Assessment of Large Taxpayers' Satisfaction with Tax Service Delivery System: A Study on Ethiopian Large Taxpayers' Office, Ethiopia

Dr. CH. Venkata Krishna Reddy
Assistant Professor,
Department of Public Financial Management and Accounting,
College of Finance, Management and Development, Ethiopian Civil Service University,
Addis Ababa, Post Box No.5648, Ethiopia

Haftay Desta Abay
Business Process Coordinator,
Tax Assessment and Collection Department, Ethiopian Revenues and Customs Authority,
KIRKOS Branch Office, Addis Ababa, Ethiopia

Abstract
The main objective of the study is to assess the large taxpayers' satisfaction with service delivery in Ethiopian Large taxpayers' office. To achieve the objective, the mixed research approach was employed in order to counter balance the quantitative and qualitative data results of the study and sample data was collected from 298 large taxpayers' by survey method. In survey method questionnaire and in-depth interview was used to collect the data. Quantitative data was analyzed by using descriptive and inferential analysis and thus, non parametric statistical test was used to test the hypothesis. Interview guides were designed to collect relevant information from tax officials and experts of the branch office. The collected data was analyzed by non- parametric test and correlation analysis with help of SPSS and Microsoft office excel. The result of the study revealed that service quality and delivery dimensions and complaints handling mechanisms have significant and positive correlation with large taxpayers' satisfaction. Finally, a due attention should be given to service quality dimensions, complaint handling procedure and service delivery dimensions to increase large taxpayers' satisfaction level in the branch office.
Keywords: Large taxpayers', Satisfaction, Service Quality, Service Delivery, Complaints Handling.

1. Introduction

The primary mandate of most tax administrations is to improve taxpayers' satisfaction and make certain compliance with tax laws (OECD, 2010). The idea of customer satisfaction has fascinated much attention in recent years. Organizations that try to analyze this concept should begin with an understanding of various customer satisfaction models. According to Aborampah (2010), satisfaction is a subjective concept and depends on so many factors and varies from person to person.

Service quality, effective service delivery and efficient complaints handling are the main indicator of customer satisfaction for governmental organizations in the 21st century. Government institutions specially tax administrations, have been launching new strategic approaches and reforms to ensure tax payers' satisfaction with quality and modern service to place tax payers at the centre of the tax administration system to achieve the overall objectives of any revenue authority. However, in practice, service quality practices in many public sector organizations are slow and further exacerbated by difficulties in measuring outcomes due to greater scrutiny from the public and the press, lack of freedom to act in an arbitrary fashion and a requirement for decisions to be based on law (Teicher *et al.*, 2002).

Like other countries, the Ethiopian Government adopted the Ethiopian Service Delivery Policy in 2001 with the main objectives of: ensuring efficiency and effectiveness of service delivery; equity in access to government services; and ensuring accountability for failure to provide services in public institutions including the revenue sector. Similarly, in 2001, the government also enacted the directive on *"complaints handling on public service delivery"* with the main objectives of: providing quick responses to customer complaints; collecting feed-back; and reducing the burdens of access to justice and legal institutions (Desta, 2008).

Furthermore, several tax reforms were under taken by the government of Ethiopia to modernise the tax administration of the country. According to the Ethiopian Revenues and Customs Authority (ERCA) establishment proclamation No.587/2008, ERCA is a governmental organization established for collecting revenue from Customs duties and Domestic taxes by establishing modern revenue assessment and collection system; as well as to render fair, efficient and quality service and complaints handling to taxpayers based on set of laws of transparency and accountability.

2. Statement of the Problem

The Ethiopian Government has been undertaking substantial reforms in reforming and modernizing the revenue administration to provide equitable, efficient and effective service to taxpayers. On the contrary, some researchers emerged to argue that tax administration in general and the service delivery in particular of the revenue sector is poorly performed. Despite the efforts taken by the government, there has been poor service delivery and the taxpayers continued to complain about the quality of the service, behaviour of the tax office staff, Poor handling taxpayer queries and complaints on tax matters, lengthy bureaucratic tax administrative procedures coupled with the nature of physical facilities in keeping and processing accurate and up to date taxpayer information. (ERCA, 2012).

From the researcher point of view, a lot of work has been done studying the customer's satisfaction with service provision by the private sector, especially in developed countries. But there is lack of sufficient study related to assessment of large tax payers' satisfaction with satisfaction determinant factors in service delivery of revenue bodies in Ethiopia. Very few studies such as a study by Temitm (2014) indicated that Business taxpayers in Addis Ababa- Ethiopia are not satisfied with the existing tax system.

Yesegat and Fjeldstad (2013), a study on Taxpayers' views of business taxation in Ethiopia, found that the limited capacity of tax administration service delivery resulted on taxpayers' dissatisfaction which, in turn, result on low compliance level, and poor revenue performance in Ethiopia. In addition, Yesegat and Fjeldstad (2016) conducted a study on Business people views of paying tax in Ethiopia; found that, taxpayers' satisfaction and service delivery have a statistically significant correlation. Moreover, LTO Customer service Business process tried to gather feedback through brochures and evaluate monthly on taxpayer perception toward the service. However, this is not on research basis.

Therefore, the lack of researches on assessment of large taxpayers' satisfaction with tax service delivery in ERCA-LTO motivated the researcher to conduct this study. To slim down the gap the researcher assessed the satisfaction level of large tax payers with tax service delivery mainly with service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy), Service delivery dimensions (equity, timely, ample, continuous, and progressive) and complaints handling mechanism (access, , efficiency and integration) provided by Large Taxpayers' office. So, this present research would add to that body of knowledge.

3. Literature Review

Many experts have defined the meaning of service in various ways. "Service" was an act, or performance, of people offered by one party to another. In addition, a service is an economic activity that creates value and provides benefits for clients at specific times and places, with the result of bringing about a desired change, in or on behalf of, the recipient of the service (Lovelock, 2004). Public services operate within a legal and financial framework that is very different from the profits-driven private sector. Moreover, the public sector is, collectively, the world's largest service provider. Any incremental improvement in public services positively impacts millions of people. The first step to 'delivering the customer promise' is to know your customers and their needs (Gaster and Squires, 2003).Measuring service quality and customer satisfaction is a central issue to evaluate the Public Service Delivery Reforms implementation. It is the best instrument to check whether the tax reform program has been successful or not. However, it is not an easy task. The challenge arises from the absence of a universal definition of quality services and measurement indicators.

On the other hand, satisfaction can be defined as a person's feeling of pleasure or disappointment resulting from comparing one's perception of a performance received (an outcome) and one's initial expectations. If performance falls short of expectations, the client is dissatisfied. On the contrary, if performance matches expectations, the client is satisfied. If performance exceeds expectations, the client is highly satisfied or delighted (Kotler, 2000: p. 36). There are many taxpayers satisfaction driving factors that need to examine so as accurately measure it. According to Oliver (1993), Parasuraman et al. (1988), and Groonroos (1994), service quality and customer service experience could influence customer satisfaction. Wilson et al. (2008) as sited in Amanfi (2012) stated that other than service quality such as price or compliance cost, product quality, complaint handling and employee satisfaction can determine customer satisfaction. In relating taxpayer satisfaction and service quality, researchers have been more precise about the meaning and measurements of satisfaction and service quality. Satisfaction and service quality have certain things in common, but satisfaction generally is a broader concept, whereas service quality focuses specifically on dimensions of service (Wilson et al., 2008). The SERVQUAL instrument is the most popular and widely used instrument to measure service quality (Suresuchandar et al., 2002: 363). In this study, the researcher included to some extent modified SERVQUAL instrument in a comprehensive questionnaire in relation to the five service quality dimensions (tangibles, reliability, responsiveness, assurance and empathy) to assess large taxpayers' satisfaction level with tax service delivery in the study area.

Millett (1954) pointed out that in a democratic government, public organizations focus on very specific service dimensions in order to deliver a satisfactory service to taxpayers. He focused on five dimensions of

service that create taxpayer satisfaction such us: Equitable service, Timely service, ample service, Continuous service, and Progressive service

Moreover, effective complaint handling is also a determinant factor for taxpayers' satisfaction. According to Commonwealth Ombudsman (2009) five fundamental principles are observed in governmental organizations in effective complaints handling system to enhance customer's satisfaction. The five fundamental principles effective complaints handling system for better taxpayers' satisfaction are: Fairness, Accessibility, Responsiveness, Efficiency and Integration. However, to avoid redundancy and repetition of some complaints handling mechanism variables with service quality and service delivery dimension variables which have almost similar meaning, only Accessibility, Efficiency and Integration Variables of complaints handling mechanisms were used in this study.

4. Objectives
This study attempts to answer the following research objectives.
1. To assess the relationship of large taxpayers satisfaction with service quality dimensions
2. To test the relationship of large taxpayers satisfaction with service delivery dimensions.
3. To examine the relationship of large taxpayers satisfaction with complaints handling mechanisms in the Revenue office.

5. Hypothesis
H1: There is a significant correlation between service quality dimensions and large taxpayers' satisfaction in LTO.

H2: There is a significant correlation between service delivery dimensions and large taxpayers' satisfaction in LTO

H3: There is a positive correlation between Complaints handling mechanisms and large taxpayers' satisfaction in LTO.

6. Methodology
The researcher has used a mixed research approach. The reason to use this approach was to address problems of the study from different perspectives. The researcher used primary and secondary data sources. Questionnaires and interviews were used as the main instruments for data gathering from large taxpayers' and tax officials and tax officers. The questionnaire was structured in a five - point likert- type scale questionnaire, with responses options ranging from 'Highly dissatisfied' (coded as 1) to 'Highly satisfied' (coded as 5). The target population or universe of the study was the 1160 registered categories ''A'' large taxpayers of the revenue office as of the data from tax office. The sample size of the study was 298 large taxpayers'. In this study, the researcher was used probability specifically simple random sampling techniques.

7. Results and Discussions
7.1 pilot study
Pilot test was performed to determine the appropriateness and relevance of the questions in the instrument. Test of content validity was performed which was measuring to the extent of the instrument provides adequate coverage, representativeness of the universe, specificity and clarity of the topic under study. The instrument was provided to two academicians and three practitioners who assessed each item thoroughly. This early draft was also distributed and piloted on 25 large taxpayers of Large Taxpayers' Branch Office. Based on the feedback, several modifications were made to the wording of some questions and some less important and unscientific questions were deleted to reduce the length of the questionnaire.

7.2 Reliability and Validity Test
7.2.1 Reliability
The researcher used Reliability test analysis for the assessment large taxpayers' satisfaction with the satisfaction determinant factors using Cronbach's alpha (α). Cronbach's alpha is the most common and widely used measure of internal consistency (reliability) when data have multiple Likert questions in a questionnaire that forms a scale to decide whether the scale is reliable or not (Adam and Mark, 2016).

Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer the coefficient is to 1.0, the greater is the internal consistency of the items (variables) in the scale. Moreover, the widely acceptable cut – off level of Alpha value in most social science research is 0.7 (Hulland, 1999).The Cronbach's alpha (α) of the scale used in the research is 0.95 which is far greater than 70%.The scales with the coefficient alpha above 0.90 are considered to have *excellent reliability* (George and Mallery , 2003)). This shows that there is very high internal consistency and reliability in the questionnaire. Therefore, the level of alpha was considered to be reliable enough to proceed with the data analysis.

Table-1: Reliability Statistics Test

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.950	.950	31

Source: Compiled from survey questionnaires using SPSS V21, (2017)

7.2.2 Validity

Validity, on the other hand, is a general term denoting ''correctness of measure'' (Yaremko, 1982). To be valid instrument the survey questions must measure the identified dimension or construct of interest (Zaja and Blair, 2005). Factor analysis is a statistical technique that used to assess the construct validity.

Table-2: Validity test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.939
Bartlett's Test of Sphericity	Approx. Chi-Square	5620.309
	Df	595
	Sig.	0.000

Source: Compiled from survey questionnaires using SPSS V21, (2017)

Moreover, the content validity and face validity of the study were evaluated and checked by friends and research experts during the development of questionnaires to be convenient and attractive for respondents.

7.3. Demographic Information of the Respondents

Table-3 shows the Gender and Age of large taxpayers' representative respondents.

Table-3: sex and Age of Respondents

Gender of respondents			Frequency	Percentage
Sex	Valid	Male	150	50.3
		Female	148	49.7
		Total	298	100.0
Age of respondents			**Frequency**	**Percentage**
Age	Valid	20-30 years	144	48.3
		31-40 years	108	36.2
		41-50 years	44	14.8
		above 50 years	2	.7
		Total	298	100.0

Source: Compiled from survey questionnaires using SPSS V21, (2017)

According to the table 3 above, the propitiation of male respondents out of 298 was 50.3 % and the remaining 49.7% are female respondents. Concerning age of respondents majority (48.3%) were 20-30 years, 36.2% of respondents were 31-40 years, 14.85% were 41-50 years and only 0.7% of respondents were above 50 years.

7.4 Taxpayers perception towards service quality dimensions

Table 4: Friedman Test Mean Ranks of service quality dimensions

	Mean Rank
Office physical facilities availability cleanness' and attractiveness (**tangibility**)	2.30
Provision of correct and accurate information to taxpayers'(**Reliability**)	2.94
Employees helpfulness and co-operation to large taxpayers (**Responsiveness**)	3.15
Employees courteousness and respectfulness with large taxpayers (**Assurance**)	2.88
LTO has convenient service hours to large tax payers (**Empathy**)	3.73

Source: Compiled from survey questionnaires using SPSS V 20, (2017)

From the above Table 4 it can be seen that the study respondents tend to have a higher agreement on tax office has convenient work hours (Mean Rank = 3.75) followed tax employees are helpful (Mean Rank = 3.15) and lowest agreements on LTO office physical facilities availability cleanness' and attractiveness (Mean Rank = 2.30) and Employees courteousness and respectfulness with large taxpayers (Mean Rank= 2.83) respectively.

So, to test whether these observed differences are statistically significant or not we apply the Fried man procedure test. The SPSS output of the Friedman Test Statistics for service quality dimensions is shown below.

Table 5: Friedman Test Statistics for service quality dimensions

Test Statistics [b]	
N	298
Chi-Square	184.987
Df	4
Asymp. Sig.	.000
b. Friedman Test	

As reported in the Table 5 above, the computed Friedman Chi-square statistics is 184.987 with four degree of freedom and the Asymptotic p-value is 0.000 which is less than 0.05; decision is reject the null hypothesis (Ho) and we conclude that the observed difference in the rankings among the service quality variables such as office facilities, provision of correct information, employees helpfulness, employees courtesy, convenience of service hours are not simply by chance. That means the levels of concern of taxpayers towards the items in service quality are statistically different.

In conclusion, regarding service quality dimensions, taxpayers were somewhat dissatisfied with tangibility, reliability, Responsiveness and Assurance dimensions. However they have better satisfaction with empathy dimensions.

7.5 Friedman Test on Service Delivery Dimensions

Table 6: Friedman Test Mean Ranks of Service Delivery Dimensions

	Mean Rank
LTO treated all large taxpayers equally (**Equity service**)	3.43
LTO provide consistent tax education service (**Timely Service)**	**2.68**
LTO provides the right e- tax service **(Ample service)**	**2.68**
Availability of service to large taxpayers **(continuous service)**	3.12
The revenue office has shown a significant improvements in serving large taxpayers **(progressive service)**	3.08

Source: Compiled from survey questionnaires using SPSS V 20, (2017)

From the above Table 6, it can be seen that the study respondents tend to have a higher agreement on LTO treated all large taxpayers equally (Mean Rank = 3.43) followed by LTO provides continuous service (Mean Rank = 3.12) and lowest agreements on LTO give service as per the specified time standards (Mean Rank = 2.68) and LTO provides the right e- tax access to all taxpayers (Mean Rank= 2.68) respectively.

Moreover, to test whether these observed differences are statistically significant or not we apply the Fried man procedure test. The SPSS output of the Friedman Test Statistics for service delivery variables is shown below.

Table 7: Friedman Test Statistics for service Delivery Dimensions

Test Statistics [b]	
N	298
Chi-Square	65.117
Df	4
Asymp. Sig.	.000
b. Friedman Test	

As reported in the Table 7 above, the computed Friedman Chi-square statistics is 65.117 with four degree of freedom and the Asymptotic p-value is 0.000 which is less than 0.05; decision is reject Ho and we conclude that the observed difference in the rankings among the service delivery variables such as equal treatment of large taxpayers, delivery of service within time standards, effective e-tax service, availability of service, and improvements in service delivery are not simply by chance. That means the levels of concern of taxpayers towards the items in service delivery are statistically different.

In sum, concerning service delivery dimensions, large taxpayers were disagreed (dissatisfied) with Timely service and ample service dimensions, but they were satisfied with equitable, continuous and progressive service dimensions in the branch office.

7.6 Friedman Test for Complaints handling mechanisms

Table4.6 below depicts Friedman Ranks taxpayers' responses on Complaints handling mechanism of Large Taxpayers' Office.

Table 8: Friedman Ranks of Complaints handling mechanisms

Ranks	Mean Rank
LTO facilitates large taxpayers' to deliver their complaints in variety of ways /example- in person, by telephone, by mail, and using the internet/ **(Accessibility)**	2.10
Revenue office solves complaint as quickly as possible (**Efficiency**)	1.88
LTO has strong internal and external integration to solve large taxpayers' complaints timely **(Integration)**	2.03

Source: Compiled from survey questionnaires using SPSS V 20, (2017) and own summary

As indicated in Table 8 above, one can see that the respondents tend to have the same satisfaction on LTO deals with complaint impartially and confidentially and the lowest satisfaction on Revenue office solves complaint as quickly as possible. However, it is difficult to give conclusion only based on the above descriptive statistics. Therefore, further analysis is needed by using the Fried man test to know whether these observed differences are statistically significant or simply by chance. The SPSS output of the Friedman Test Statistics for Complaints handling mechanisms is shown below.

Where: M =Median 1, 2, and 3 are LTO facilitates large taxpayers' to deliver their complaints, Revenue office solves complaint as quickly as and LTO has strong internal and external integration respectively.

Table 9: Friedman Test Statistics on Complaints handling Mechanisms

Test Statistics [a]	
N	298
Chi-Square	15,696
Df	2
Asymp. Sig.	.000
Exact Sig.	.000
a. Friedman Test	

Source: Compiled from survey questionnaires using SPSS V 20, (2017)

As shown in the Table 9 above, the computed Friedman Chi-square statistics is 15.696 with two degree of freedom and the Exact p-value is 0.000 which is less than 0.05; decision is reject the null hypothesis (Ho) and we conclude that the observed difference in the rankings among the complaints handling mechanism variables such as LTO facilitates large taxpayers' to deliver their complaints in variety of ways , LTO solves complaints quickly and LTO has strong internal and external integration are not simply by chance. That means the levels of concern of taxpayers towards the items in complaints handling are statistically different.

7.7. Test of Association of Large Taxpayers' on Satisfaction Determinants
7.7.1 The spearman Rank correlation coefficient
Since the data gathered from large taxpayers to assess their satisfaction with quality service dimensions, service delivery dimensions and complaints handling mechanism in LTO is ordinal data in ranks, the appropriate test of their correlation (association) is the Spearman rank correlation coefficient to compute the association as follows.
7.7.1.1 Correlation between service Quality and large taxpayers' satisfaction
Table 10 below shows spearman Rank correlation between large taxpayers' satisfaction and service quality.

Table 10: Service quality Dimensions

			Large Taxpayers Satisfaction with Service quality dimensions	Tangibility	Reliability	Responsiveness	Assurance	Empathy
Spearman's rho	Large Taxpayers Satisfaction With service quality dimensions	Correlation Coefficient	1.000	.305[**]	.385[**]	.358[**]	.381[**]	.372[**]
		Sig. (2-tailed)		.000	.000	.000	.000	.000
		N	298	298	298	298	298	298

**. Correlation is significant at the 0.01 level (2-tailed).
Source: Compiled from survey questionnaires using SPSS V 20, (2017

H1: There is a significant correlation between service quality dimensions and large taxpayers' satisfaction in LTO.

Hypothesis-1
Ho: $\rho = 0$ (There is no Correlation between service quality dimensions and Large taxpayers' satisfaction)

H1: ρ ≠ 0 (There is Significant Correlation between service quality dimensions and large taxpayers' satisfaction)
Where, ρ is the Greek word Spearman's rho

Generally, the p-value of all service quality dimensions is 0.000 which is less than 1%, decision is reject the null hypothesis (Ho) and conclude that there is a significant and positive correlation between service quality dimensions and large taxpayers' satisfaction at the 1% level of confidence. That means, the more quality service given by the revenue office, the higher the satisfaction of large taxpayers.

7.7.1.2. Correlation between Service Delivery dimensions and large taxpayers' satisfaction
Table-11 below shows spearman Rank correlation between large taxpayers' satisfaction and Service Delivery Dimensions.

Table 11: Correlation between Service Deliver Dimensions and Large Taxpayers' Satisfaction

Correlations				Equitable service	Timely Service	Ample service	Continuous service	Progressive service
Spearman's rho	Large Taxpayers Satisfaction with Service delivery Dimensions	Correlation Coefficient	1.000	.289**	.266**	.374**	.209**	.333**
		Sig. (2-tailed)		.000	.000	.000	.000	.000
		N	298	298	298	298	298	298

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Compiled from survey questionnaires using SPSS V 20, (2017)

H2: There is a significant correlation between service delivery dimensions and Large taxpayers' satisfaction in LTO

Hypothesis-2

Ho: ρ = 0 (There is no Correlation between service delivery dimensions and large taxpayers' satisfaction)
H1: ρ ≠ 0   (There is Significant Correlation between service delivery dimensions and large taxpayers' satisfaction)

Where, ρ is the Greek word Spearman's rho

Since the p-value for all service delivery dimensions is 0.00 which is less than 1%, we reject the null hypothesis (Ho) and conclude that there is a significant and positive correlation between service delivery dimensions and large taxpayers' satisfaction level at the 1% level of significance. That means the more effective service of the branch office, the higher the satisfaction of large taxpayers.

7.7.1.3. Correlation between Complaints handling and large taxpayers' satisfaction
Table below shows spearman Rank correlation between large taxpayers' satisfaction and Complaints Handling Mechanism.

Table 12: Correlation between Complaints Handling Mechanisms and Large Taxpayers   Satisfaction

			Large taxpayers satisfaction	Accessibility	Efficiency	Integration
Spearman's rho	Large taxpayers satisfaction with Complaints handling mechanisms	Correlation Coefficient	1.000	.352**	.399**	.427**
		Sig. (2-tailed)		.000	.000	.000
		N	298	298	298	298

Source: Compiled from survey questionnaires using SPSS V 20, (2017)

H3: There is a positive correlation between Complaints handling mechanisms and large taxpayers' satisfaction in LTO.

Hypothesis-3

Ho: ρ = 0 (There is no Correlation between Complaints Handling Mechanisms and large taxpayers' satisfaction)
H1: ρ ≠ 0   (There is Significant Correlation between Complaints Handling Mechanisms and large taxpayers' satisfaction)

Where, ρ is the Greek word Spearman's rho.

Since the p-value for all complaints handling mechanisms is 0.000 which is less than 1 %, we reject the null hypothesis (Ho) and conclude that there is a significant and positive correlation between complaints handling mechanisms and large taxpayers' satisfaction level at the one percent level of significance. That means, the more efficient the revenue office in solving taxpayers' complains, and the greater the taxpayers' satisfaction would be.

In conclusion, service quality dimensions, service delivery dimensions and complaints handling mechanisms have significant and positive correlation with large taxpayers' satisfaction in the Large Taxpayers' branch Office (LTO). That means, the higher the quality of service in the branch office, the more taxpayers satisfaction, the more effective the service delivery in the revenue office, the higher the taxpayers satisfaction, and the more efficient the revenue office in complaints handling, the higher the satisfaction of large taxpayers.

8. Conclusions

The Purpose of this study was assessing large taxpayers' satisfaction with special emphasis on service quality dimensions, service delivery dimensions and complaints handling mechanism in large taxpayers' branch office. To achieve the objectives of the study, the researcher used mixed research approach. Moreover, the results of the survey were coupled with the data obtained from the in-depth interview used to analyse the large taxpayers' satisfaction with quality service dimensions, service delivery dimensions and complaints handling mechanism of the Large Taxpayers' Branch Office. There is a significant difference in the mean ranks of Large Taxpayers' satisfaction with Service quality dimensions, service delivery dimensions and complaints handling mechanisms.

Service Quality Dimensions:

Large taxpayers were more dissatisfied with service quality dimension aspects such as parking facility availability, staff appearance in office, service delivery as per the standard time, provision of accurate and correct information, tax employees courteous, and confidence and staff adequacy of the branch office. However, taxpayers' were also dissatisfied with service quality dimension variable like office location, use of modern technology, taxpayers file and record management, office service hours of the branch office and individual attention of LTO on large taxpayers.

Service Delivery Dimensions:

This study revealed that the level of large taxpayers' concern towards the service delivery dimensions was statistically different. That is, large taxpayers are more dissatisfied with timely service delivery, tax education programs and e-tax service of the branch office. But they are satisfied with equal treatment of the revenue office to all large taxpayers, availability of tax employees on their job, and on some improvements of the revenue office in service delivery to large taxpayers. Furthermore, the study finding indicated that the main service delivery problems in LTO were staff attitude, skill and knowledge gap, delay/fear/ in giving timely decision, network problem, inconsistent taxpayers education and staff ethical problem respectively.

Complaint Handling Mechanisms:

The large taxpayers were dissatisfied with Accessibility, Efficiency and Integration dimensions. Moreover, the level of concern of large taxpayers toward service quality dimensions, service delivery dimensions and complaints handling mechanism are statistically different. The concern of large taxpayers was higher on service quality dimensions (mean rank = 2.18) as compared to service delivery dimensions (mean rank = 1.97) and complaints handling mechanism (mean rank =1.84).

Finally, the Correlation coefficient results and findings of the study has shown that there is a significant and positive correlation between taxpayers satisfaction and quality service dimension', service delivery dimensions and complaints handling mechanism at the 1% level of confidence in the Large Taxpayers' Branch Office.

9. Recommendations

9.1. Recommendation to Policy Makers

❖ Policy makers should give a due attention for proper implementation of the service delivery tax reform strategies of the country by the revenue office to achieve the intended objective of addressing taxpayers' satisfaction and ensuring good governance in the revenue sector by delivering equitable, efficient and quality service to large taxpayers.

9.2. Recommendation to ERCA

❖ ERCA should give unreserved consideration to the human resource capacity development of tax employees of LTO to build confidence, positive attitude, integrity, commitments and motivation in their day to day interaction with large taxpayers.

❖ ERCA should develop a clear directive on its staff appearance and dressing styles in office hours in a manner that is appealing to taxpayers.

❖ ERCA Should further modernize its tax information system by bring proper and compatible data base with tax system in general, e-tax and e-payment service in particular to solve the network problem by making regular dealing with Ethio-telecom to improve satisfaction of large taxpayers.

9.3. Recommendation to LTO

❖ The revenue office should create conducive working environment by solving the parking facility problem of large taxpayers in co-operation with ERCA Head office and other concerned government bodies.

❖ LTO should give consistent training to large taxpayers on general tax laws and need based trainings like e-tax to broaden their awareness in fulfilling their duties and responsibilities.

❖ Complaints handling is not only the duty of complaint handling unit or committees, it needs the cumulative effort of all tax employees and officials.

❖ The branch office should focus on improving all these determinant factors of large taxpayers' satisfaction as per their order: quality dimensions (Assurance, Tangibility, Reliability, Responsiveness and Empathy

respectively), service delivery dimensions (Timely service, ample service, progressive service, continuous service and equitable service respectively) and Complaints handling procedures (Efficiency, Integration, and Accessibility) respectively.

9.4. Recommendation to LTO

❖ Large tax payers should play their pivotal role in improving the service delivery system of the revenue office by discussing the tax service delivery problems, cooperating with tax office, using modern technologies' like e-tax system by assigning right persons to attend any e-tax related training and allow them to give training to other employees of their company to avoid the inconsistency in using the system.

10. Limitations and Future directions

This study is limited in its scope on assessing the External Customers / Large taxpayers'/satisfaction on service quality dimensions, service delivery dimensions and complaints handling system of the Large Taxpayers' Branch Office. Therefore, future study should include other taxpayers' satisfaction determinant factors like employees' customer handling culture and effect of employees' motivation on taxpayers' satisfaction.

11. Contribution

This study contributes to the existing body of knowledge in the field of Taxpayers' service delivery from the perspective of taxpayers in general, to Ethiopian literature in particular. Officials and employees any Revenue Authority and other stakeholders can make use of this research output to device their service delivery strategies to address efficient and effective service to taxpayers so that they can increase taxpayers' satisfaction and compliance levels in order to collect sufficient revenue for the government.

References

1.   Adam L.and Mark L. (2016), Laerd Statistics; Cronbach's Alpha (α) using SPSS Statistics: available at; htpps:// statistics.laerd.com/spss
2.   Aborampah, A.(2010), Customer satisfaction in the Banking Industry: A Comparative study of Ghana and Spain, PHD Thesis submitted to the University of De Girona.
3.   Amanfi, J. (2012).Service Quality and Custmer Satisfaction in Public Sector Organizations.a Case Study of theCommission of Humman Right and Administrative Justice, Ghana.
4.   Commonwelth Australia (2009). Better Practiece Guide to Complaints handling, Commonwealth Ombudsman, and Canberra Australia.
5.   Desta,T. (2008), Public service Delivery Reform and Customer Satisfaction in Ethiopia, AMasters Thesis Submited to Addis Ababa University.
6.   Ethiopian Revenue and Customs Authority, (2012), Annual Report Evalution.
7.   Gaster, Lucy and Squires, Amanda (2003); Providing Quality in the Public Sector: A Practical Approach to improving Public Services. USA: Open University Press
8.   Her Majesty's Government, (2007); Prometing customer satisfaction, Guidance on the customer experience in public service,United Kinkodom.
9.   Joseph A. Gliem and Rosemary R. Gliem, (2015), Calculating, Interpreting and Reporting Cronbach's Alpha Reliabilty Coefficien for Likert-Type Scales; Midwest Research to Practice Conference in Audit, Continuing, and Community Education
10. Jofreh M. and Rostami A (2014), An investigation the effect of improving taxpayers service satisfaction in Tehran: International Journal of Basic and Applied Research, Vol., 3 (SP), 198-203, 2014.Available at http://www.isicenter.org
11. Kent Annah, (2005). The Quality of Taxpayer Services and The Performance of Income Tax Revenue Collections, Master's thesis, Makerere University, Kampala.
12. Kotler, P. (2003); Marketing Insights from A to Z. New Jersey: John Wiley & Sons, Inc
13.   Kotler, P. (2008); Marketing Management, 14 Editions. New Jersey: Prentice Hall.
14. Kotler, P. (2012) Marketing Management, 14 Editions. New Jersey: Prentice Hall
15. Kotler, P., Keller,K.(2013); Marketing Management,14th Edition. Pearson Horizon Editions
16. Large Taxpayers Office. (2014), Annual Report performance Evaluation: Addis Ababa,Ethiopia
17. Large Taxpayers' Office. (2015- 2016) Annual report Performance Evaluation: Addis Ababa,Ethiopia
18. Lovelock, C. and Wiritz, J(2004), Service Marketing, People, Technology, Strategy (5th ed.), Pearson Edition, International
19. Maroundas, T., Aggelopuos, St, Menexes, G. (2009). Measuring Customer Satisfaction and Service Quality in the Greek Tax Administration System. 6th International Conference on Enterprise Systems, Thessaloniki, Greece.
20. OCED, (2010), 'Forum on tax administration: compliance management of large business tax group;

experiences and practice if eight OECD countries', OCDE, Paris.

21. Parasuraman, A, Zeithaml, V. and Berry, L. (1988), *"SERVQUAL: a multiple item scale for measuring customer perceptions of service quality", Journal of Retailing,*64 /(1):12–37

22. Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1989). *A conceptual model of service quality and its implications for future research*, *Journal of Marketing*, 49, 41-50

23. Shibeshi, G., 2014, Assessment of VAT tax payers satisfaction on service delivery. A case of Merkato No.1 branch office, Master's thesis, Ethiopian Civil Service University

24. Temtime, D., 2014, Business Tax payers Satisfaction with tax system. A case of Addis Ababa, Msc thesis, Addis Ababa University.

25. The Federal Democratic Republic of Ethiopia 2001. Service Delivery Policy in the Civil Service, Addis Ababa

26. Teicher, J., Hughes, O. and Dow N. (2002). E-government: a new route to public service quality, Management Service Quality, vol.70,pp.423-433

27. Wilson et. Al. 2002. Services Marketing, McGraw-Hill Education

28. Yesegat,W. and Field Stad, O-H. (2013), Taxpayers' Views' of business taxation in Ethiopia: preliminary results from in-depth interview, a paper presented at ICTD's annual meeting hola-10-12 December1013, Lome Togo.

29. Yesegat,W. and Fjeldstad, O-H. (2016), Business peoples' Views' of paying tax in Ethiopia: ICTD Working paper 43