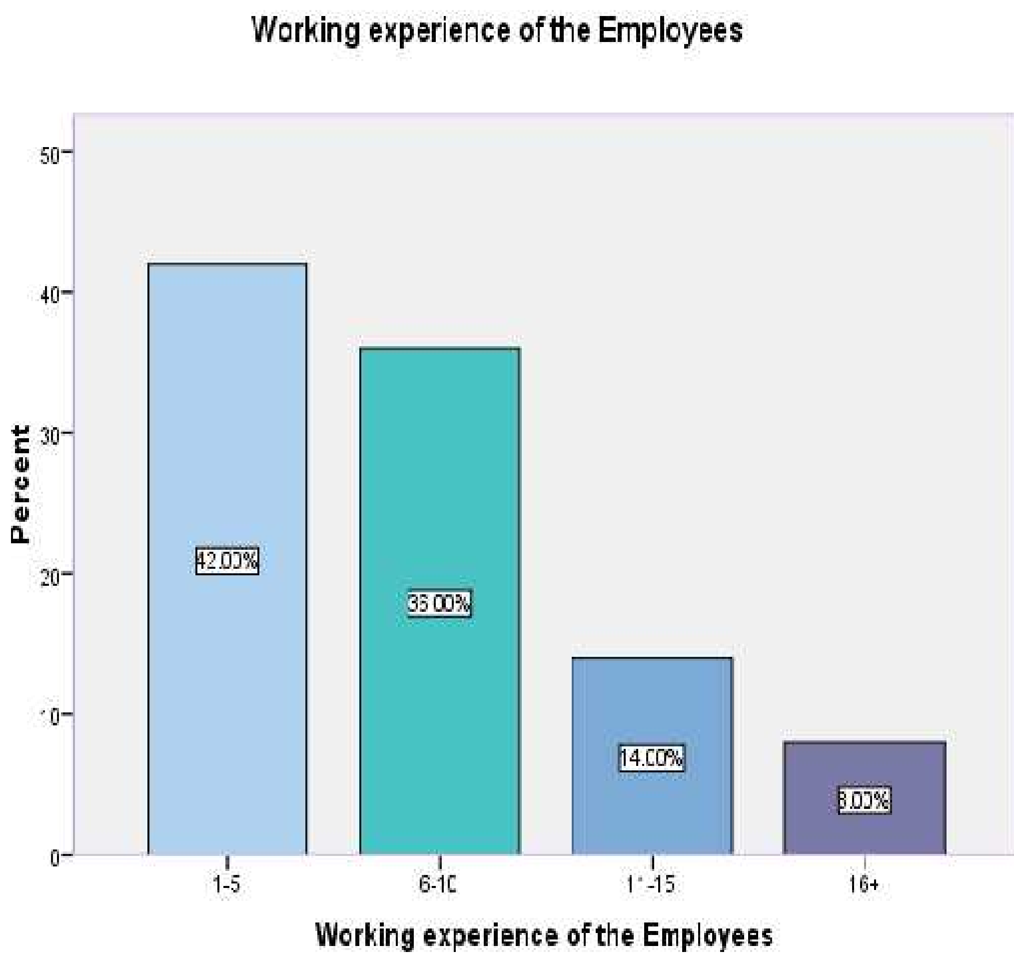
4.5 Working experiences of NSSF-Tanga Employees

The study intended to see how long the respondents have managed to survive in working with National Social Security Fund in Tanga, whereby according to the collected data shows that, 8 respondents have been working in the company in between 1-5 years, while those who have worked in between 6-10 years were 7 respondents and those who have worked in the company in between 11-20 years were 3 respondents equivalent to 10% and the remaining 12 respondents equivalent to 40 percent have been working at the company for more than 20 years, as shown in the table below:-

Table 4.5 Working experiences of the respondents

According to the findings, shows that the large number of respondents' have been working at NSSF-Tanga regional office for a long period of time almost between 6 years and 10 years were 39 equivalent to 78% of the respondents out of 50 respondents have been working at NSSF in Tanga regional office for about 10 years as shown in the figure below:-

Figure 3: Working experience of the respondents



Source: Field data, 2015

4.6 Status of employees

Employees were categorized into two categories whereby junior staff were 33 equivalent to 66 percent, while senior staff were 17 (34%) as shown in the table above.

Table 4.4 Status of employees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Junior staff	33	66.0	66.0	66.0
	Senior staff	17	34.0	34.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2015

4.7 Factors affect service quality in social security schemes

The study revealed that service quality in security schemes is affected by several factors amongst them are, Loyalty whereby according to the study 13 customers equivalent to 26 percent, while customers who responded on the adoption of technology were 20 equivalent to 40 percent and the remaining 17 customers said that Nepotism is also affecting service quality in social security schemes. This implies that, incase adoption of modern technology will take place customers/pensioner will have an opportunity of accessing their pension and other services quality on time, the question was addressing objective number one of the study as shown in the table below:-

Table 4.5 Factors affecting quality services in social security schemes

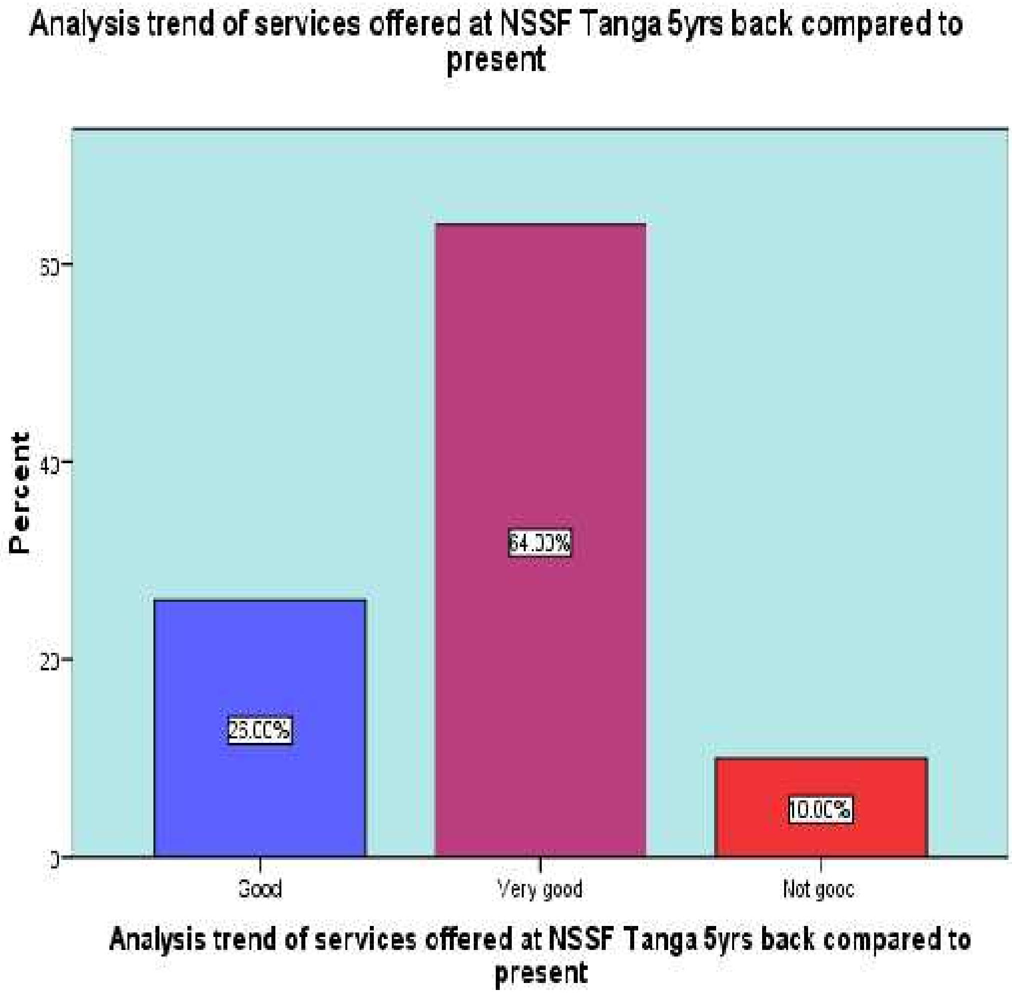
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Loyalty	13	26.0	26.0	26.0
	Adoption of technology	20	40.0	40.0	66.0
	Nepotism	17	34.0	34.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2015

4.8 Analysis trend of service offered at NSSF in Tanga 5 years back compared to present

The analysis was done so as to determine the trend of services offered at NSSF in Tanga 5 years back whereby it was discovered that respondent's 13 respondent's equivalent to 26 percent said that the service offered is good, while 32 (64%) of the respondents agreed that the service offered is very good and the remaining 10 percent of the respondents disagreed with the service offered at NSSF-Tanga regional office, as shown in the figure below:-

Figure 4: Trend of service offered at NSSF in Tanga 5 years back compared to present



4.9 Factors contributing to customer satisfaction on service in social security scheme.

The question on factors contributing to customer satisfaction on service in social security scheme was asked to know quality services in social security schemes in Tanzania; the results show that 68% of the respondents said that, Good customer services offered, while 18% of the respondents said that they are satisfied with the way services are delivered on time. However, the remaining 14 % of the respondents said that they normally satisfied with the way a quality service is offered arguing that the service is fair. The question was addressing the second objective of the research which state on evaluation of factors which contribution to customer satisfaction in service organization as shown in the table below:-

Table 4.6: Factors contributing to customer satisfaction in social security

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Good customer services offered	34	68.0	68.0	68.0
	Delivery of service on time	9	18.0	18.0	86.0
	Fair service	7	14.0	14.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2015

4.10 Analysis on how quality service improves efficiency and effectiveness in social security schemes

Another important factor considered on the quality services in social security schemes in Tanzania, is in consideration with weather quality service improves efficiency and effectiveness in social security schemes. It was revealed that most of the respondents said that access of pensions and other services on time is how quality service improve efficiency and effectiveness whereby 30 (60%) respondents agreed on it, while 13 (26%) of the respondents mentioned modern delivery service offered and the remaining 7(14%) of the respondents said easily summary among pensioners as shown in the table below:-

Table 4.7: Analysis on how quality service improves efficiency and effectiveness in social security schemes

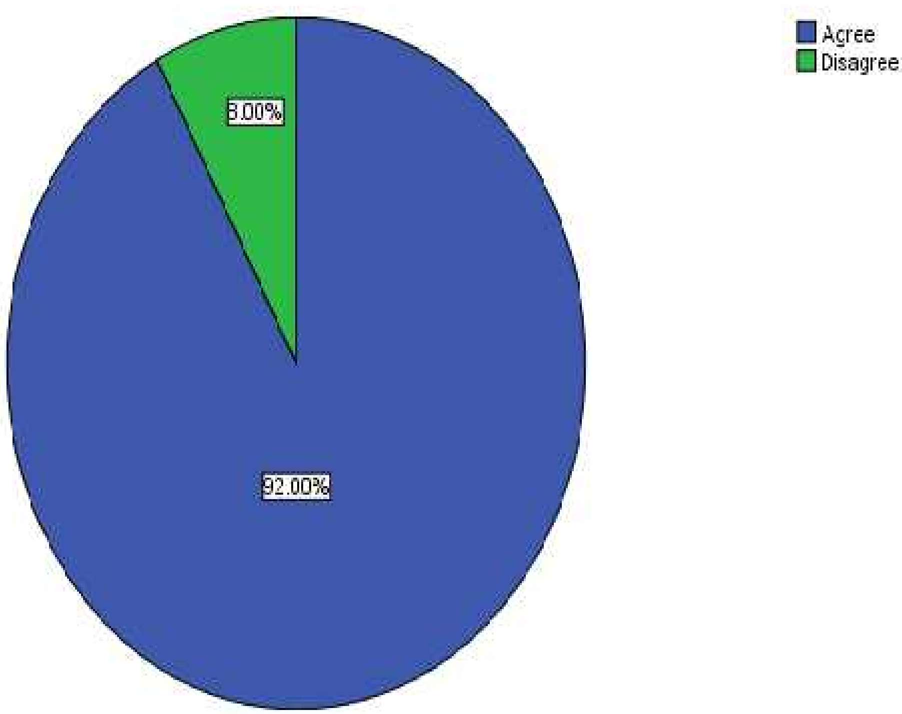
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Access of pensions on time	30	60.0	60.0	60.0
	Modern delivery service	13	26.0	26.0	86.0
	Entry summary of pensioners easily	7	14.0	14.0	100.0
	Total	50	100.0	100.0	

Source: Field data, 2015

4.11 Quality provisions on social security schemes 5 years after ISO

A question on the quality provisions on social security schemes 5 years after ISO was asked to know quality services in social security schemes in Tanzania. It was addressing the second objective which was to evaluate factors with significant contribution to customer satisfaction in social security schemes. Findings show that 55% of the respondent agreed that quality provisions on social security schemes 5 years after ISO have improved saying that before ISO they were using long time to get service quality, while the remaining 45% of the respondent they disagree that, quality provisions on social security schemes 5 years after ISO have not improved. This implies that, quality provision of services have improved whereas, customers said that before ISO pensioners used to get their pension after a long period of time but now they are taking two weeks only to take their pensions as shown in the figure below:-

Figure 5: Quality provisions on social security schemes 5 years after ISO

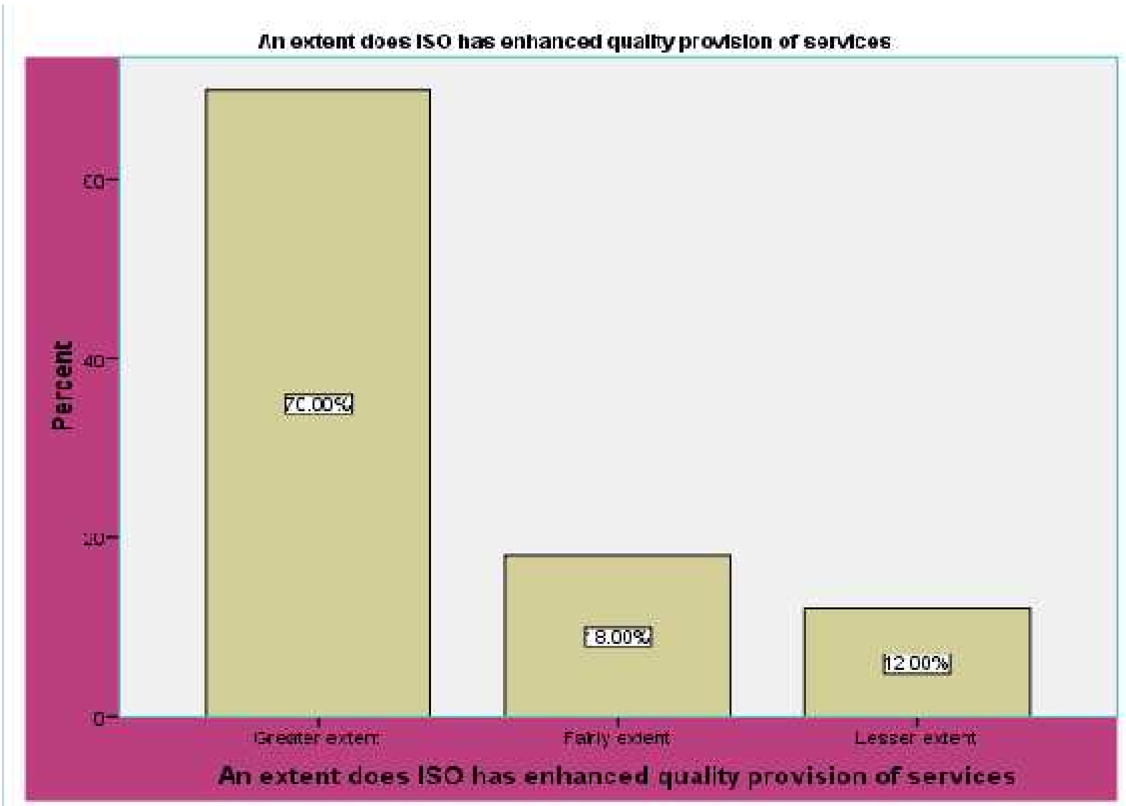


Source: Field data, 2015

4.12: Evaluation on extent does ISO has enhanced quality provision of services

The study intended to see how ISO has enhanced the quality provision of services at NSSF in Tanga regional branch. The data shows that, 35 respondents equivalent to 70% have agreed that ISO has enhanced at greater extent, while 9 (18%) have said that fairly extent and the remaining 6 (12%) have said that it is lesser extent as shown in the figure below:-

Figure 6: An extent does ISO has enhanced quality provision of services



Source: Field data, May 2015

Furthermore, this shows that, the ISO has greater advantage on improving quality provision of services as a results majority of NSSF customers are satisfied with services offered by the pension fund as shown in the figure below:-

4.13 Achievements of quality services within pension schemes in Tanzania

A question on the achievements of quality services within pension schemes in Tanzania. It was addressing the third objective which was to determine ways for improving quality services in social security schemes. Findings show that 64% of the respondent agreed that achievements of quality services within pension schemes in Tanzania, while the remaining 36% of the respondent they disagree that, achievements of quality services within pension schemes. This implies that, quality services in pension schemes have improved as shown in the table below:-

Table 4.8 Achievements of quality services within pension schemes in Tanzania

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	32	64.0	64.0	64.0
	Disagree	18	36.0	36.0	100.0
	Total	50	100.0	100.0	

Source: Field data, May 2015

4.14: Pensioner's satisfaction on the quality of service offered by NSSF

Another important factor considered on the quality services in social security schemes, is in pensioner's/customers satisfaction upon the service quality offered by NSSF. It was revealed that most of the customers agreed that they have satisfied with the quality service offered whereby 39 (78%) agreed on the quality service, while 5 (10%) disagreed with the services offered and the remaining 6 (12%) said that they don't know whether service offered have improved or not improved as shown in the table below:-

Table 4.9: Pensioner's satisfaction on the quality of service offered by NSSF

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	39	78.0	78.0	78.0
	Disagree	5	10.0	10.0	88.0
	Don't know	6	12.0	12.0	100.0
	Total	50	100.0	100.0	

Source: Field data, May 2015

4.15: Analysis on ways for improving quality services in social security schemes

The results show that 24 respondents equivalent to 48 percentage out 50 respondents said that, that Education towards importance of pension funds is necessary, while 17 (34%) of the respondents said that it is important to consider views and amend Act and the remaining 9 (18%) said social security schemes requires modernization of social security system as shown in the table below:-

Table 4.10: Analysis on ways for improving quality services in social security schemes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Consider views and amend Act	17	34.0	34.0	34.0
	Education towards importance of pension funds	24	48.0	48.0	82.0
	Modernization of social security system	9	18.0	18.0	100.0
	Total	50	100.0	100.0	

Source: Field data, May 2015

However, during interview questions, the researcher revealed that it is necessary for NSSF despite the improvement of quality services offered to modernize it more so as its workers could work efficiently and effectively especially for inspectors.

CHAPTER FIVE

DISCUSSION OF THE FINDINGS

5.1 Introduction

This chapter presents a summary of the findings, draws, conclusions and puts forward recommendations based on the research findings. The study assessed the quality services in social security schemes in Tanzania. Case study NSSF, Tanga Regional Office

The major focus was the to determine the identify factors that affect quality services in social security schemes, evaluate factors with significant contribution to customer satisfaction in service organization and determine ways for improving quality services in social security schemes.

5:2 Discussion according to the data presented

According to the table one from chapter four, the study realized that, 74% of respondents are men and 26% respondents are women, this realizes that it is unequal opportunity in job employment, so due to that women search employment opportunities at NSSF as an important fund which can employ them and improve their living standards as equal to men and as a result give equal opportunity in job employments to all gender.

Also the researcher analyzes that, the group’s age of all respondents according to the table 4.2 as shown on previous chapter. It is explained that 86% of respondents are aged 18-48 years. This age group is reasonable and well needed in employment implementation since it is young and still energetic.

Further more in tables 4.2 and 4.4 respectively, the researcher focused on the education of employees and education level of the respondents. The data shows that, 20% of the respondents have certificate level, followed by Diploma level were 44% of the respondents, while 26%had Bachelor degree and the remaining 10% of the respondents had Mastes degree.

Moreover the analysis of data in table 4:5, explain the survival rate of employees at

NSSF Tanga regional office. The record shows that, 92% of respondents spend in the field in between 1 year and 15 years with the reason of this is that, after working for two years they discovered themselves being working environment is friendly.

The record shown that at table 4:6 showed the status of employees whereby majority of them were junior staff who were 66% compared to senior staff 34%.

Also table 4:7 explains on the factors affecting quality services in social security schemes that, whereby the results revealed that, those who mentioned Loyalty as one among the factors affecting quality services were 26%, while those who said adoption of technology were 40% and the remaining 34% said that Nepotism affect quality services also.

5.3 Factors contributing to customer satisfaction in social security

The question on factors contributing to customer satisfaction on service in social security scheme was asked to know quality services in social security schemes in Tanzania; the results show that 68% of the respondents said that, Good customer services offered, while 18% of the respondents said that they are satisfied with the way services are delivered on time. However, the remaining 14 % of the respondents said that they normally satisfied with the way a quality service is offered arguing that the service is fair.

5.4 Analysis trend of service offered at NSSF in Tanga 5 years back compared to present

The analysis was done so as to determine the trend of services offered at NSSF in Tanga 5 years back whereby it was discovered that respondent's 13 respondent's equivalent to 26 percent said that the service offered is good, while 32 (64%) of the respondents agreed that the service offered is very good and the remaining 10 percent of the respondents disagreed with the service offered at NSSF-Tanga regional office

5.4 Analysis on how quality service improves efficiency and effectiveness in social security schemes

Another important factor considered on the quality services in social security schemes in

Tanzania, is in consideration with weather quality service improves efficiency and effectiveness in social security schemes. It was revealed that most of the respondents said that access of pensions and other services on time is how quality service improve efficiency and effectiveness whereby 30 (60%) respondents agreed on it, while 13 (26%) of the respondents mentioned modern delivery service offered and the remaining 7(14%) of the respondents said easily summary among pensioners

5.5 Quality provisions on social security schemes 5 years after ISO

A question on the quality provisions on social security schemes 5 years after ISO was asked to know quality services in social security schemes in Tanzania. It was addressing the second objective which was to evaluate factors with significant contribution to customer satisfaction in social security schemes. Findings show that 92% of the respondent agreed that quality provisions on social security schemes 5 years after ISO have improved, while the remaining 8% of the respondent they disagree that, quality provisions on social security schemes 5 years after ISO have not improved. This implies that, quality provision of services have improved whereas, customers said that before ISO pensioners used to get their pension after a long period of time but now they are taking two weeks only to take their pensions.

5.6 Evaluation on extent does ISO has enhanced quality provision of services

The study intended to see how ISO has enhanced the quality provision of services at NSSF in Tanga regional branch. The data shows that, 35 respondents equivalent to 70% have agreed that ISO has enhanced at greater extent, while 9 (18%) have said that fairly extent and the remaining 6 (12%) have said that it is lesser extent.

5.7 Achievements of quality services within pension schemes in Tanzania

A question on the achievements of quality services within pension schemes in Tanzania. It was addressing the third objective which was to determine ways for improving quality services in social security schemes. Findings show that 64% of the respondent agreed that achievements of quality services within pension schemes in Tanzania, while the remaining 36% of the respondent they disagree that, achievements of quality services within pension schemes. This implies that, quality services in pension schemes have improved.

5.8 Pensioner's satisfaction on the quality of service offered by NSSF

Another important factor considered on the quality services in social security schemes, is in pensioner's/customers satisfaction upon the service quality offered by NSSF. It was revealed that most of the customers agreed that they have satisfied with the quality service offered whereby 39 (78%) agreed on the quality service, while 5 (10%) disagreed with the services offered and the remaining 6 (12%) said that they don't know whether service offered have improved or not improved

5.9 Analysis on ways for improving quality services in social security schemes

The results show that 24 respondents equivalent to 48 percentage out 50 respondents said that, that Education towards importance of pension funds is necessary, while 17 (34%) of the respondents said that it is important to consider views and amend Act and the remaining 9 (18%) said social security schemes requires modernization of social security system.

CHAPTER SIX

SUMMARY, CONCLUSIONS AND POLICY IMPLICATIONS

6.1 Introduction

The sample implication of the findings analyzed in all chapters discussed in this research study. This chapter is the last chapter in my study. It has divided into three parts which are summary, conclusions, and policy implication. In the first part, the researcher started with the summary as explain below;

6.2 Summary of the findings

From the result section, the results showed that the research questions were answered. NSSF employees' used two of the service quality dimensions (reliability and responsiveness to answer the research questions in order to meet the objective. With regards to NSSF in Tanga region, service quality had significant relationships with customer satisfaction and loyalty, and as well customer satisfaction had significant relationship with customer loyalty.

6.3 Conclusion

This study aims to assess the quality services in social security schemes in Tanzania. Customer satisfaction is an experience-based assessment made by customers how far their expectations about the overall functionality of the services obtained from the NSSF have been fulfilled. With regard to customer satisfaction measurement, the results demonstrate that customers are satisfied with services offered by the NSSF. The interpretation of this result could be that NSSF members in Tanga region are truly satisfied with the service performance or their satisfaction results from lack of competing services or it could be that the customers are new to satisfaction measurement and may not be able to express their perceptions well. Also the study has found that service quality has a direct effect on customer loyalty. The implication of this finding is that customers place a high reliable on service quality

6.4 Recommendation

Based on the above conclusions, the following recommendations are suggested. First, NSSF as a whole should endeavor to improve service quality offered to customers if they are interested in achieving loyalty. This is because, service quality has been found to impact positively on Customer Loyalty.

Second, a part of existing strategies which has been practiced by organisation such as quality management system and 78 percent customer satisfaction with quality service provided by NSSF. The NSSF Managements should also adopt different appropriate strategies such as relationship marketing in order to promote customer satisfaction, thereby achieving more customer loyalty.

6.5. Policy implication

This research seems to have contributed to the topic both on academic and business. The main objective of this study was to assess quality services in social security schemes in Tanzania.

Therefore, the researcher aimed at placing theoretical foundations for further research on customer satisfaction, service quality and employee satisfaction. Using the SERVQUAL dimension to examine the effects between customer satisfaction, service quality and loyalty will help the management to better understand what these dimensions mean to the customers and to the organization.

This present study tested the relationship among service quality dimensions, customer satisfaction, customer loyalty and service quality. It has found out that they had significant relationships.

The SERVQUAL dimensions were significantly related to customer satisfaction and/or service quality. The findings show that relationship between SERVQUAL dimension and service quality and/or customer satisfaction do not matter in the relationship between customer satisfaction and service quality.

This is because in a service sector whether or not some dimensions are related with customer satisfaction and/or service quality, the relationship between customer satisfaction and service quality are still significant.

It implies that service quality is not the only factor affecting customer satisfaction in service sectors because other factors are given by customers for reasons that lead to their satisfaction.

Thus the outcome in this case, suggests that to provide quality service in order to satisfy customers with this aspect, the organization in this kind of service sectors need to improve on the dimensions of service quality. Also, to provide total satisfaction to customers, the service sectors need to improve on the other factors that were given as reasons for satisfaction.

Hence the result of this research can be useful by managers of the NSSF organizations with respect to how to deal with customers, in order to maintain the organization’s sustainability. It provides results that could be useful to managers in business organizations for strategic planning.

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

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APPENDICES

QUESTIONAIRES

QUESTIONNAIRE TO RESPONDENTS

Dear respondents,

I kindly, request for your contribution on the topic 'assessment on quality services in social security scheme in Tanzania, as a case study of NSSF - Tanga regional office'. Your answer and any other information that you will provide are very useful for the success of this research, put tick inside the bracket for what you think is right. Thank you for your cooperation

A. General information

Please tick the appropriate response of your choice

1) Sex: 1. Male 2. Female

2) Age: (a) 18-28 { } (b) 29-38 { } (c) 39-48 { } (d) 49+

3) Marital status

i-Single { } ii-Married { } iii-Widow { } iv-Divorced { }

4) Education level:

(i) Certificate (ii) Diploma (iii) Degree

(iv) Masters degree (v) others (Specify)……………

The following are questions about service quality in social security schemes on what you have actually received or seen from NSSF in terms of services quality.

Please tick one appropriate response of the space provided for each question. The following are responses;

5. What are the factors attributing service quality in social security schemes?

1-Very satisfied, 2-satisfied, 3-Dissatisfaction and 4-Very dissatisfaction.

No	QUESTIONS	Very satisfied (1)	satisfied (2)	Dissatisfaction -(3)	Very dissatisfaction (4)
1	Reasonable Services delivery speed				
2	Good overall customer care service				
3	Attitude of the attendant is good				
4	Provision of solutions timely				

6. What are the effects of service quality in social security schemes?

1-Very satisfied, 2-satisfied, 3-Dissatisfaction and 4-Very dissatisfaction.

No	QUESTIONS	Very satisfied (1)	satisfied (2)	Dissatisfaction -(3)	Very dissatisfaction (4)
1	Poor services delivery and low speed				
2	lack customer care service				
3	Poor attitude of the attendant				
4	Late provision of solutions				

7. How does service quality service improve efficiency and effectiveness in social security schemes?

1-Very satisfied, 2-satisfied, 3-Dissatisfaction and 4-Very dissatisfaction.

No	QUESTIONS	Very satisfied (1)	satisfied (2)	Dissatisfaction -(3)	Very dissatisfaction (4)
1	Help pensioners to access their pensions on time				
2	Implementation of modern service				
3	Enables entry summary filling of pensioners easily				

No	QUESTIONS	Strongly agree(1)	Agree- (2)	Disagree- (3)	Strongly Disagree (4)
	VARIABILITY				
1	NSSF staff appears neat every day.				
2	The NSSF have sufficient staff				
3	NSSF communication material				

No	QUESTIONS	Strongly agree(1)	Agree- (2)	Disagree- (3)	Strongly Disagree (4)
	RELIABILITY				
1	Does NSSF keep appointment given to their				

	clients/customers?				
2	Does NSSF Staff have good communication and information skills?				
3	Does NSSF Staff fulfill the expectations of their clients/customers?				

No	QUESTIONS	Strongly agree(1)	Agree-(2)	Disagree-(3)	Strongly Disagree (4)
	RESPONSIVENESS				
1	The employees of NSSF are always retrieving the client /customer records promptly whenever required.				
2	The employees of NSSF always educate customer whenever they want to introduce something new to them.				

8. What are the quality provisions in Social security schemes for 5 years after ISO?

a) Very satisfied,

b) Satisfied,

c) Dissatisfaction

d) Very dissatisfaction.

9. To which extent does ISO has enhanced quality provision of services?

a) Greater extent

b) Fairly extent

c) Lesser extent

10. What are the achievements of service quality within pension schemes in Tanzania?

a) …………………………………

b) ……………………………………..

11. As a pensioner are you satisfied with the service quality of NSSF in Tanga regional office?

a) Very satisfied,

b) Satisfied,

c) Dissatisfaction

d) Very dissatisfaction.

Thank you for your cooperation.