ASSESSMENT OF IMPACT OF SERVICE QUALITY MANAGEMENT ON
PERFORMANCE OF TAX REVENUE COLLECTION
AT TRA JULIUS NYERERE INTERNATIONAL AIRPORT
ASSESSMENT OF IMPACT OF SERVICE QUALITY MANAGEMENT ON
PERFORMANCE OF TAX REVENUE COLLECTION
AT TRA JULIUS NYERERE INTERNATIONAL AIRPORT

By
Harold Simba

A Dissertation submitted to Mzumbe University in Partial Fulfillment of the
Requirements for the Award of the Degree of Master of Science in Marketing
Management (MSc MKT)
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled **Impact of Service Quality Management on the Performance of Tax Revenue Collection: The Case of TRA at Julius Nyerere International Airport**, in partial/fulfilment of the requirements for award of the degree of Master of Business Administration of Mzumbe University.

*Signature*

________________________________________
Major Supervisor

*Signature*

________________________________________
Internal Examiner
Accepted for the Board of

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

*Signature*

________________________________________
DEAN/DIRECTOR,
DECLARATION AND COPYRIGHT

I, Simba Harold declare that, this is my original work and that it has not been presented to any other University for similar or any other degree award.

Signature ………………………………………………………………..
Date…………………………………………………………………….

©

This Dissertation is copy right material protected under the Berne Convention, Copyright Act of 1999 and other International and National enactment, in the behalf on Intellectual property. It may not be reproduce by any other means, in full or in part except for short entrance in fair deal for research or private study critical scholarly review or discourse within acknowledgement without the written permission of the directorate of Postgraduate studies, on behalf of both the author and the university of Mzumbe, Dar es Salaam Campus.
DEDICATION

This dissertation is dedicated to my Almighty God for keeping me healthy and alive to date and turning my studies successful. To my wife Pauline, for her patience and tolerance during my absence, her support and the way she inspired me to go through my studies as I started my studies until now when I am about to complete the same. To my children, Careen, Hellen and Noreen, for their patience and tolerance during enduring my absence.
ACKNOWLEDGEMENT

The author would like to express his sincere heartfelt thanks to my supervisor Makawa Newa Laurent for her guidance, encouragement and constructive challenges she rendered to me during the whole period from the proposal stage up to dissertation submission.

A lot of thanks to my employer TRA for sparing me time to concentrate on studies during those tight schedules of my studies which enabled me to study smoothly.

My heartfelt thanks go to my relatives, brothers, sisters, and friends for their support and encouragement during the whole period of my study. I wouldn’t forget my MSc-MKT classmates; in particular as this work owes much of their contribution and constructive criticisms.

Last but not least, I would like to thank all those who responded well to my questionnaires.

However, shortcomings and errors in this dissertation remain mine and should not be related to any of the above acknowledged individuals and Institutions.
ABSTRACT

Tax is the source of government income. The Government needs income to undertake its operations. Since tax identification, assessment, collection and accounting is a service rendering activity; then, TRA must ensure that it tenders a high quality service which will result in good performance in tax collection through good fiscal policy and modern tax administration. Provision of high quality service would definitely increase tax collection. The study attempted to analyse the impact of Service Quality Management on the performance of tax revenue collection with particular focus on TRA-JNIA. Government fiscal policy was set to enhance revenue collection and improve expenditure management through expenditure control measures aiming at restraining the fiscal deficit. Citizens are government customers and they have different needs. To satisfy them the Agency needs to put effort to improve overall tax system so as to ensure conducive environment for tax collection. The study was guided with the following specific objectives; to identify the leading factors affecting the tax revenue collection at TRA-JNIA, to compare the assessment of service quality by taxpayers and employees of TRA, to compare the assessment of customer satisfaction by taxpayers and employee of TRA, to find out important service quality elements in predicting the customer satisfaction at JNIA. To achieve the objective of the study, the researcher used a case study design. In this study, the researcher applied both sampling techniques that is probability and non-probability. The simple random and purposive or judgmental sampling methods were employed in the selection of the sample size needed to meet the demands of the research questions. Data were collected using several instruments/methods, that is, questionnaires, personal interviews, observation and documentary source.

In this regard, the data collected were carefully organized, processed and analysed so as to meet the objectives of the study. Quantitative analysis technique (SPSS) was employed in which numerical data were analysed and interpreted. After analysis of data from the field, conclusions were drawn from it; comparative study was done so as to differentiate the contributions of the researcher. After that, recommendations were provided to different stakeholders regarding this study which suggested the best ways to improve tax collection from different angles.
TABLE OF CONTENTS

Certification .......................................................................................................................... viii
Declaration and Copyright................................................................................................... vii
Acknowledgement ............................................................................................................... vii
Dedication ............................................................................................................................ vii
Abstract ............................................................................................................................... vii
Table of Contents ............................................................................................................... viii
List of Tables ...................................................................................................................... viii
List of Figures .................................................................................................................... viii
List of Abbreviation and Acronyms ................................................................................... viii

CHAPTER ONE
PROBLEM SETTING

1.1 Introduction.................................................................................................................. 1
1.2 Background of Tax System in Tanzania....................................................................... 1
1.3 The Tanzania Revenue Authority (TRA).................................................................... 3
  1.3.1 Functions of the Authority.................................................................................. 5
1.4 Statement of the Problem............................................................................................. 6
1.5 Objectives of the Study............................................................................................... 7
  1.5.1 Overall Objective............................................................................................... 7
  1.5.2 Specific Objectives............................................................................................. 7
1.6 Research Questions..................................................................................................... 7
  1.6.1 Main Question.................................................................................................... 7
  1.6.2 Specific Questions............................................................................................. 7
1.7 Significance of the Study............................................................................................ 8
1.8 Scope and Delimitation of the Study.......................................................................... 9
1.9 Limitations of the Study.............................................................................................. 9
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction........................................................................................................... 25
3.2 Area of study ......................................................................................................... 25
3.3 Research Approach............................................................................................... 25
3.4 Study Design.......................................................................................................... 26
3.5 Population of the Study......................................................................................... 28
3.6 Sample and Sampling Techniques......................................................................... 28
3.7 Data Collection Instruments.................................................................................. 30
  3.7.1 Questionnaires................................................................................................. 30
  3.7.2 Interviews.......................................................................................................... 31
  3.7.3 Documentary Source........................................................................................ 32
  3.7.4 Observation....................................................................................................... 32
3.8 Data Analysis.......................................................................................................... 33

CHAPTER FOUR
DATA ANALYSIS AND PRESENTATION

4.1 Response Rate........................................................................................................ 34
4.2 Characteristics of respondents............................................................................... 34
  4.2.1 Gender Distribution of the respondents......................................................... 34
  4.2.2 Educational Level of the respondents.............................................................. 35
4.3 Factors affecting Tax Revenue collection at TRA................................................ 36
  4.3.1 Physical facilities at TRA................................................................................ 36
  4.3.2 Employees needs to be neat-appearing............................................................ 36
  4.3.3 Material for Services....................................................................................... 39
  4.3.4 Customer care................................................................................................. 40
  4.3.5 Time Management.......................................................................................... 41
  4.3.6 TRA to be consistently with customers........................................................... 43
  4.3.7 Operating hours convenient to Customers..................................................... 44
4.4 Assessment of service quality................................................................................. 45
4.5 Level of service Quality provided by TRA......................................................... 46
4.6 Service quality elements in predicting customer’s satisfaction at JNIA........48

CHAPTER FIVE
DISCUSSION OF FINDINGS

5.1 Introduction........................................................................................................50
5.2 Factors affecting tax revenue collection.........................................................50
5.2.1 Taxpayers (importers) perspective...............................................................53
5.2.2 TRA employee’s perspective......................................................................53
5.2.3 TRA members of management team perspective54

CHAPTER SIX
SUMMARY, CONCLUSION AND POLICY IMPLICATIONS

6.1 Introduction .......................................................................................................55
6.2 General findings..............................................................................................55
6.3 Conclusion........................................................................................................56
6.3.1 Recommendation.........................................................................................59
6.3.4 Policies Implications....................................................................................60
LIST OF TABLES

Table 2.1: Table Five Broad Dimensions of Service Quality

Table 4.1: Distribution and Returned Questionnaires

Table 4.2: Shows Response rate Identification

Table 4.3: Respondent Education Level

Table 4.4: Physical Facilities

Table 4.5: Employees needs to be neat-appearing

Table 4.6: Material for Services

Table 4.7: Customer Care

Table 4.8: Time Management

Table 4.9: TRA to be consistently with customers

Table 4.10: Operating hours convenient to Customers

Table 4.11: Assessment of Service Quality

Table 4.12: Service quality determine the level of satisfaction
LIST OF FIGURES

Figure 2.1: GAP Model ...........................................................................................................................
Figure 4.1: Respondents Sex......................................................................................................................
Figure 4.2: Physical facilities at TRA to be visually appealing..............................................................
Figure 4.3: Employees of TRA to be neat-appearing..............................................................................
Figure 4.4: Material Associated with the service to be visually appealing..............................................
Figure 4.5: TRA sincere in solving customers problems..........................................................................
Figure 4.6: TRA provide its services at the it promises............................................................................
Figure 4.7: Service quality to be consistently courteous with customers................................................
Figure 4.8: Operating hours convenient to all customers........................................................................
Figure 4.11: Service quality determine the level of satisfaction.............................................................
## LIST OF ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATO</td>
<td>Australian Tax Office</td>
</tr>
<tr>
<td>CET</td>
<td>Common External Tariff</td>
</tr>
<tr>
<td>CIF</td>
<td>Cost Insurance Freight</td>
</tr>
<tr>
<td>EAC</td>
<td>East African Community</td>
</tr>
<tr>
<td>EACMA</td>
<td>East African Customs Management Act</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>JNIA</td>
<td>Julius Nyerere International Airport</td>
</tr>
<tr>
<td>PAD</td>
<td>Pre Arrival Declaration</td>
</tr>
<tr>
<td>PAYE</td>
<td>Pay As You Earn</td>
</tr>
<tr>
<td>SADC</td>
<td>Southern African Development Community</td>
</tr>
<tr>
<td>SDL</td>
<td>Skills Development Levy</td>
</tr>
<tr>
<td>TAA</td>
<td>Tanzania Airport Authority</td>
</tr>
<tr>
<td>TRA</td>
<td>Tanzania Revenue Authority</td>
</tr>
<tr>
<td>VAT</td>
<td>Value Added Tax</td>
</tr>
<tr>
<td>WCO</td>
<td>World Customs Organisation</td>
</tr>
</tbody>
</table>
CHAPTER ONE
PROBLEM SETTING

1.1 Introduction
This chapter explains the historical background of the research problem by focusing on the tax system in Tanzania. The objectives and research questions which guided the study have been identified. The chapter also explains in detail the significance, scope and delimitation as well as limitations of the study.

1.2 Background of Tax System in Tanzania
Tanzania has a two-tier system of government that is the Central Government and local Government. The two systems are distinguished in terms of direct participation, revenue raising powers, legal personality, autonomy and Government Authority. Central Government refers to Ministries and Departments of the government that exercise their operations over the whole area of the country. These Ministries and Government Departments are the ones directly responsible for provision of social and economic services to the entire nation. To facilitate this commitment, the government is supposed to raise funds from its citizens through taxation. The Central Government and Local Government have distinct sources of tax revenue, which enable them to provide social and economic services to the citizens. Local Government has authorities that render services in defined geographical area due to inability of the central government to attend all the detailed aspects of the citizenry (Mpongoliana, 2000).

In early 1990s the Government of Tanzania started to re-think about building a kind of national economy which is much more independent, which involves majority participation and that could cope with the newly emerged phenomenon of globalization. The Government knew its role towards provision of social and economic services to its citizens but realizes that there is no simple way of achieving this civic commitment without involving people’s participation in raising funds.

It has been recalled that, previously most organizations were state owned and the private sector therefore was very weak. Under this situation, the participation of majority Tanzanians in economic activities was very minimal. This was a problem which needed
Government efforts to redress it. One way of ensuring majority participation in economic activities is by improving the private sector whereby more and more people can engage themselves in economic activities either by being employed or through self-employment.

When this is successfully done, the government is obliged to create a conducive business environment to allow the growth of businesses. This increases people’s ability to pay taxes to the government. However, the former tax system was inefficient and insufficient to cope with global changes. Relying on such a weak tax system was a big threat to the social and economic prosperity. It is due to the fact that privatization policy was actively formed with the aim of making the private sector active in order to increase Tanzanians participation in economic activities and taxes payment to the government. Basing on this fact government established a semi-autonomous tax Agency, and Tanzania Revenue Authority (TRA).

To be able to conduct its operations, TRA needs to have financial resources that are not only sufficient but also promoting a sense of independence. With globalization, the trend of world business has grown tremendously; Import duty is among taxes administered by TRA through Customs and Excise Department. It is one of the lucrative and promising sources of tax revenue of the Central Government. The duty is levied at an *ad valorem* rate on the Cost, Insurance and Freight (CIF) value of the goods imported into the country. So, the quality of the services provided determine the trend of international business which is a tax base on which import duty is collected.

The researcher has tried thoroughly to examine on both of the positivity and negativity of the study. TRA administers direct taxes, indirect taxes and international taxes, but the study has concentrated much on the international taxes that is import duty and VAT on imports. The government must be convinced that its tax funds are being handled with a very competent authority; likewise taxpayers must be confident that their contributions are not misused by anyhow. Since tax identification, assessment, collection and accounting is a service rendering activity then, the Agency must provide a thorough evidence of the quality of its service. Provision of high quality service definitely makes the environment conducive in as far as taxation is concerned. The study attempted to analyse the impact of
Service Quality Management on the performance of tax revenue collection with the particular case of TRA at JNIA.

Being aware of the practical importance of taxation, the Government of Tanzania has established a semi-autonomous Agency, vested it with the authority of identifying, assessing, collecting and accounting for tax revenue of the Central Government. In achieving this core objective, the Agency has to sensitize people about the importance of paying tax by imparting taxation knowledge in their minds so that they can become confident that their contributions are for the betterment of their lives and future generations. People must be convinced that paying tax to the Government is a legal obligation and any expenditure of these revenues is done in accordance with the law. They must be convinced that those people who have been vested with the responsibility of assessing, collecting and accounting for tax revenue are trustworthy and competent in doing the job. The Agency must create and sustain a conducive environment that would win the confidence of both the government and customers.

Since tax identification, assessment, collection and accounting is a service rendering activity, then, the Agency must provide a thorough evidence of the quality of its service. Provision of high quality service definitely makes the environment conducive in as far as taxation is concerned. The study analysed the impact of Service Quality Management on the performance of tax revenue collection with the particular case of TRA at JNIA.

1.3 The Tanzania Revenue Authority (TRA)
The following information about TRA was obtained at TRA website, 2013.

Prior to June 1996, the Tax administration in Tanzania was under three independent revenue departments which were operated under the civil service framework. The Ministry of Finance was responsible for the direction and control of these independent departments whose performance in revenue collection was not promising. It is against this background that the idea of establishing a semi-autonomous tax administration was conceived by the Government and Tanzania Revenue Authority was born on 1st July, 1996. The Tanzania Revenue Authority Act No.11 of 1995 established the Authority as a semi-autonomous agency of the Government, under the general supervision of the Minister for Finance. The government was determined to improve the revenue collection situation and one way of
doing this was through an improved tax administration system that operates under a
direction of one institution.

During the 1996/97, the Government fiscal policy was set to enhance revenue collection
and improve expenditure management through expenditure control measures aiming at
restraining the fiscal deficit. On the revenue side the measures that were implemented
included the strengthening of tax administration through the establishment of the Tanzania
Revenue Authority (TRA).

There are four revenue departments which are involved directly in the administration of
various tax laws and seven support departments. The four revenue Departments are:
Domestic Revenue Department, Customs and Excise Department, Large Taxpayers
Department and Tax Investigations Department.

The seven support Departments are: Human Resources and Administration, Finance,
Taxpayer Services and Education, Information Systems, Research, Policy and Planning,
Internal Audit and Legal Services.

Tanzania Revenue Authority has divided the region into six tax regions which are: Ilala,
Temeke, Kinondoni, Customs Service Centre, Customs Dar es Salaam Port and Customs
Julius Nyerere International Airport (JNIA).

1.3.1 Functions of the Authority
The TRA website, 2013 further provides the following major functions of the Authority
that is to;

(i). Assess, collect and account for all Central Government Revenue

(ii). Administer effectively and efficiently all the revenue laws of the Central
Government

(iii). Advise the Government on all matters related to fiscal policy

(iv). Promote voluntary tax compliance

(v). Improve the quality of services to the taxpayers

(vi). Counteract fraud and other forms of tax evasion

(vii). Produce trade statistics and publications
Any organization which aims at being effective and efficient in delivering its quality products and services must have a Vision and Mission Statement that sets out the main purpose of its existence. In its mission statement, TRA emphasizes the need to be an effective and efficient Tax administration, which promotes Voluntary tax compliance by providing high quality Customer service with fairness and Integrity through competent and motivated staff.

The Mission Statement does not usurp the legislated and formally assigned duties of TRA but it emphasizes the purpose of the existence of the authority and the contributions of the employees in terms of tax revenue collection, which is vital for the development of the country.

In order to achieve this noble objective, the Mission Statement emphases the need for collecting the taxes in a cost effective way, promotion of voluntary tax compliance among taxpayers and providing quality service to taxpayers in the course of administering the tax laws. It underscores the importance of the authority of being equitable, fair and transparent in the application of the tax laws when ascertaining the payable taxes. The revenue collections are contributed by the following tax types namely:

(i). Direct taxes (PAYE, SDL, and Corporate tax, Individuals etc.)
(ii). Indirect taxes (VAT, Excise duty and others)
(iii). International taxes (Import duty, VAT on imports, Excise duty and others).

1.4 Statement of the Problem
The role of assessing, collecting and accounting for Government revenues has been vested on Tanzania Revenue Authority. Since its inception in 1996, TRA has been undergoing several modernization transformations and the trend of revenue collection has been increasing, however, this trend has not been so significant. This can be substantiated by looking the way the government excessively depends on foreign aids for financing its current budget (TRA Quarterly staff magazine, vol.4)

TRA to some extent has not done enough in widening up the tax base because more and more people are disengaging in business, especially international business. Some businesses have shut down their operations and even those which are still operating are
trying to understate their taxable values by providing false information to TRA which ultimately have an adverse impact on overall tax revenue collection (Mpongoliana, 2000). For example, there has been an outcry from the taxpayers that their imported goods are being delayed at the ports or airports due to TRA bureaucracy in clearing processes. This increases the cost of doing business on the part of importers and so might affect the people’s involvement in international business which again narrows the tax base in which import duty and other taxes are collected.

In other words, Tanzania can only move rapidly towards financial self-reliance by collecting revenues increasingly. Now, if people are not facilitated to carry out their businesses and complying voluntarily in paying their tax obligations, then TRA cannot claim to have realized its goal. Nowadays more and more eligible taxpayers are not paying their due taxes voluntarily. People are not so compliant, they compete each other in evading tax and the one who evades more is considered a hero! But why tax evasion? This could be a result of unsatisfactory services and of course some other factors which really need a scientific study and solution.

According to TRA records, the trend of tax revenue collection is not so promising; more revenue could be collected provided that TRA is properly managing the quality of its services. The researcher has assessed the impact of Service Quality Management on the performance of tax revenue collection in the Central Government.

1.5 Objectives of the Study
The study was guided by overall and specific objectives

1.5.1 Overall Objective
The overall objective of the study was to assess the impact of Service Quality Management on the performance of tax revenue collection.
1.5.2 Specific Objectives

The specific objectives were;

(i) To describe the leading factors affecting the tax revenue collection at TRA-JNIA
(ii) To compare the assessment of service quality by taxpayers and employees of TRA.
(iii) To compare the assessment of customer satisfaction by taxpayers and employee of TRA
(iv) To find out important service quality elements in predicting the customer satisfaction at JNIA.

1.6 Research Questions

The study was guided by the following research questions;

1.6.1 Main Question

What is the impact of Service Quality Management on the performance of tax revenue collection?

1.6.2 Specific Questions

The specific questions were;

(i) What are the leading factors affecting tax revenue collection at TRA-JNIA?
(ii) Is the assessment of service quality by taxpayers different from that of employees?
(iii) What is the level of service quality provided by TRA?
(iv) What are the important service quality elements in predicting customers’ satisfaction at JNIA?

1.7 Significance of the Study

Business and management research not only needs to provide findings that advance knowledge and understanding, but also needs to address business issues and practical managerial problems (Saunders, 2009). Due to this fact, it is expected by the researcher that the findings and recommendations generated from the study would be used by the management of TRA, taxpayers, government and general public at large to enhance the performance of revenue collection and ultimate provision of quality public social services to citizens.
Since the tax revenue collection is an important aspect for prosperity of national economy, then the information generated can help the government through its Agency (TRA), to adjust or solve some operational issues relating to the aspects of the study.

Moreover, importance of import duty on Tanzanian economy made a researcher to carry out a study. Also, to find out important service quality elements this predicts the customer satisfaction and improves service quality. Through comparative study the researcher came out with opinions which raise ways and techniques from stakeholders to improve TRA services. But also the findings educate tax payers on the obligation to pay their tax dues (Mpongoliana, 2000).

The factors that affect tax revenue collection particularly compliance behaviour revealed during the study findings are very important for improving service quality and recommendations might add value to the managerial decision.

However, it might be used to provide inputs to TRA- JNIA as well as to other regions that can be used in designing effective administrative procedures necessary for promoting and keeping high quality service delivery which in turn would make their performance very promising. Furthermore, the study would provide detailed information that could be useful for planning and operational issues in TRA and therefore improving its revenue collection performance for the sake of national economic growth. The research report would also be important for a partial fulfilment of the requirement for the award of master’s degree in science (MSc-marketing).

1.8 Scope and Delimitation of the Study
TRA administers various taxes, and the researcher would like to include as many taxes as possible and cover a large area in order to get a full picture of the problem but again due to time and financial constraints, the study focused on import duty at JNIA. The respondents were TRA employees especially those responsible for the administration of import duty; importers/taxpayers who are the customers of TRA formed another group of respondents directly involved in the study.
The study was about the impact of Service Quality Management on the performance of tax revenue collection in the Central Government. It was therefore expected by the researcher that the users of the final report would as well confine themselves to the impact of the Service Quality management on the performance of tax revenue collection with special attention on import duty and not otherwise.

1.9 Limitations of the Study
The study cannot go all the way through without some obstacles. During the process the researcher faced some constraints which include; data availability, sometimes the TRA employees as well as importers/taxpayers were not able to accord the required cooperation in the provision of data due to poor record keeping and inconsistent records. Readiness; sometimes importers or TRA employees have been reluctant to provide the required information especially in filling the questionnaires that were distributed to them. Time allowed for the study was insufficient for the researcher to exhaust all the important information regarding the problem.

However, the researcher ensured that these limitations were properly handled by conducting semi structured interviews in order to collect additional information to supplement shortfalls arising from poor record keeping and inconsistent secondary data. Interviews helped the researcher to solve the problem of respondent’s reluctance in filling the questionnaire since they provided an opportunity for interviewees to receive feedback and personal assurance about the way in which the gathered information would be used; this cleared doubt and made them more cooperative.

Through the well-organized work plan, problem of time insufficiency for the study was handled by keeping the time indicated on the schedule of activities designed by the researcher which ensured that important data were collected. Again, interview offered the best solution to this because for some respondents, filling the questionnaires seemed to be a time consuming exercise as compared to participating in face-to-face interview. Some negotiations were possible and the interviews were arranged at a time when the interviewee would be available and he/she might be under least pressure.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction
This chapter is comprised of two sections, theoretical and empirical literature review. Theoretical literature review consists of all the theories that guided the study while empirical literature review entails survey of all the works which are similar to this study done by other researchers either local or international.

The most common method of financing Government activities is by resorting to an important device of taxation. Taxes may be imposed on person’s income or wealth, they may be direct or indirect and they may be of different rates and nature. According to Dalton (1949), “tax is a compulsory contribution imposed by a public Authority irrespective of the exact amount of services rendered to the taxpayer in return and not imposed as a penalty for any legal offence”.

Taxation forms an important part of the fiscal policy of any government, and this is because it is through taxation that the government can raise its revenue required for current and development expenditure. Citizens of any country have a civic and legal obligation of paying taxes to the government so as to enable it meet the costs of providing social and economic services Bowen (1986).

Governments strive for a tax system that is fair, efficient, effective and internationally competitive and that yields sufficient revenue to finance its expenditure commitments. It is due to this practical importance that tax reforms and tax policy must move hand to hand with efforts to ensure that the authorities have sufficient administrative capacity to give tax laws and policy a practical effect (Mpongoliana, 2000).

In other words Tanzania can only move rapidly towards financial self-reliance by collecting revenue increasingly. That is, the country must finance its recurrent and developmental needs without excessively depending on foreign aid (Mpongoliana, 2000). Everest-Phillip and Sandall (2009) argued that public governance quality is necessary to have good tax System and equally good tax system is essential to achieve public
governance quality. Citizens support government in its responsibilities through the provision of finance in form of tax payment. What is happening in government therefore, should matter to the taxpayers because they provide the finance for its sustenance. As a result, governance affairs may have either positive or negative influence on the compliance behaviour of the taxpayers which in turn may have an impact on the performance of tax revenue collection Parasuraman et al. (1988),

2.2 Theoretical Literature Review
2.2.1 Service and service quality
A service is any performance one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product (Kotler and Keller, 2012).

Quality in a service organization is a measure of the extent to which the service delivered meets the customer’s expectations. Service quality is needed for creating customer satisfaction and service quality is connected to customer perceptions and customer expectations. Oliver (1997) argues that service quality can be described as the result from customer comparisons between their expectations about the service they will use and their perceptions about the service company. That means if the perceptions would be higher than the expectations the service will be considered excellent, if the expectations equal the perceptions the service is considered good and if the expectations are not met, the service will be considered bad.

The nature of most services is that the customer is present in the delivery process. This means that the perception of quality is influenced not only by the service outcome but also by the service process (Ghobadian et al., 1994).

Service quality is a comparison of expectations with performance. It is a measure of how well the service level delivered matches customer expectations on a consistent basis (Lewis and Boom, 1983). A quality guru, J.M. Juran, defined quality as ‘fitness for purpose’. Another quality guru, Philip Crosby, defined quality as ‘conformance to specifications’ (Kanishka, 2010).
Parasuraman and Zeithaml (1985) defined service quality as the ‘‘global evaluation or attitude of overall excellence of services’’. So, service quality is the difference between customer’s expectation and perception of service delivered by service firms. Nitecki and Hernon (2000) defined service quality in terms of meeting or exceeding customer expectation, or as the difference between customer perceptions and expectations of service.

According to Parasuraman et al. (1988), service quality can be defined as an overall judgment similar to attitude towards the service and generally accepted as an antecedent of overall customer satisfaction (Zeithaml and Bitner, 1996). Parasuraman et al. (1988) have defined service quality as the ability of the organization to meet or exceed customer expectations. It is the difference between customer expectations of service and perceived service (Zeithaml et al., 1990). Perceived service quality results from comparisons by customers of expectations with their perceptions of service delivered by the suppliers (Zeithaml et al., 1990). If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman et al., 1985; Lewis and Mitchell, 1990).

Services unlike tangible products are produced and consumed at the same time in the presence of the customer and the service producer. The presence of the human element during the service delivery process greatly increases the probability of error on the part of employees and customers. This error is due to intangible behavioural processes that cannot be easily monitored or controlled (Bowen, 1986). Because service delivery occurs during the interactions between contact employees and customers, attitudes and behaviours of the contact employees can influence customers’ perceptions of service quality (Schneider and Bowen, 1985).

A business with high service quality will meet customer needs whilst remaining economically competitive. Improved service quality may increase economic competitiveness. This aim may be achieved by understanding and improving operational processes; identifying problems quickly and systematically; establishing valid and reliable

Organizations operating in both public and private sectors have long realized that customer satisfaction and continued patronage as well as loyalty are secured through high quality service (Staple, Darlrymple & Bryar, 2002). Asubonteng, McCleary and Swan (1996) stressed that service quality is important to service providers because the evaluation of quality of service provided and the level of satisfaction that resulting from such service is thought to determine the likelihood of repurchase/reuse. Service quality in this regard is considered as the difference between what the customers are expecting from service performance before the service encounter and their perceptions of the services they received.

2.2.2 Import Duty
The authority to administer all taxes on international trade which are import duty, Excise duty and VAT on imports is vested on Customs & Excise department of TRA. Other responsibilities of this department are to control prohibited and restricted goods or materials imported into the country through borders, seaports and airports. The researcher however, was interested to investigate the impact of Service Quality Management on the collection of tax revenue with particular reference on Import duty. Import duty is a tax on goods imported into the country. It is levied at an *ad valorem* rate on the CIF value of the imported goods (Cope, 1992).

2.2.3 Dimensions of Service Quality
Service quality has four dimensions which include; reliability, tangibles, assurance, empathy, responsiveness as provided by Parasuraman *et al.* (1988)
Reliability - is the ability to perform the promised service dependably and accurately.
Tangibles - are the physical facilities, equipment, and appearance of personnel.
Assurance - is guaranteeing the process of performing services
Empathy - The care and personalized service given
Responsiveness - With regard to the dimension of responsiveness, the quick problem-solving ability of the service personnel is a good opportunity to impress the customer.
Service quality is an average of the expectancy-performance gaps along these five dimensions.

2.2.4 Characteristics of Service

A service offering organization must consider four special service characteristics when designing marketing programs: Intangibility, inseparability, heterogeneity and perishability.

Service intangibility means that services cannot be seen, tasted, felt, heard or smelled before they are bought. To reduce uncertainty buyers look for signals of service quality. They draw conclusions about quality from the place, people, price, equipment and communications that they can see. Therefore, the service provider’s task is to make the service tangible in one or more ways and send the right signal about quality. One analyst calls this evidence management in which the service organization presents its customers with organized, honest evidence of its capability (Kotler, 2008).

Service inseparability means that services cannot be separated from their providers whether the providers are people or machines. If the service employee provides the service then the employee becomes a part of the service because the customer is also present as the service is produced, provider-customer interaction is a special feature of service marketing. Both the producer and customer affect the service outcome. (Kotler, 2008)

Service heterogeneity means that the quality of the services depends on who provides as well as when and how they provided. For example, one registration counter employee may be cheerful and efficient whereas another standing just a few feet away may be unpleasant and slow. This is because human beings are emotional by nature. So, the quality of their services varies according to his or her energy and frame of mind at the time of each customer encounter (Kotler, 2008).

Service perishability means that services cannot be stored for late use. The right services must be available to the right customers at the right places at the right times and right prices to maximize profitability (Kotler, 2008).
2.2.5 Measuring Service Quality

Measuring service quality is difficult due to its unique characteristics: intangibility, heterogeneity, inseparability, and perishability (Bateson, 1995).

It is very important to assess the quality of a service from the customer’s point of view as the customer experiencing the service has some expectations and perceptions about a quality service. Service quality is a measure of how well the service level delivered matches customer expectations. Delivering quality service means conforming to customer expectations on a consistent basis (Lewis & Booms, 1983).

During the last two decades, service quality has become a very popular issue for both academics and service providers and it has been increasingly identified as a key factor in differentiating service products and building competitive advantage (Ennew et al., 1993). Tamarac (1991) and Ennew and Binks (1996) proposed that service quality is a major determinant in developing lasting customer relationships, increasing customer loyalty and retention, and improving organizational performance. Service quality offers a competitive advantage in addition to product quality for both product and service orientated organizations (Santos, 2000) by three factors which include interaction quality, physical environment quality and outcome quality.

Research studies have revealed that interaction quality is an important factor which has significant effect on the customer’s perception on the overall service quality (Caro & Gracia, 2007; Chen & Kao, 2009). The physical environment in which service is provided is also considered to have influencing power on the perception of customer about the service quality (Brady & Cronin, 2001). Outcome quality is equally considered to play an incredibly significant role in influencing the perception of the customer on overall service quality (Chen & Kao, 2009).

In line with this thinking, Gronroos (1982) developed a model which contends that consumers compare the service they expect with the perceptions of the service they receive in evaluating service quality. Smith and Houston (1982) claimed that satisfaction with the service is related to confirmation or disconfirmation of expectations. They based their research on the disconfirmation paradigm, which maintains that satisfaction is related
to the size and direction of the disconfirmation experience, where disconfirmation is related to the person’s initial expectations (Churchill & Suprenaut, 1982). Parasuraman et al. (1985) propounded a model of service quality popularly known as the ‘gap model’. Service quality is linked to the concepts of perceptions and expectations (Parasuraman et al., 1985, 1988; Lewis and Mitchell, 1990). Customers’ perceptions of service quality result from a comparison of their before-service expectations with their actual service experience. The service will be considered excellent if perceptions exceed expectations; it will be regarded as good or adequate, if it only equals the expectations; the service will be classed as bad, poor or deficient, if it does not meet them (Vázquez et al., 2001). Based on this perspective, (Parasuraman et al. 1988) developed a scale for measuring service quality, which is mostly popular known as SERVQUAL. SERVQUAL is designed to measure service quality from a customer perspective. It comprises five basic dimensions each representing one of the service attributes that consumers use to evaluate service quality. As mentioned earlier, these are ‘Tangibles’, ‘Reliability’, ‘Responsiveness’, Assurance and Empathy.

As already noted, in their model, Parasuraman et al. (1985; 1988) suggest that it is the gap between consumer expectations and actual service performance that informs service quality perceptions.
Figure 2.1: GAP model

**Gap 1:** exists between the expectations of the consumer (consumer of service) and the perception of the service provider about these customer expectations.

**Gap 2:** exists between the perception of the service provider and the translation of these perceptions into the creation of the specifications of the service.

**Gap 3:** exists between the service specifications and service delivery (including pre- and post- contact with the customer).

**Gap 4:** exists between the external communication (through advertising, etc.) to the consumer about the attributes of the service and the actual service delivery. It is always beneficial to give a realistic view of the service provided to customers through advertising.

Source: Parasuraman et al. (1985)
**Gap 5:** exists between the expectations of the consumers from the service and their perceptions about the service after having experienced it (Kanishka, 2010).

Researchers and managers of service firms concur that service quality involves comparison of expectation with performance.

**Table 2.1: Five Broad Dimensions of Service Quality**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibles</td>
<td>Appearance of physical facilities, equipment, personnel and written materials.</td>
</tr>
<tr>
<td>Reliability</td>
<td>Ability to perform the promised service dependably and accurately.</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>Willingness to help customers and provide prompt service.</td>
</tr>
<tr>
<td>Assurance</td>
<td>Employees’ knowledge and courtesy and their ability to inspire trust and confidence</td>
</tr>
<tr>
<td>Empathy</td>
<td>Caring, easy access, good communication, customer understanding and individualized attention given to customers.</td>
</tr>
</tbody>
</table>

*Source: Adapted from Zeithaml et al. (1990)*

**2.2.6 Service Quality Management**

Top Service companies set high service quality standards. They watch service performance closely; they do not settle for merely good service; they aim for a 100 per cent defect-free service. Unlike product manufacturers who can adjust their machinery and inputs until everything is perfect, service quality will always vary depending on the interactions between employees and customers. However, good service recovery can turn angry customers into loyal ones. Therefore, companies should take steps not only to provide good service every time but also to recover from service mistakes when they do occur. This can be done by empowering employees- to give them the authority, responsibility and incentives they need to recognize, care about and tend to customer needs (Kottler, 2008). Because service delivery occurs during the interactions between contact employees and customers, then attitudes and behaviours of the contact employees can influence customers’ perceptions of service quality (Schneider and Bowen, 1985).
Moreover, Beatson et al. (2008) found that perceived employee satisfaction, perceived employee loyalty, and perceived employee commitment had a sizable impact on perceived service quality. According to Zeithaml and Bitner (1996), contact employees represent the organization and can directly influence customer satisfaction, they perform the role of marketers. Whether acknowledged or not, service employees perform marketing functions. They can perform these functions well, to the organization’s advantage, or poorly, to the organization’s detriment.

More than two decades ago, Suprenant and Solomon (1987) stated that service encounters are human interactions. They suggested that customers and service providers have roles to play during and possibly after service encounters and that these roles are based on “interpersonal interactions” between organizations and customers. Service quality in all service encounters is thus intrinsically affected by the perspectives of both the service provider and the service receiver.

Similarly, Czepiel (1990) concluded that research on service quality must always include the perspectives of both the provider and the receiver. However, most research on the service quality construct has been restricted to one perspective. That of the service receiver (Parasuraman et al., 1988; Guerrier and Deery, 1998). Some few have applied dual perspectives, and considered interactive features of service quality in service encounters (Tam and Wong, 2001; Chow-Chua and Komaran, 2002; Dedeke, 2003; Svensson, 2004).

Following the inconsistency in research findings on the relationship between tax compliance and some of its determinants most especially the deterrents factors (Dubin, Grazte & Wilde, 1987; Dubin & Wilde, 1988), literature has suggested that the relationship may be moderated by some variables (Kirchler, Muebacher, Kastlunger & Wahl, 2007). There are indications in other behavioural literature that individuals’ financial condition (requirement) and family obligations moderate the relationship individuals’ commitment and performance (Brett, Cron & Slocum, 1995; Mathieu & Zajac, 1990) Service quality can be defined as the difference between customers’ expectations for service performance prior to the service encounter and their perceptions of the service received, Asubonteng et al. (1996).
When performance is not up to expectations, people will consider quality to be low and when performance exceeds expectations, the perception of that quality improves. So, in any evaluation of service quality, customers’ expectations are fundamental to that evaluation. Moreover, Asubonteng et al. (1996) suggest that as service quality increases, satisfaction with the service and intentions to reuse the service increase.

2.3 Empirical Literature Review

Berry et al. carried out a study on assessment of the impact of service quality management on the performance in US corporations in (1994) with more than 1900 customers of five large famous US corporations whose specific objectives were to find out service elements that influence corporation performance, to find out how service provision process affect performance and impacts of service reliability on the performance of the company. The researcher found the following results: Thirty two per cent (32%) placed emphasis on reliability, followed by responsiveness (22%), assurance (19%), empathy (10%), and tangibles (11%). Thus, reliability is considered the essential core of service quality. In addition, it was found that other dimensions will matter to customers only if a service is reliable as those dimensions- for example, responsiveness and empathy from service staff cannot compensate for unreliable service delivery. Further, they found that more companies were deficient in reliability than in other service dimensions but their best performance was not the least essential dimension of tangibles.

From this research it has been proven that service quality and customer satisfaction are related from their definitions to their relationships with other aspects in business. Customer satisfaction increases sales, wealth of corporations and market share. These are few performance indicators created as the base. Researcher agreed to the fact that service quality determines customer satisfaction and ultimate productivity of a firm. When perceived service quality is high, then it will lead to increase in customer satisfaction and improved organizational performance. Customer satisfaction is based upon the level of service quality that is provided by the service providers.

Another study was done by Sivadas & Baker-Prewitt (2000) who examined the relationship between service quality, customer satisfaction, store loyalty and firm’s performance within the retail department store context. More evidence of this relationship
has been proven by showing the results that service quality influences relative attitude and satisfaction with department stores. They found out that there is a relationship between customer satisfaction and service quality. In their study of customer satisfaction and service quality, they found out that; these two variables are related, confirming the definitions of both variables which have always been linked. They also dictated that service quality is more abstract because it may be affected by perceptions of value or by the experiences of others that may not be so good, than customer satisfaction which reflects the customer’s feelings about many encounters and experiences with service firm.

In addition to what the other researchers have found out from customer satisfaction and service quality, some other authors Wang & Hing-Po (2002), went into details to bring in customer value in the study of the relationship between customer satisfaction and service quality. Their study used SERVQUAL model in measuring service quality in China’s mobile phone market, but with modification on the basis of focus group discussions and expert opinions to reflect the specific industry attributes and the special culture of China. Emphasis was then paid to the study of the dynamic relationships among service quality, customer value, customer satisfaction and their influences on firm’s financial performance after the key drivers of customer value and customers’ satisfaction were identified.

In taxation, studies that measure the direct impact of perceived tax service quality on compliance behaviour of taxpayers are rare. But the study of Wallschutzky (1984) whose main objective was to determine the relationship between perceived service quality and taxpayer behaviour on tax payment compliance behaviour, the following were the results: taxpayers’ level of satisfaction with the way they are treated in tax office influences their future compliance behaviour thus affecting revenue collection performances. But also willingness to cooperate with the tax authority will increase, if the authority sees itself as a service institution and provides a quality service and treats the taxpayers as partners. The researcher assessed the impact of Service Quality Management on the performance of tax revenue collection.

Niemirowski & Wearing (2003) in Australia studied on the service quality management in tax collection authority on the performance in tax collection whose main objective was to find out impacts of quality of service on the tax collection. Specific objectives were to
assess the impact of quality of services provided on the tax revenue collection, to find out the elements of quality of service and to determine the taxpayer’s perception towards tax payment. And the findings reported were that Australian taxpayers were moderately satisfied with the manner the Australian Tax Office (ATO) was handling their tax returns.

This implies that financial burden might moderate individual commitment to discharge obligations, including tax payment. The implication of moderating effect of individual financial condition on tax compliance and its determinants may be more obvious in the society where there is high family responsibility and poverty rate as the case in some developing countries including Tanzania. Financial condition of individual positively or negatively affects tax payer’s willingness to comply with provisions of tax irrespective of the relationship between perception of taxpayer about quality of tax service and compliance behaviour. The quality of service provided by tax offices also has impact on taxpayers’ behaviour; the manner in which taxpayers are treated in the course of the provision of tax service may influence their compliance behavior.

2.4 Conceptual framework
A conceptual framework is a representation, either graphically or in narrative form, of the main concepts or variables, and their presumed relationship with each other. Some sort of conceptual framework is often implicit as the question development stage. Often it helps in the development of the research questions to make this conceptual framework explicit. The direction of thinking may be from the conceptual framework to the research questions, or vice versa, or they may interact with each other in some reciprocal way. Whether or not it is appropriate to have a predetermined conceptual framework depends on how much prior knowledge and theorizing are brought to the research. In quantitative research, where well developed research questions are typical, the conceptual framework is common, usually in diagram form. The diagrams(s) will typically show the variables, their conceptual status in relation to each other, and the hypothesized relationship between them (Punch, 2005).
<table>
<thead>
<tr>
<th>INDEPENDENT VARIABLE</th>
<th>DEPENDENT VARIABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Quality Management:</td>
<td>Tax revenue collection</td>
</tr>
<tr>
<td>- Responsiveness</td>
<td></td>
</tr>
<tr>
<td>- Reliability</td>
<td></td>
</tr>
<tr>
<td>- Assurance</td>
<td></td>
</tr>
<tr>
<td>- Empathy</td>
<td></td>
</tr>
<tr>
<td>- Tangibles</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s design, 2013
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
This chapter comprises the methodological framework of the study. It covers the area of study, research design, sample and sampling procedure, data and data collection and data analysis techniques.

3.2 Area of study
The following information about the study area was obtained at TAA web, 2013
The study was conducted in Dar-es-Salaam at Julius Nyerere International Airport (one of the six administratively tax regions). The reason for selecting this region is due to the fact that it is among the leading regions as far as tax revenue collection is concerned and Julius Nyerere International Airport serves as an entry and/ or exit point for international business. The researcher therefore intended to carry out the study in this region because it is from international business (importation) that import duty is charged. The researcher therefore at the study area had a clear picture of the level of service quality as he freely interacted with customers.

Another reason for selecting this region is due to the fact that Julius Nyerere International Airport is a leading airport as far as international business is concerned in Tanzania. Many importers do use this point in engaging in international business, so the kind of service they receive from TRA may probably make them stick to their business or diverge from it. This of course has impacts on the performance of TRA at the area. Due to the volume of the business at the area, the researcher carried out a study on the impact of service quality management on the performance of tax revenue collection and the findings might be used as an inference elsewhere in Tanzania.

3.3 Research Approach
The question of whether to use quantitative or qualitative approach to a particular topic depends on the research questions. Faced with this situation, it is especially useful to ask: what exactly one tries to find out? At a general level, it often seemed that a question could be tacked quantitatively or qualitatively. But the questions more specifically focus on
exactly what we are trying to find out, we often see the interaction between the questions on the one hand, and the method or approach on the other. This opens up the point that different questions require different methods to answer them. Some questions can only be answered using quantitative methods, and some can only be answered using qualitative methods (Punch, 2005). The researcher adopted both quantitative and qualitative methods. At a general level, the reasons for combining were to capitalize on the strengths of the two approaches, and to compensate for the weaknesses of each approach. At the same time, the specific reasons for combining the approaches were the the practical circumstances and context of the research. This approach has an overall configuration of the research involving questions about what kind of evidence is gathered and from where and how such evidence is interpreted in order to provide answers to the initial research question (Saunders et al., 2009).

The approach has enabled the researcher to have an insight on the relationship between the variables and the answers as to why tax collection exercise is affected by service quality rendered by TRA, rather than being able to describe what has happened.

3.4 Study Design

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. It is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data (Kothari, 2004).

The research design is in fact the general plan of how the researcher has gone about answering the research question(s) (the importance of clearly defining the research question cannot be over-emphasized (Saunders et al., 2009). In this view, research design situates the researcher in the empirical world, and connects the research questions to data. See figure 3.1 below;
The research design is the basic plan for a piece of research, and includes four main ideas. The first is strategy, the second is the conceptual framework, and the third is the question of whom or what will be studied. The fourth concerns the tools and procedures to be used for collecting and analysing the empirical materials (Punch, 2005).

In this study, the research design was case study. A case study design is an in-depth study of a particular research problem rather than a sweeping statistical survey. It is often used to narrow down a very broad field of research into one or few easily researchable examples. The case study research design is also useful for testing whether a specific theory or model actually applies to phenomena in the real world. It is a useful design when not much is known about a phenomenon. It is an inductive approach which is particularly concerned with the context in which such events were taking place. This allows the researcher to understand why something is happening rather than being able to describe what is happening. It creates a conducive environment for combining a variety of research tools such as questionnaires, interviews and documentary source in conducting an in-depth inquiry of the phenomenon (Punch, 2005).

Easterby-smith et al. (2008) argue that knowledge of the different research traditions enables the researcher to adapt research design to cater for constraints such as limited access to data or failure to frame a hypothesis due to insufficient understanding of the topic. A case study aims to understand the case in depth, and in its natural setting, recognizing its complexity and its context. It also has a holistic focus aiming to preserve and understand the wholeness and unity of the case (Punch, 2005).
With this research design, the researcher was able to assess the impact of Service quality on the performance of tax revenue collection in TRA- Julius Nyerere International Airport tax region.

TRA administers various taxes but this study was confined to import duty only. Conclusion and recommendations drawn could be used for making inferences to other similar studies elsewhere in Tanzania.

3.5 Population of the Study
Population is the target group, usually large, about whom the researcher wants to develop knowledge, but which he cannot study directly; therefore sample is drawn from it. It refers to the total of items about which information is desired, it is the total members of a defined class of people, objects, places or events selected because they are relevant to a research question (Kothari, 2004).

It is a full set of cases from which a sample is taken. The key concepts therefore are the population that is the total target group who would, in the ideal world, be subject of the research, and about whom one is trying to say something and sample that is the actual group who are included in the study, and from whom the data are collected (Punch, 2005). In this study, importers/clearing agents who are taxpayers and customers of TRA formed one group and employees and management of TRA who are directly responsible for the administration of import duty formed another group. These were main units of inquiry.

3.6 Sample and Sampling Techniques
For all research questions where it would be impracticable for the researcher to collect data from the entire population, a sample is selected. A sample is a subset of a population that is used to represent the entire group as a whole. Probability or representative sampling and non-probability or judgmental sampling is the main types of sampling techniques used in most researches (Saunders et al., 2009). Sampling is an important aspect because no study, whether quantitative, qualitative or both, can include every-thing: “you cannot study everyone everywhere doing everything” (Miles and Huberman, 1994:27)
In this study, the researcher applied both techniques (i.e. probability and non-probability). The simple random and purposive or judgmental sampling methods have been employed in the selection of the sample size needed to meet the demands of the research questions. Researcher used simple random sampling to select tax payers and TRA employees randomly from the sampling frame by using numbers. Simple random has been applied to ensure true representative of the population. In random selection, each element in a total population has an equal chance or equal probability of being chosen but also to avoid getting bias responses as far as gender and type of business undertaking is concerned.

In purposive or judgmental sampling, the probability of each element selected from the total population is not known and it is impossible to answer research questions or to address objectives that require the researcher to make statistical inferences about the characteristics of the population (Saunders et al., 2009).

This technique enabled the researcher to use his judgment to select respondents who are knowledgeable and who would help to provide reliable and valid information needed to meet the objectives of the study. This form of sample is often used when working with very small samples such as in case study research and when the researcher wishes to select cases that are particularly informative such as executive members of the top management Neuman (2005). In this case TRA top management would be picked purposively.

A sample of 110 respondents was selected from a population of unit of enquiry. It consists of 40 TRA employees, 20 TRA members of management and 50 importers/taxpayers.

Designed questionnaires would be distributed to them in a manner shown in table 3.1.

<table>
<thead>
<tr>
<th>S/N</th>
<th>CATEGORY</th>
<th>Distributed questionnaire</th>
<th>Returned questionnaire</th>
<th>PERCENTAGE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>TRA Employees</td>
<td>40</td>
<td>39</td>
<td>38.6</td>
</tr>
<tr>
<td>2</td>
<td>TRA management team</td>
<td>20</td>
<td>18</td>
<td>17.8</td>
</tr>
<tr>
<td>3</td>
<td>Importers/ Tax payers</td>
<td>50</td>
<td>44</td>
<td>43.6</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>110</td>
<td>101</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Researcher source (2013)
3.7 Data Collection Instruments

Data collection instrument refer to the device used to collect data as a paper questionnaire or computer assisted interviewing system. It is a methodology used to identify information sources and collect information during evaluation. There are two types of data that is primary and secondary. The primary data are those which are collected afresh and for the first time, and thus happen to be original in character. The secondary data, on the other hand, are those which have already been collected by someone else and which have been passed through the statistical process (Kothari, 2004). Both qualitative and quantitative data have been collected from both primary and secondary sources. In collecting the data, four types of data collection instruments has been deployed. These are questionnaire, interview, documentary source and observation.

3.7.1 Questionnaires

This is a set of questions prepared in written form by the researcher in order to capture the required data. It is a data collection technique in which each person is asked to respond to the same set of questions in a predetermined order (Devaus, 2002). Questionnaires work best with standardized questions that the researcher can be confident will be interpreted the same way by all respondents (Robinson, 2002).

Questionnaires in an explanatory or analytical research have helped the researcher to examine and explain relationships between variables in particular cause-and effect relationships. In addition, well worded questionnaires normally require less skill and sensitivity to administer than semi-structured or in-depth interviews (Jankowicz, 2005).

In this study, two sets of questionnaire were designed to collect data from respondents who were among members of TRA staff responsible for administering import duty as well as importers/ taxpayers. Because each respondent was asked to respond to the same set of questions, then the technique provides an efficient way of collecting responses from the sample prior to quantitative analysis (Saunders et al., 2009).

3.7.2 Interviews

An interview is a purposeful discussion between two or more people (Kahn and Cannell, 1957). The use of interview helped the researcher to gather valid and reliable data that
were relevant to the research questions and objectives. Interviews might be highly formalized and structured, using standardized questions for each research participant (respondent) or they may be informal and unstructured conversations (Saunders et al., 2009).

The interview method of collecting data involves presentation of oral-verbal stimuli and reply in terms of oral-verbal responses. This method can be used through personal interviews and, if possible, through telephone interviews. Personal interview method requires a person known as the interviewer asking questions generally in face-to-face contact to the other person or persons. Telephone interview method consists of contacting respondents on telephone itself (Kothari, 2004).

Interviews may be categorized as one of structured, semi-structured and unstructured or in-depth interviews. Structured interviews use questionnaires based on predetermined set of questions while unstructured interviews are informal. There are no predetermined questions to work through in this situation, although one needs to have a clear idea about the aspect or aspects that need to be explored. The interviewee is given the opportunity to talk freely about events, behaviour and beliefs in relation to the topic area (Easterby-Smith et al., 2008).

In this study, unstructured interviews were used as a means of obtaining additional data beyond expectations through questionnaires. This method was done through a face-to-face conversation between interviewees (taxpayers) and interviewer (the researcher) and thus allowing smooth flow of information from respondents to the researcher.

3.7.3 Documentary Source

This is another method the researcher used to explore secondary data from the sampled area. Secondary data are those collected for some other purpose other than the study. Such secondary data provided a useful source from which to answer or partially to answer the research questions. Secondary data included both raw data and published summaries. Some of these data that were found in documents such as company minutes are available only for the company purposes to access needed negotiation (Saunders et al, 2009).
TRA documents like annual revenue estimates and collection performance for Customs & Excise department, TRA magazine (The Revenue) and East African Customs Management Act (EACMA, 1972) were reviewed. Data collected from this source could be used to help to triangulate findings based on other instruments.

3.7.4 Observation

Under the observation method, the information is sought by way of researcher’s own direct observation without asking from the respondents. This method is important in that it is independent of respondents’ willingness to respond and as such is relatively less demanding cooperation on the part of respondents as happens to be the case of other methods. Another advantage is that subjective bias is eliminated, if the observation is done accurately (Kothari, 2004). The method provided the researcher with the first-hand information on the daily operation of TRA in dealing with taxpayer on the one hand and taxpayers’ response on the other. Under this method, the researcher observed the actions exercised by the TRA employee as a service provider and reactions of taxpayers (service receiver) during the service encounter.

3.8 Data Analysis

The collected data in a raw form, that is, before these data have been processed and analysed convey very little meaning. These data, therefore, need to be processed to make them useful, that is, to turn them into information (Saunders et al., 2009).

Data analysis is a process in which raw data is ordered and organized so that useful information can be extracted from it. The process of organizing and thinking about data is key to understanding what the data does and does not contain. For this reason it is important to pay attention when data analysis is presented, and to think critically about the data and conclusions which were drawn. Raw data can take a variety of forms, including measurements, survey responses and observations. Charts, graphs and textual write-ups of data are all forms of data analysis.

In this regard, the data has been carefully organized, processed and analysed so as to make them meet the objectives of the study in terms of drawing up the conclusion and recommendations. Quantitative analysis technique (SPSS) has been employed in which
numerical data were analysed and interpreted. This helped the researcher to answer research questions and meet research objectives. The researcher adapted both the descriptive and qualitative method of data analysis including graphs, frequency distribution tables and percentages.
CHAPTER FOUR
DATA ANALYSIS AND PRESENTATION

4.1 Response Rate
All 101 expected respondents accepted to be interviewed and answered the questionnaires, thus giving a response rate of 100%. The results of the study are presented in Table 4.1 below.

Table 4.1 Shows Response rate Identification

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>TRA management</td>
<td>17</td>
<td>16.8</td>
</tr>
<tr>
<td>Employees</td>
<td>40</td>
<td>39.6</td>
</tr>
<tr>
<td>Tax Payers</td>
<td>44</td>
<td>43.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>101</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Research data, 2013

The above table shows that Taxpayers comprises of many respondents about 43.6% and TRA management comprises of few respondents, however all respondents selected in each group that is TRA management, employees and taxpayers accept to be interviewed and cooperate well.

4.2 Characteristics of respondents
This section presents the general characteristics of the respondents. These include gender and educational level of respondents. These are presented in the subsequent sections.

4.2.1 Gender Distribution of the respondents
The study examined the extent to which respondent’s gender is distributed see the Figure number 4.1 below;
From the Figure 4.1 above, 52.5% of respondents were found to be Male and 43.6% of respondents were Female.

### 4.2.2 Educational Level of the respondents

The study examined if there is a link between the level of education attained by the respondents and the use of TRA services. The respondents had different educational levels namely; Secondary, diploma, degree and above see table below:

<table>
<thead>
<tr>
<th>Education respondent level</th>
<th>Frequency</th>
<th>per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secondary education</td>
<td>9</td>
<td>8.9</td>
</tr>
<tr>
<td>Diploma</td>
<td>20</td>
<td>19.8</td>
</tr>
<tr>
<td>Degree</td>
<td>37</td>
<td>36.6</td>
</tr>
<tr>
<td>Above</td>
<td>23</td>
<td>22.8</td>
</tr>
<tr>
<td>Total</td>
<td>89</td>
<td>88.1</td>
</tr>
<tr>
<td>Missing System</td>
<td>12</td>
<td>11.9</td>
</tr>
<tr>
<td>Total</td>
<td>101</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Research data, 2013
According to the Table 4.2 above, 36.6% were degree, 22.8 were above, 19.8% were diploma, and 8.9% was secondary education. This implies that most of the respondents are literates.

4.3 Factors affecting Tax Revenue collection at TRA

4.3.1 Physical facilities at TRA

In order to understand factors that affect revenue collection, the researcher had to describe physical facilities at TRA, see Table 4.3 below

<table>
<thead>
<tr>
<th>Physical facilities</th>
<th>Frequency</th>
<th>per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>not all essential</td>
<td>3</td>
<td>3.0</td>
</tr>
<tr>
<td>not essential</td>
<td>4</td>
<td>4.0</td>
</tr>
<tr>
<td>Somehow not essential</td>
<td>9</td>
<td>8.9</td>
</tr>
<tr>
<td>neither essential nor not essential</td>
<td>21</td>
<td>20.8</td>
</tr>
<tr>
<td>somehow essential</td>
<td>40</td>
<td>39.6</td>
</tr>
<tr>
<td>Essential</td>
<td>22</td>
<td>21.8</td>
</tr>
<tr>
<td>absolutely essential</td>
<td>100</td>
<td>99.0</td>
</tr>
<tr>
<td>Missing</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Total</td>
<td>101</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Research data, 2013

According to Table 4.3 above, 39.6% of the respondents accepted that it is essential that the physical facilities of TRA need to be visually appealing.
According to Figure 4.3 above most of the respondents that is 39.6% concur that it is essential for materials to be visually appealing if more revenue is to be achieved. Only 1% said not essential while 21.8% said it is absolutely essential.

4.3.2. Employees needs to be neat-appearing
The study furthermore examines TRA employees neat-appearing and know its effect towards Tax Revenue Collections. Employee appearance is one of the important elements which add value to quality of service/product of any organization. Therefore, this is among the reasons the researcher want to examine it.
Table 4.4 Employees needs to be neat-appearing

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>not at all essential</td>
<td>4</td>
<td>4.0</td>
</tr>
<tr>
<td>not essential</td>
<td>4</td>
<td>4.0</td>
</tr>
<tr>
<td>neither essential nor not essential</td>
<td>6</td>
<td>5.9</td>
</tr>
<tr>
<td>somehow essential</td>
<td>17</td>
<td>16.8</td>
</tr>
<tr>
<td>Essential</td>
<td>41</td>
<td>40.6</td>
</tr>
<tr>
<td>absolutely essential</td>
<td>28</td>
<td>27.7</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>99.0</td>
</tr>
<tr>
<td>Missing System</td>
<td>1</td>
<td>1.0</td>
</tr>
<tr>
<td>Total</td>
<td>101</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Source:** Field data, 2013

According to Table 4.4 above, nearly 41% of the respondents accepted that it is essential for employees of TRA to appear neat.

**Figure 4.3**

Source: Field data, 2013
According to figure 4.4 above, 40.6% of respondents accepted that TRA employees need to appear neat when dealing with customers. However, 4% said it is not all essential.

### 4.3.3 Material for Services

Sometimes materials associated with the services including pamphlets or Statements need to be visually appealing. The following findings were obtained, see Table 4.5 below:

<table>
<thead>
<tr>
<th>Table 4.5 Material for Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Frequency</strong></td>
</tr>
<tr>
<td>Valid</td>
</tr>
<tr>
<td>Not at all essential</td>
</tr>
<tr>
<td>somehow not essential</td>
</tr>
<tr>
<td>neither essential nor essential</td>
</tr>
<tr>
<td>somehow essential</td>
</tr>
<tr>
<td>Essential</td>
</tr>
<tr>
<td>absolutely essential</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Missing System</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

*Source: Research data, 2013*

From Table 4.5 above, 49.5% of the respondents found out that it is essential materials associated with the services to be visually appealing while only 2% said not essential at all.
According to Figure 4.5 above, nearly 50% of respondents agree that it is essential for materials associated with service to be visually appealing. Only 2% said not at all essential while 5% were not sure.

### 4.3.4 Customer care

Study examine to what extent does TRA show sincere interest to solving Customers Problems, see the Table below:

#### Table 4.6 Customer care

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>not essential</td>
<td>3</td>
<td>3.0</td>
</tr>
<tr>
<td>somehow not essential</td>
<td>2</td>
<td>2.0</td>
</tr>
<tr>
<td>neither essential not essential</td>
<td>3</td>
<td>3.0</td>
</tr>
<tr>
<td>somehow essential</td>
<td>22</td>
<td>21.8</td>
</tr>
<tr>
<td>Essential</td>
<td>32</td>
<td>31.8</td>
</tr>
<tr>
<td>absolutely essential</td>
<td>39</td>
<td>38.6</td>
</tr>
<tr>
<td>Total</td>
<td>101</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*Source: Research data, 2013*
From Table 4.6 above, nearly 39% of the respondents agreed that it is absolutely essential TRA to show sincere interest in solving Customer Problems.

**Figure 4.5**

![Histogram showing TRA sincere in solving customers problems](image)

Source: Research data, 2013

From Figure 4.6 above, nearly 39% of the respondents agreed that it is absolutely essential for TRA to show sincere interest in handling taxpayer problems. Only 2% said somehow not essential. This implies that proper mechanisms for handling customers’ complaints will create taxpayer compliance and enhance tax revenue collection performance.

**4.3.5 Time Management**

The study also inspects if the employees of TRA give prompt services to the customers, this findings are explained in the Table 4.7 below;
Table 4.7 Time management

<table>
<thead>
<tr>
<th>Valid not essential</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>somehow not essential</td>
<td>3</td>
<td>3.0</td>
</tr>
<tr>
<td>neither essential nor essential</td>
<td>7</td>
<td>6.9</td>
</tr>
<tr>
<td>somehow essential</td>
<td>23</td>
<td>22.8</td>
</tr>
<tr>
<td>Essential</td>
<td>30</td>
<td>29.7</td>
</tr>
<tr>
<td>absolutely essential</td>
<td>36</td>
<td>35.6</td>
</tr>
<tr>
<td>Total</td>
<td>101</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Research data, 2013

From the Table 4.7 above, 35.6% of the respondents said it is essential for TRA to give prompt services to the customers while 2% said that it is not essential.

Figure 4.6

TRAI provide its services at the time it promises

Source: Research data, 2013

From Figure 4.7 above, about 36% concurred that it is absolutely essential for TRA to keep its promises when dealing with customers. Only 2% said keeping promises is not essential.
4.3.6 TRA to be consistently with customers

TRA provide its services well to customers, but the study examines need for TRA to be consistently courteous to all their customers, see the Table 4.8 below;

Table 4.8 TRA to be consistently with customers

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>not all essential</td>
<td>3</td>
<td>3.0</td>
</tr>
<tr>
<td>somehow not essential</td>
<td>3</td>
<td>3.0</td>
</tr>
<tr>
<td>neither essential nor not essential</td>
<td>4</td>
<td>4.0</td>
</tr>
<tr>
<td>somehow essential</td>
<td>22</td>
<td>21.8</td>
</tr>
<tr>
<td>Essential</td>
<td>38</td>
<td>37.6</td>
</tr>
<tr>
<td>absolutely essential</td>
<td>29</td>
<td>28.7</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>98.0</td>
</tr>
<tr>
<td>Missing System</td>
<td>2</td>
<td>2.0</td>
</tr>
<tr>
<td>Total</td>
<td>101</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Field data, 2013

According to the analysed findings from Table 4.8 above, 37.6% of the respondents agreed that it is essential for TRA to be consistently courteous to all their customers.

Figure 4.7
From Figure 4.8 above, nearly 38% of respondents accept that TRA needs to be consistently courteous when rendering service to customers. 3% of respondents said it is not essential at all.

4.3.7 Operating hours convenient to Customers
The study examines TRA operating hours convenient to all customers; see the Table 4.9 below;

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>101</td>
<td>100.0</td>
</tr>
<tr>
<td>not all essential</td>
<td></td>
<td></td>
</tr>
<tr>
<td>not essential</td>
<td>2</td>
<td>2.0</td>
</tr>
<tr>
<td>somehow essential</td>
<td>5</td>
<td>5.0</td>
</tr>
<tr>
<td>neither essential nor</td>
<td>3</td>
<td>3.0</td>
</tr>
<tr>
<td>essential</td>
<td>8</td>
<td>7.9</td>
</tr>
<tr>
<td>somehow essential</td>
<td>26</td>
<td>25.7</td>
</tr>
<tr>
<td>Essential</td>
<td>33</td>
<td>32.7</td>
</tr>
<tr>
<td>absolutely essential</td>
<td>24</td>
<td>23.8</td>
</tr>
</tbody>
</table>

Source: Field data, 2013

From Table 4.9 above, 32.7% of the respondents accept that it is essential for TRA to have operating hours convenient to all their customers and 2% disagreed that.
Figure 4.8 Operating hours convenient to all customers

Source: Field data, 2013

Figure 4.9 above shows that nearly 33% of the respondents agreed that it is essential for TRA to have operating hours convenient to all customers. Only 2% of them said not all essential.

4.4 Assessment of service quality

Respondents view on service quality provided by taxpayers is different from that of employees. A t-test for independent two samples is used to compare the assessment to taxpayers to that of employees in relation to quality gaps based on expectations of customers. The mean score of Taxpayers was found to be 4.46 while for a service provider was found to be 5.45. The results related to the T-test are shown on the Table 4.10 below;

Table 4.10 Assessment of service quality

<table>
<thead>
<tr>
<th>T</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>Std. Error Difference</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.457</td>
<td>81</td>
<td>.000</td>
<td>.98068</td>
<td>.22003</td>
<td>.54289 - 1.41847</td>
</tr>
</tbody>
</table>

Source: Field data, 2013
Results from the Table 4.10 above shows that T-value was 4.457 with degree of freedom 81 and P-value of 0.000. This implies that the difference of the assessment on quality gaps by Taxpayers and employees were statistically significant due to p-value (0.000) is less than the significant level of 0.05.

4.5 Level of service Quality provided by TRA

The study examines the level of service quality provided by TRA on Tax collections. The following findings were obtained see the Table 4.11 below;

Table 4.11 service quality determine the level of satisfaction

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>strong disagree</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Disagree</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>somehow disagree</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Neither disagree nor agree</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>somehow agree</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Agree</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Strongly disagree</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>92</td>
</tr>
<tr>
<td>Missing System</td>
<td>9</td>
<td>8.9</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>101</td>
</tr>
</tbody>
</table>

Source: Research data, 2013

Results from the Table 4.11 above shows that 39.6% of respondents agreed that service quality determines the level of customer satisfaction and has impact on tax revenue collections. This implies that provision of high quality taxpayer services will increase tax revenue collection because taxpayers will develop a sense of voluntary tax compliance that normally minimizes the cost of collecting taxes. The converse is also true.
According to Figure 4.11 above, nearly 40% of respondents agreed that service quality determines the level of their satisfaction. 2% of them were not sure while 3% said they strongly disagree.
4.6 Service quality elements in predicting customer’s satisfaction at JNIA

The study aims to examine important service quality elements in predicting customer’s satisfaction at JNIA. These quality elements including physical facilities, employee neat-appearing, Materials, interests in solving customer’s problems, Time management, transaction, consistently and convenient. The regression analysis was used to find if the effect of quality is statistically significant in predicting satisfaction of customer’s at JNIA. See the findings below;

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>30.805</td>
<td>2.204</td>
<td>13.979</td>
</tr>
<tr>
<td></td>
<td>service quality determine the level of satisfaction</td>
<td>0.548</td>
<td>0.394</td>
<td>0.148</td>
</tr>
</tbody>
</table>

a. Dependent Variable: PERFORMANCE VALUE

| a. Category of Respondent = customers |
| b. Dependent Variable: Mean score on performance |

The regression Model holds that;

\[ Y = c + \beta X \]

Where: Y = Dependent variable (performance)

\[ X = \text{Independent Variable (Mean score on perceived service quality)} \]

The results show significance at which the perception on quality by customers can predict the level of performance. The results show that the constant of regression, \( c = 30.805 \) and the value of \( \beta = 0.548 \) the regression equation model for this therefore found to be; \( Y = 30.805 + 0.548x \). The value of \( t = 1.389 \) at a p-value = 0.1 Therefore, the effect of perceived quality in predicting performance is not statistically significant different. This is because the t-value is having a corresponding p-value of 0.1 which is greater than 0.05.
CHAPTER FIVE
DISCUSSION OF FINDINGS

5.1 Introduction
This chapter embarks on the presentation of the study findings. It discusses in detail the findings of the study conducted by the researcher when attempting to assess the impact of Service Quality management on the performance of tax revenue collection with particular interest in Import Duty at TRA-JNIA.

5.2 Factors affecting tax revenue collection
Basing on the statistical data analysis, it shows that both taxpayers and TRA employees concur that service quality is an essential aspect in the overall performance of tax revenue collection. However, in his attempt to assess the impact of service quality management, the researcher carried a number of interviews with importers. The interview revealed that there was mixed opinions regarding the quality of service rendered by TRA.

In analysing the factors affecting tax revenue collection at TRA-JNIA, the study examined five broad elements of service quality and its impact on the performance of tax revenue collection. These are tangibles, reliability, responsiveness, empathy and assurance. The analysis showed that an average of 43.4% of participated respondents agreed that physical facilities like material for services and office (tangibles) have significant effects on the performance of tax revenue collection. This implies that TRA has to ensure that such facilities are of high quality so as to achieve its main objective of surpassing tax revenue collection. The researcher attempted to collect additional information from the study area by interviewing importers of the need for TRA to have physically appealing facilities. Most of them said that they would be comfortable to pay their tax obligations at a modern office and through highly competent tax collectors.

TRA Pamphlets, posters and other publications must portray the quality of services it delivers to taxpayers; this will avoid service quality gap 4. However, most of those interviewed admitted that pamphlets and other communication materials are visually appealing although they sometimes do not reflect reality when one experiences the actual service performance. For instance, one interviewee said that; “TRA publicizes that
clearance of air-freighted shipment will be done within 24 hours after lodgement of import documents through TRA- PAD system, but, this is not the case, he lamented- one could take up to 72 hours to clear it”.

The study further revealed that 39% of respondents concurred that empathy is an important element in predicting customer satisfaction and its impact on the performance of tax revenue collection. The researcher carried out an obstructive observational role to assess how TRA-JNIA employees as a service provider serve the customer and reaction of the customer/ taxpayer during service encounter. The study revealed that some of TRA employees do not show care and individualized attention when dealing with customers. On the other hand customers who received delayed or poor service had no patience and were actually provoking. In general majority of employees are competent in serving customers and it was observed that majority of taxpayers were enjoying the service. However, by having few customers who are complaining it can impose a significant impact on revenue collection because according to literature a service needs to be hundred per cent defects free.

The analysis showed that reliability is another element in predicting the quality of delivered service. Of the participated respondents, 32.7% agreed that service reliability is an essential element that determines the level of service quality and its impact on the performance of tax revenue collection. This implies that both the service provider and the receiver agreed that the service provided was satisfactory and that it has shown a remarkable impact on revenue collection. In reviewing this aspect, the researcher conducted an interview with importers to know the extent reliability of service offered by TRA contributes to the performance of tax revenue collection. Majority of those interviewed, said that reliable services would boost international business in which import duty and other taxes are collected. This means that high quality service increases tax revenue collection.

When the service provided by TRA is reliable, more and more people would engage themselves in international business and pay their tax liabilities voluntarily. In other words, the chance for tax avoidance/evasion would be minimized and therefore TRA would record an increase in tax revenue collection.
Assurance is another important element that the study found to have an impact to tax revenue collection. 37.6% agreed that assurance of quality service delivery by TRA would enhance the performance of tax revenue collection. This means that importer wants to be assured that their imports would be cleared in time to avoid increased cost of doing business. TRA on the other hand had to ensure that the specifications they set about service delivery are real and practicable. When this is done, it will avoid unnecessary service quality gap.

Furthermore, the study revealed that responsiveness of TRA employees in providing service would have some effects on tax revenue collection. This means that less responsive employees would adversely affect the performance of tax revenue collection and more responsive ones would enhance the performance of revenue collection. However, the researcher learnt that while employees of TRA are willing to provide prompt services, this willingness is again affected by the system down time and the reluctant of most taxpayers to cope with the automation changes as they are greatly affected by the old tradition of manual clearance of their goods. When the system is down, the service provider cannot deliver prompt services and this to some extent has a negative impact on revenue collection.

The study found that education is another important instrument that helps taxpayer/service receiver and tax collectors/service provider to make assessment of the quality of service being received or provided and its effects on the performance of tax revenue collection. The study revealed that both taxpayers (importers) and TRA employees are literate about education level ranging from a mere secondary education through degree and above. This implies that TRA must ensure that it provides a kind of service which is of high quality and should bear in mind that it is going to be measured by such kind of knowledgeable customers. In general the analysis was based on three broad perspectives in respect of the respondents; these are taxpayers (importers), TRA employees and members of TRA management team.

5.2.1 Taxpayers (importers) perspective
The study found that there is a difference between taxpayers’ perception of service quality and TRA employees. This was revealed during interviews. Most of interviewees
agreed that service quality management has an impact on the performance of tax revenue collection. However, expectation of taxpayers about the service quality provided by TRA is high but their perception after they have experienced is a bit low (the mean score of taxpayers was found to be 4.46 as compared to 5.45 for the service provider). This implies that there is a quality Gap 5 in that the customer is not satisfied with the quality of service being rendered to him/her. When the customer in not happy about the kind of service he/she is being rendered with, then the service provider suffers a danger of not meeting his objective, that is, TRA might not surpass its tax revenue collection targets if it cannot satisfy its customers.

5.2.2 TRA employee’s perspective

In general, employees perceive the service they provide as of high quality (mean score of 5.45 which is 0.99 less than that of taxpayers). This means that while TRA thinks that it is delivering high quality service, taxpayers are not impressed by this assumed level of service quality. This further signifies that there might be some other factors on top of major quality service that could delight the customers much more. This again introduces quality Gap 1 because what the customer expects is not exactly what is being perceived by the service provider (TRA).

The data analysis showed that both the taxpayer and tax collector agreed that provision of high quality service would increase tax revenue collection, however while tax collectors think that they provide high quality service, the taxpayer perceived it otherwise. TRA should perceive service quality from customers’ perspective in order to avoid any quality gap and take instant service recovery whenever such gap arises because service must be hundred per cent defective free. The researcher observed that some TRA employees consider taxpayers as people who are bound by law to pay taxes and that they have no option but to pay once they have imported goods from around the world into the country. This was observed by the researcher when he was trying to have an insight of service performance during interaction between taxpayers and tax collectors. The language used by some of TRA employees when handling customer complaints signified this claim. These employees agreed that empathy is just an important aspect in predicting the level of customer satisfaction and consequently increase in tax revenue collection but they do not practice this reality, it was observed.
5.2.3 TRA members of management team perspective

The study revealed that all group of respondents agreed that service quality has an impact on the performance of tax revenue collection. 39.6% of respondents agreed that the level of service quality determines customer satisfaction and performance of tax revenue collection. This implies that members of TRA management team believe that they are doing a good job in ensuring proper Service Quality Management. This is true as for the case of other employees who are not members of the management as they cannot challenge themselves. However, such assessment should be done basing on customer perspective because it is only satisfied customers who can enhance the performance of tax revenue collection. Members of management team might think that what they perceive is what customers expect, this is not always the case. There could be some other factors that would delight the customer if incorporated in the service provision. Management need to observe this.
CHAPTER SIX
SUMMARY, CONCLUSION AND POLICY IMPLICATIONS

6.1 Introduction
This chapter gives the summary of the study findings, draws up conclusions and narrates policy implications regarding the study.

6.2 General findings
The study was about the assessment of Service Quality Management and its impact on the performance of tax revenue collection. The study findings indicated that service Quality Management has a significant impact on the performance of tax revenue collection that is when the service quality is high it leads to an increase in tax revenue collection, the converse is also true. In general, the quality of service at TRA-JNIA was found to be high and this has shown a remarkable increase in tax revenue collection.

The study revealed that tangibles, service reliability, responsiveness, empathy and assurance are main factors that contribute to the performance of tax revenue collection. However, tangibles at TRA-JNIA were found to have a negative impact as far as tax revenue is concerned. This is because most of respondents agreed that tangibles especially offices must be visually appealing if increase in tax revenue collection is to be achieved. TRA-JNIA offices do not suffice the demand of customers. These offices are small and cannot accommodate enough employees to serve the ever growing number of importers/customers. Equipment such as computers are few due to the fact that the office has limited space to keep them. It was further revealed that some TRA employees’ lack formal training in customer care and this create a state of dissatisfaction on the part of customers. Although tax revenue at TRA-JNIA shows an increasing trend, the increase could be much more remarkable if TRA-JNIA had modern offices with trained employees in matters relating to customer care.

The study further revealed that unrecovered service quality gaps had an adverse impact on the performance of tax revenue collection. TRA sometimes do not provide what they promise in time, they think customers would pay tax because it is their obligation or legal
requirement to do so. This perception of few TRA employees tends to minimize the performance of tax revenue collection as it creates customer’s dissatisfaction.

The study further revealed that there could be some other factors apart from service quality that affect the performance of tax revenue collection. The interview carried by the researcher found that high tax rates and unfair exemption benefits are other factors that the interviewees said they adversely impact the performance of TRA in meeting and / or surpassing tax revenue collection. They said these factors reduce tax compliance as many would try to avoid or evade their tax liabilities.

6.3 Conclusion

This study was about the impact of Service Quality Management on the performance of tax revenue collection at TRA specifically at the Julius Nyerere International Airport. The intended objectives were so far achieved. The study findings revealed that the level of service Quality at TRA-JNIA is high. Majority of importers who are the main payers of import duty enjoy the service rendered to them by TRA, however there were some few importers who are not impressed by the quality of service rendered to them. The performance of tax revenue collection has been increasing annually though the increase could be much more significant if all taxpayers were equally satisfied.

TRA-JNIA is trying to improve the quality of its services by ensuring quick clearance of imports though this effort suffers setbacks due to the fact that TRA has rented offices from the Tanzania Airports Authority (TAA) that seem to be small compared to the number of service providers and taxpayers. The office space is small that is, it cannot accommodate enough computers and other machines that facilitate the business. Due to this tangibility factor, the provision of quality service suffers a severe blow as TRA employees at JNIA has no enough computers to serve the customer as quickly as possible only due to limited office space. This situation creates a state of customer dissatisfaction which ultimately decreases the tax revenue collection.

Basing on the study findings, the researcher drew up the following concluding remarks; First, since Service Quality Management was proved to be a vital instrument in excelling in tax revenue collection, then, TRA should ensure its employees provide services that always delight the customers. It was learnt by the researcher that some employees think
that taxpayers are obliged to pay their tax dues regardless of the kind of service rendered to them. This myopic perception has imposed serious damage to the performance of tax revenue collection in this country. This is because poorly served taxpayer would eventually find loopholes of avoiding or evading his/her tax liability. In combating this situation, TRA would again use its resources (both human and financial) which is normally costly. High quality service provision normally enhances tax compliance that leads to strong performance in tax revenue collection.

The study found that TRA publications and other promotional materials portray high quality service provision all the time. But again lack of close supervision and implementation strategies on the part of its employees causes unnecessary and serious service quality gaps which are detrimental to the performance of tax revenue collection. The researcher learnt that TRA has what it calls staff charter and taxpayer charter. These booklets stipulate the rights of TRA employee when serving the customer as well as the rights of taxpayers when being served. There must be a formal training for both TRA staff and taxpayers in order that they can understand the mutual benefit between them. This would totally eradicate those service quality gaps that endanger the performance of tax revenue collection.

Thirdly, the researcher learnt that some importers do not have clear understanding on issues pertaining to the international business especially taxation. For example, there is a Common External Tariff (CET) that determines tax rates on imports. These are controlled by the World Customs Organization (WCO) and International Monetary Fund (IMF) and can only be regulated by regional economic blocs such as EAC, SADC etc.

Individual country has no control over the global tax rates. It is the obligation of TRA to impart such education to its customers. Tax exemption was cited by few interviewees as another factor apart from service quality that has impact on the performance of tax revenue. Again, it is an obligation of TRA to ensure that tax exemptions are only given to those eligible importers/businesses and that the benefits of such exemptions are for the community welfare. People should not consider tax exemption as disastrous to other businesses. TRA must ensure that tax exemptions are only given to those eligible taxpayers as any abuse of this facility would adversely impact the performance of revenue
collection. Any unfair tax exemption benefits would create dissatisfaction and noncompliance to those who are not receiving it and erodes the existing tax base, and therefore leads to reduction in overall tax revenue collection.

Fourthly, according to the study findings, the impact of Service Quality Management rests on both the taxpayer, tax administering Agency (TRA) and the government as a whole. Provision of high quality services by TRA to the taxpayers impress them and make them compliant traders because their cost of doing business would be minimized. When their businesses prosper TRA would have automatically widened up its tax base in which import duty and other taxes are collected. This will assure TRA of more tax revenues. When TRA collects more revenues as a result of high quality service delivery, then, the government becomes economically stable in the provision of social services such as education, healthcare, infrastructure etc. in which every citizen becomes a beneficiary.

Lastly, but not the least, it has also been learnt by the researcher that provision of high quality services by TRA serves as a catalyst that speeds up the rate of tax revenue collection but remains unchanged after the attainment of increased tax revenue collection. This is because the quality of service must always be maintained at its high profile. In that regard, every tax system needs to promote high quality service, the service that is a hundred per cent defect-free as this would lead to a kind of civilized society, that is, the society that considers paying taxes voluntarily as a heroic act and tax evasion as a shameful act; when this level is reached, the reliance of our government on donor funds will be a historic phenomenon.

6.3.1 Recommendations
Service Quality Management is a weapon which every modern tax administration system needs to have. Basing on the result of this study, the researcher wishes to recommend the following which, if well implemented will contribute much in the continuous process of ensuring increased tax revenue collection through provision of high quality taxpayer services.

The quality of taxpayer services provided by TRA at JNIA was predicted by tangibility, responsiveness, reliability, and assurance and empathy determinants of service quality. An
improvement on the quality taxpayer services provided by TRA with focus on those determinants would raise annual performance of tax revenue at the region.

In order for the TRA to raise the performance of tax revenue collection at JNIA, enhancement of taxpayer services should focus on factors that determine the performance of tax revenue collection that is tangibles, responsiveness, reliability, assurance and empathy. For instance, TRA- JNIA offices were small and not appealing to customers. These offices belong to TAA (Tanzania Airports Authority) and were built in those days where the volume of international business were very low, but today, due to trade liberalization and globalization the level of international business has grown significantly. TRA should be allowed to build its own offices with own specification that is, enough space to accommodate enough officers and computers and other machines. This would facilitate quick processing of information and entries and help customers have reliable services by avoiding paying extra storage charges to the cargo handler. This would go a long way in reducing overcrowding of taxpayers at the TRA offices.

All TRA staff should be trained on customer care knowledge in order to improve their attitude and conduct towards dealing with taxpayers. Through training staff will get to know and understand that “the customer is always a king”. The training can improve their skills so that they can be more caring, willing to accommodate taxpayer views and constraints. They will know that employees should be easy to access and contact, willing to understand taxpayer needs and show individualized attention to the taxpayers; should be open minded to suggestions, able to customize the service and minimize waiting time when serving taxpayers. In general, training will eradicate their traditional perception that taxpayers are compelled by law to pay their tax obligations regardless of the kind of service they receive.

TRA should train staff so that they can be well informed and knowledgeable about both theoretical and practical aspects of tax laws, regulations and tax administration issues. This will help them to follow up on issues raised by taxpayers and give timely feedback; be confident and conduct business securely, ethically and confidentially thus building a good image of the TRA’s social responsibility.
Customer surveys should be introduced to find out the quality of service provided to taxpayers and obtain regular feedbacks on taxpayer services. This would help in identifying areas of weakness so as to devise means for improvement.

Establishment of study tour scheme is also recommended by the researcher. Under this scheme, the government through TRA can select some few countries both developed and developing and entered into partnership in which tax officers from respective countries may meet once a year. This move will facilitate exchange of experiences on how taxpayers are professionally served and be satisfied for the betterment of the performance of revenue bodies in their respective countries. Such scheme will impart formal skills of dealing with all kinds of customers at both local and international insight.

**6.4 Policies Implication**

In attempting to enhance the performance of revenue collection, TRA employees should confine themselves to the existing policies. Taxpayers also must be aware that they are being served within the boundaries of the policy.

The Government also is committed to the taxation policy that does not hinder growth in business and investment that is, equitable and fair, that has law compliance and administrative costs and that is as simple as possible. For instance, the Government fiscal policy was set to enhance revenue collection and improve expenditure management through expenditure control aiming at restraining the fiscal deficit.

The study has analysed the impact of service quality management in the performance of tax revenue collection. Factors contributing to the performance of revenue collection were identified. However, some studies have looked into the importance of institutional factors like quality of institutions and governance in addition to traditional measures in determining revenue performance. These factors are thought to influence tax revenue through their contribution to tax evasion and improper tax exemption. It is the obligation of the TRA now to ensure that provision of high quality taxpayer services would enhance tax revenue collection through reduced administrative and compliance costs and this must be supported by a strong political will otherwise all these efforts will not yield the desired outcome. The government should be responsive and able to secure the rule of law and
keep corruption under control. This appears to be an essential precondition for more adequate tax collection. It is obvious that when the taxpayer always receives high quality service the chance of him/her to evade tax is very minimal or not at all that is he/she becomes compliant. TRA would find it easy and cheaper to deal with a compliant trader than encountering non-compliance which is always costly in terms of human and financial resources.

Tax exemption is done under tax incentives for investors’ scheme also governed by the investment policy. TRA as a tax administration Agency is responsible to ensure that only eligible investor as defined under the policy enjoys tax exemption while undertaking a particular project of the national interest. Failure of TRA to supervise would result in unfair business competition and complaints from those disadvantageous businesses. In general, any misuse of this facility would be detrimental to the performance of tax revenue collection. More and more tax revenue would be lost in terms of dubious exemptions and more businesses would be dissatisfied as a result of sense of unfair treatment in tax obligations.

It has been established in this study that provision of high service to taxpayers would substantially increase tax revenue collection, however, quality services provided as a result of undue influence such social and political could have some negative impacts on the performance of tax revenue collection as it demoralizes those non-affiliates. For example, quick and high quality service provided to a particular taxpayer as a result of tax officers being bribed imposes a negative impact on the tax revenue collection. It is due to this scenario that TRA has established anti-corruption policy to deal with all corruption practices by TRA staff when dealing with provision of services to taxpayers. However, when these policies and laws lack proper willingness to their implementation, then, they impose less or no practical effect to the intended aspect and so the business continues as usual.

TRA has what it calls staff-charter and taxpayer-charter, these booklets aim at ensuring that every TRA employee knows his/her obligation toward delivering quality service to customers, likewise every taxpayer knows his/her rights to be served and of course his/her obligation to the service provider including furnishing correct import documents and other
relevant information to TRA in time in order to enhance clearance process. However, the researcher learnt that all these good publications are there but not properly imparted to the intended recipients. Most of taxpayers blindly complain as they do not know their rights and obligations; likewise TRA staff have these material but they do not read and practise them. Proper mechanisms need to be set by TRA to ensure these good and meaningful materials which have been prepared using a lot of our scarce resources are properly communicated to the intended group(s) and that the message is well delivered.
REFERENCES


Kasipilai, J (2000). Voluntary Tax Compliance and Understated revenue, Malaysia Insurance Institute, Malaysia.


www.macrothink.org/service

www.tanzania.go.tz/tra.html


Zeithaml, V.A; Parasuraman, A; Berry,L (1990a); *Balancing Customer Perceptions and Expectations*, New York: Free Press.
APPENDICES

Appendix 1: Questionnaire Forms No.1

(TO BE FILLED BY THE TAX PAYERS/IMPORTERS)

Dear respondent,

My name is Harold Simba, I am doing a study on Assessment of the Impact of Service Quality Management on the Performance of Tax Revenue collections. This research is part of requirement for completing my studies (MSc) at Mzumbe University. Your participation in completing this questionnaire will help me to complete the study successfully. Your information will be treated confidentially and will be used for the research purposes only; no way will it be conveyed to any unconcerned person for other purpose.

PART ONE: PERSONAL PARTICULARS

Name…………………………………………………………………………………………………………………………
Sex (a) male (b).female
Education level (a) secondary education b) diploma c) degree d) above

Does service quality determine your level of satisfaction of tax collection? Choose from the following statements

1= strongly disagree ( ), 2= Disagree ( ), 3= Somehow disagree ( ), 4= Agree ( )
5= Somehow agree ( ), 6=Agree ( ), 7= strongly agree ( )
PART TWO: SERVICE QUALITY DIMENSIONS

Expectations

DIRECTIONS: Express your true feelings of your expectations to rate each element about TRA from a scale of ‘1’ (Not at all essential) to ‘7’ (Absolutely essential) (Give a score out of 7 for every element)

Scale:  (1 = Not at all essential, 2 = Not essential, 3 = Somehow not essential, 4 = Neither essential nor not essential, 5 = Somehow essential, 6 = Essential, 7 = Absolutely essential).

E1. I expect, Physical facilities at TRA to be visually appealing

Score--------out of 7

E2. I expect, Employees of TRA to be neat-appearing

Score--------out of 7

E3. I expect, Materials associated with the service (such as pamphlets or statements) to be visually appealing

Score--------out of 7

E4. I expect, TRA to show sincere interest to solving customers problems

Score--------out of 7

E5. I expect, TRA to provide its services at the time it promises to do so.

Score--------out of 7.

E6. I expect, Employees of TRA to give prompt services to the customers.

Score--------out of 7

E7. I expect, Employees of TRA to feel safe in their transactions.

Score--------out of 7

E8. I expect, Employees of TRA to be consistently courteous with customers

Score--------out of 7
E9. I expect, TRA to have operating hours convenient to all their customers
Score--------out of 7

E10. I expect, the employees of TRA to understand the specific needs of their customers
Score----------out of 7

Perception - Give a score to each Perception out of 7 points
The following set statements relate to your feelings about TRA as a service provider of Tax collections. For each statement, please show the extent to which you believe the said Authority has the feature described by the statement.

DIRECTIONS; Indicate your true feeling about the actual experience (perception) by choosing a score from ‘1’ strongly disagree to ‘7’ strongly agree.
Scale; (1 = strongly disagree, 2 = Disagree, 3 = Somehow disagree, 4 = neither disagree nor agree, 5 = Somehow agree, 6 = Agree, 7 = strongly agree)

Choose one score from ‘1’ to ‘7’
P1. The company’s physical facilities are visually appealing. Score--------out of 7
P2. The company’s employees are neat-appearing. Score--------out of 7
P3. Materials associated with the service (such as pamphlets or statements) are visually appealing at the company’s premises. Score--------out of 7
P4. When I have a problem, the company shows a sincere interest in solving it. Score--------out of 7
P5. TRA provides its services at the time it promises to do so. Score--------out of 7
P6. Employees of TRA give me prompt services. Score--------out of 7
P7. I feel safe in my transactions with TRA. Score--------out of 7
P8. Employees of TRA are consistently courteous with me. Score--------out of 7
P9. TRA has operating hours convenient to all its customers. Score--------out of 7
P10. Employees of TRA understand the specific needs of customers Score--------out of 7
PART THREE: OVERALL EXPECTATION, PERCEIVED PERFORMANCE AND CUSTOMERS SATISFACTION (SERVICE QUALITY GAPS ANALYSIS)

With a scale from 1 = Very poor, 2 = Poor, 3 = Somehow, 4 = Somehow Good, 5 = Good, 6 = Very Good, 7 = Excellent; Give your score to the following;

1. Basing on your practical experience, does TRA perceive your expectations correctly?
   Score----------------out of 7

2. Does the company interpret the quality specifications correctly?
   Score------------out of 7

3. Is the company correctly translating your perceptions to improve the service delivery to meet your expectations?
   Score------------out of 7

4. From your own experience, do you think the company is always delivering what it has communicated to you?
   Score------------out of 7

5. Is the company meeting all your expectations?
   Score------------out of 7

   Thank you for taking the time and effort to complete this form!
QUESTIONNAIRE TO BE FILLED BY TRA EMPLOYEES

Dear respondent,

My name is Harold Simba, I am doing a study on Assessment of the Impact of Service Quality Management on the Performance of Tax Revenue collections.

This research is part of requirement for completing my studies (MSc) at Mzumbe University. Your participation in completing this questionnaire will help me to complete the study successfully. Your information will be treated confidentially and will be used for the research purposes only; no way will it be conveyed to any unconcerned person for other purpose.

PART ONE: PERSONAL PARTICULARS

Name………………………………………………

Sex (a) male (b).female

Education level (a) secondary education b) diploma c) degree d) above

Does service quality determine your level of satisfaction of tax collection? Choose from the following statements

1= strongly disagree ( ), 2= Disagree ( ), 3= Somehow disagree ( ), 4= Agree ( )

5= Somehow agree ( ), 6=Agree ( ), 7= strongly agree ( )
PART TWO: SERVICE QUALITY DIMENSIONS

Expectations

DIRECTIONS: Express your true feelings of your expectations to rate each element about TRA from a scale of ‘1’ (Not at all essential) to ‘7’ (Absolutely essential)
(Give a score out of 7 for every element)

Scale:  (1 = Not at all essential, 2 = Not essential, 3 = Somehow not essential, 4 = Neither essential nor not essential, 5 = Somehow essential, 6 = Essential, 7 = Absolutely essential).

E1. I expect, Physical facilities at TRA to be visually appealing
   Score--------out of 7

E2. I expect, Employees of TRA to be neat-appearing
   Score--------out of 7

E3. I expect, Materials associated with the service (such as pamphlets or statements) to be visually appealing
   Score--------out of 7

E4. I expect, the company to show sincere interest to solving customers problems
   Score--------out of 7

E5. I expect, the company to provide its services at the time it promises to do so.
   Score--------out of 7.

E6. I expect, Employees of the company to give prompt services to the customers.
   Score--------out of 7

E7. I expect, Employees of the company to feel safe in their transactions.
   Score--------out of 7

E8. I expect, Employees of the company to be consistently courteous with customers
   Score--------out of 7

E9. I expect, the company to have operating hours convenient to all their customers
   Score--------out of 7
E10. I expect, the employees of the company to understand the specific needs of their customers  

**Perception** - Give a score to each Perception out of 7 points

The following set of statements relate to your feelings about TRA as a service provider of Tax collections. For each statement, please, show the extent to which you believe your company has the feature described by the statement.

**DIRECTIONS:** Indicate your true feeling about the actual experience (perception) by choosing a score from ‘1’ strongly disagree to ‘7’ strongly agree.

Scale: (1 = strongly disagree, 2 = Disagree, 3 = Somehow disagree, 4 = Neither disagree nor agree, 5 = Somehow agree, 6 = Agree, 7 = Strongly agree)

**Choose one score from ‘1’ to ‘7’**

P1. The company’s physical facilities are visually appealing.  

P2. The company’s employees are neat-appearing.

P3. Materials associated with the service (such as pamphlets or statements) are visually appealing at the company’s premises.

P4. When I have a problem, the company shows a sincere interest in solving it.

P5. TRA provides its services at the time it promises to do so.

P6. Employees of TRA give customers prompt services.

P7. I feel safe in my transactions with the company.

P8. Employees of TRA are consistently courteous with customers.
P9. TRA has operating hours convenient to all its customers.  Score--------out of 7

P10. Employees of TRA understand the specific needs of customers  Score------out of 7
PART THREE: OVERAL EXPECTATION, PERCEIVED PERFORMANCE AND CUSTOMERS SATISFACTION (SERVICE QUALITY GAPS ANALYSIS)

With a scale from 1 = Very poor, 2 = Poor, 3 = Somehow, 4 = Somehow Good, 5 = Good, 6 = Very Good, 7 = Excellent; Give your score to the following;

1. Basing on your practical experience, does TRA perceive customers expectations correctly?
   Score-----------------out of 7

2. Does the company interpret the quality specifications correctly?
   Score------------out of 7

3. Is the company correctly translating customers’ perceptions to improve the service delivery to meet their expectations?
   Score------------out of 7

4. From your own experience, do you think the company is always delivering what it has communicated to customers?
   Score------------out of 7

5. Is the company meeting all customers’ expectations?
   Score------------out of 7

Thank you for taking the time and effort to complete this form!
QUESTIONNAIRE TO BE FILLED BY MEMBERS OF TRA MANAGEMENT TEAM

Dear respondent,

My name is Harold Simba, I am doing a study on Assessment of the Impact of Service Quality Management on the Performance of Tax Revenue collections. This research is part of requirement for completing my studies (MSc) at Mzumbe University. Your participation in completing this questionnaire will help me to complete the study successfully. Your information will be treated confidentially and will be used for the research purposes only; no way will it be conveyed to any unconcerned person for other purpose.

PART ONE: PERSONAL PARTICULARS

Name………………………………………………………………………………

Sex (a) male (b) female

Education level (a) secondary education b) diploma c) degree d) above

Does service quality determine your level of satisfaction of tax collection? Choose from the following statements

1= strongly disagree ( ), 2= Disagree ( ), 3= Somehow disagree ( ), 4= Agree ( )

5= Somehow agree ( ), 6= Agree ( ), 7= strongly agree ( )
PART TWO: SERVICE QUALITY DIMENSIONS

Expectations

DIRECTIONS: Express your true feelings of your expectations to rate each element about TRA from a scale of ‘1’ (Not at all essential) to ‘7’ (Absolutely essential)

(Give a score out of 7 for every element)

Scale:  (1 = Not at all essential, 2 = Not essential, 3 = Somehow not essential, 4 = Neither essential nor not essential, 5 = Somehow essential, 6 = Essential, 7 = Absolutely essential).

E1. I expect, Physical facilities at TRA to be visually appealing
Score--------out of 7

E2. I expect, Employees of TRA to be neat-appearing
Score--------out of 7

E3. I expect, Materials associated with the service (such as pamphlets or statements) to be visually appealing
Score--------out of 7

E4. I expect, TRA to show sincere interest to solving customers problems Score--------out of 7

E5. I expect, TRA to provide its services at the time it promises to do so. Score--------out of 7.

E6. I expect, Employees of TRA to give prompt services to the customers. Score--------out of 7

E7. I expect, Employees of TRA to feel safe in their transactions. Score--------out of 7
E8. I expect, Employees of TRA to be consistently courteous with customers
   **Score**--------out of 7

E9. I expect, TRA to have operating hours convenient to all their customers
   **Score**--------out of 7

E10. I expect, the employees of TRA to understand the specific needs of their customers
    **Score**--------out of 7

**Perception** - Give a score to each Perception out of 7 points
The following set of statements relate to your feelings about TRA as a service provider of Tax collections. For each statement, please show the extent to which you believe the said company has the feature described by the statement.

**DIRECTIONS;**
Indicate your true feeling about the actual experience (perception) by choosing a score from ‘1’ strongly disagree to ‘7’ strongly agree.

Scale; (1 = strongly disagree, 2 = Disagree, 3 = Somehow disagree, 4 = Neither disagree nor agree, 5 = Somehow agree, 6 = Agree, 7 = Strongly agree)

Choose one score from ‘1’ to ‘7’
P1. The company’s physical facilities are visually appealing. **Score**--------out of 7

P2. The company’s employees are neat-appearing. **Score**--------out of 7

P3. Materials associated with the service (such as pamphlets or statements) are visually appealing at the company’s premises. **Score**--------out of 7

P4. When I have a problem, the company shows a sincere interest in solving it. **Score**--------out of 7
P5. TRA provides its services at the time it promises to do so. **Score**---------out of 7

P6. Employees of TRA give prompt services to customers. **Score**-----------out of 7

P7. I feel safe in my transactions with customers. **Score**------------out of 7

P8. Employees of the company are consistently courteous with customers.
**Score**---------out of 7

P9. TRA has operating hours convenient to all its customers.
**Score**---------out of 7

P10. Employees of TRA understand the specific needs of customers
**Score**-------out of 7
PART THREE: OVERALL EXPECTATION, PERCEIVED PERFORMANCE AND CUSTOMERS SATISFACTION (SERVICE QUALITY GAPS ANALYSIS)

With a scale from 1 = Very poor, 2 = Poor, 3 = Somehow, 4 = Somehow Good, 5 = Good, 6 = Very Good, 7 = Excellent; Give your score to the following;

1. Basing on your practical experience, does TRA perceive your expectations correctly?
   Score---------------- out of 7

2. Does the company interpret the quality specifications correctly?
   Score------------ out of 7

3. Is the company correctly translating customers’ perceptions to improve the service delivery to meet their expectations?
   Score------------- out of 7

4. From your own experience, do you think the company is always delivering what it has communicated to customers?
   Score---------- out of 7

5. Is the company meeting all customers’ expectations?
   Score---------- out of 7

Thank you for taking the time and effort to complete this form!