AN EMPIRICAL INVESTIGATION INTO THE QUALITY OF SERVICE IN SELECTED BRANCH OFFICES OF SOUTH AFRICAN REVENUE SERVICES

by

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Submitted in partial fulfilment of the requirements for the degree of

Master of Business Administration at the North-West University

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March 2012

ABSTRACT

Through observation of the service protests that took place across the country and which were reported on television, print media and radio, one can suggest that provision of quality service in Government sectors has been a challenge for many years. To define and measure the quality of service that is provided by the service offering institutions is a challenge. The South African Revenue Services (SARS) is no exception in this regard. It is being perceived as one of the better performing institutions of Government, having been awarded top honours in the inaugural Public Service Excellence Awards in October 2009, the Grand Prix Platinum Award for Best Reputation of all Government departments and State-Owned entities. SARS further received four gold awards for overall effectiveness, service orientation, service orientation in rural areas, as well as best reputation in the Financial Services category (SARS Annual Report, 2009-2010:14). The SERVQUAL scale was used in this study to measure the quality of service that SARS is providing to the taxpayers in its branch offices. A questionnaire was developed based on the elements of SERVQUAL and the Batho Pele Principles, and given to taxpayers who voluntarily agreed to participate in this study at the selected branch offices in September and October 2011. From the results of this study, it was found that the majority of taxpayers' expectations on tangibles were met and the expectations of the taxpayers in terms of assurance were also met. 55% of the respondents were satisfied that the quality of the treatment that they experienced at the SARS branch offices was aligned with Batho Pele Principles.

DECLARATION

I, Talitha Nkukuni Muade, hereby declare that:

- The work in this study is my original work;
- Recognition has been given to all the sources used in this study; and
- This dissertation has not been previously submitted to any recognised educational institution in fulfilment of the requirements for an equivalent qualification.

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Talitha Nkukuni Muade   June 2013

ACKNOWLEDGEMENTS

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CHAPTER 1

AN OVERVIEW OF THE STUDY

1.1   Introduction

Revenue collection is a driver of SARS's performance and is central to the mandate of SARS as contained in the SARS Act (34 of 1997). As stated in the SARS Annual Report (2009-2010:11), since its inception in 1997, SARS has understood its mandate of collecting all revenue due to the state and administering trade as much more than merely doing the job. This mandate is a calling to a higher purpose, namely to contribute to the economic and social development of the country through collecting the resources needed by Government to meet its policy and delivery priorities (SARS Annual Report, 2009-2010:11).

SARS's mandate in terms of the South African Revenue Service Act (No. 34 of 1997) is to collect all revenue due, ensure maximum compliance with tax and customs legislation and provide a customs service that will maximise revenue collection, protect the South African borders and facilitate trade. The different types of taxes that SARS collects as stated in the 2009 Tax Statistics are personal income tax, corporate income tax, and value-added tax and customs/import duties. Currently SARS has 47 branches across the country, with representation in all nine regions. These branches provide services to the taxpayers.

The layout of Chapter 1 consists of an introduction, background, problem statement, objectives of the study, research and methodology, chapter layout and a conclusion.

1.2   Background

South African Revenue Services (SARS) was established by legislation to collect revenue and ensure compliance with tax law. In accordance with the SARS Act (34 of 1997), SARS is an autonomous organ of the state which offers an administrative service that is outside the public service but within public administration. As an organ of the state, its mandate outlines its obligations towards the state and its people: to ensure maximum compliance with tax and customs legislation, to collect all revenue due and to facilitate legitimate trade.

As stated in the SARS strategic plan 2011/12-2012/14, SARS's mandate is in support of a higher purpose, namely to contribute directly to the economic and social development of the country through collection of the revenue needed by Government. This is to meet its policy and delivery priorities, building a generally compliant society through achieving tax and customs compliance and building institutional respectability across the value chain.

According to Gordhan in his speech in the SARS strategic plan of 2011/12 – 2013/14, SARS's capability to ensure sustainable revenue yield over this period will remain a crucial determinant of how effective Government will be in stimulating growth in the economy and also in successfully realising real progress on its five key priorities: improving education, improving health care, fighting crime, improving rural development and creating jobs. Minister of Finance Pravin Gordhan's foreword in SARS' strategic plan of 2011/12 – 2013/14 highlighted the urgency for Government to deliver on these priorities and this was reaffirmed in both Zuma's State of the Nation Address for 2011 and in the 2011 Budget Speech.

1.3 Problem Statement

Through observation of service protests that are shown on different media, service delivery among government sectors has been a challenge for many years. In 1997, the South African Government launched the Batho Pele Principles with the aim of transforming Service delivery. Batho Pele, a Sesotho expression that means "People First", is an approach to get public servants committed to serving people and to find ways to improve service delivery (South Africa, 1997). This approach also requires the involvement of the public in holding the Public Service accountable for the quality of service provided.

The Income Tax Act 58 of 1962 provides the framework within which the Commissioner must operate in order to calculate a taxpayer's liability and collect the correct amount from the taxpayer (Tax Statistics, 2009:13). It is therefore important for SARS to ensure that taxpayers are satisfied with the level of service they receive. Although it is a legal obligation of taxpayers to pay tax, and there is no other organisation that collects revenue, excellent service at SARS will enhance taxpayers' compliance.

In order for taxpayers to be satisfied with the service that they receive from SARS, they measure the service received by how quickly and correctly their tax returns are assessed and refunds paid correctly, the quality of answers they receive from the employees in

relation to their tax matters, the accuracy of first time query resolutions and the convenience in which services are provided to them as taxpayers.

As indicated by Snow and Yanovich (2010), it is a challenge to define service excellence because it is a feeling that one gets during and after being served. Although the perception of service quality by consumers is a complex process, SERVQUAL is one of the most popular models used in service marketing to assess the quality of service offered. It is based on the perception gaps between the received service quality and the expected service quality, and has been widely adopted for explaining consumer perception of service quality (Parasuraman et al., 1988). Therefore this research adopts some issues of SERVQUAL to measure the quality of service at the SARS' branch offices.

1.4   Objectives of the study

The main objectives of this study are:

To use the SERVQUAL scale to measure the perceived service at the SARS branch offices.

To use the SERVQUAL scale to point out to management on how to improve on the perceived service weaknesses identified at the branch offices.

To establish how the SERVQUAL scale can be used to improve service quality at the SARS' branch offices.

1.5   Research design and methodology

A questionnaire has been developed based on the service quality dimensions of SARS. This questionnaire was given to SARS taxpayers who receive their services at the branch offices in order to gather information on their perceived service quality and their perception on actual service received. A total of 410 questionnaires were distributed to branches within Gauteng and North West regions. Data was collected from these questionnaires and analysed.

1.6   Chapter layout

Chapter 1 – Introduction to the study

An overview and background to the study were given, followed by the problem statement, objective of the study, the research design and the methodology used to gather information was discussed.

Chapter 2 – Overview of the South African Revenue Services (SARS)

An introduction and overview of SARS were discussed, including the formation of SARS and its role in the Government. Chapter two also discusses briefly the different tax types within SARS. A background to the theory of study is also briefly discussed in this chapter.

Chapter 3 – Overview of the literature

An overview of the literature used in the study is discussed. Definitions of keywords used are given, application of SERVQUAL is discussed, the relationship between SERVQUAL and SERVPERF is highlighted, and the use of performance measures discussed. Also in this chapter, applicable instruments used to measure service quality are discussed; scales of measurement, reasons, validity of the study and customer satisfaction and SERVQUAL are discussed, as well as the problems associated with SERVQUAL. Finally the research questions this study seeks to answer are listed.

Chapter 4 – Research design and methodology

A discussion of the research design and methodology used to collect data for this study is done in this chapter. This chapter defines the research design and methodology, the different research types, data collection, sampling methods, the different types of variables and the ethical procedures relating to this study. Lastly, a conclusion to the chapter summarizes the chapter discussions.

Chapter 5 – Data discussion

In this chapter the research findings are discussed and an analysis and interpretation of data provided. The response rate is discussed, the demographics, tangibles, assurance, empathy, responsiveness, reliability, measures of association, relationships between variables and a chapter conclusion which highlights the chapter discussions.

Chapter 6 – Conclusion and recommendations

In this chapter, a summary of the study is provided, a resolution given of the research sub-questions, objectives and the main research question based on the findings of data discussions in Chapter 5. Limitations to this study are highlighted, managerial recommendation outlined and suggested future research listed and a conclusion made.

1.7   Conclusion

Service delivery in government institutions is perceived to be an ongoing challenge. However, Government has come up with many interventions to improve this perceived challenge, therefore the implementation of the Batho Pele Principles, the introduction of Service Excellence Awards and the recent creation of the monitoring and evaluation programme in the Presidency's office are all programmes aimed at improving the quality of service delivered in all public institutions. The ability of SERVQUAL to identify service gaps and to provide a starting point for further investigation of the underlying problems that inhibit the provision of quality services will be of great value to SARS in developing ways to improve its services to its taxpayers, and this will encourage taxpayers to willingly comply with their tax obligations.

Once the data from SERQUAL scale had been analysed and interpreted, it afforded SARS management the opportunity to identify the service gaps that need to be focused on in order to improve service delivery, and also to allocate resources to those service gaps that have been identified. In the next chapter, an overview of SARS and its formation is discussed together with its role in Government.

CHAPTER 2

OVERVIEW OF THE SOUTH AFRICAN REVENUE SERVICES (SARS)

2.1 Introduction

South African Revenue Services (SARS) was established by legislation to collect revenue and ensure compliance with tax law. In accordance with the SARS Act 34 of 1997 SARS is an autonomous organ of the state which offers an administrative service that is outside the public service but within the public administration. As an organ of state, its mandate outlines its obligations towards the state and its people: to ensure maximum compliance with tax and customs legislation, to collect all revenue due and to facilitate legitimate trade (SARS Strategic Plan, 2011/12-2013/14, p.10). All qualifying taxpayers are registered at SARS; register through e-filing or personally at the branch offices. These qualifying taxpayers submit their tax returns as per legislation - that is, annually for income tax and corporate income tax and they pay what is due.

This chapter provides an overview of SARS, its role in Government and the main tax types. The background of theory will explain the challenges that service offering institutions face when measuring their service quality and the use of SERVQUAL scale in measuring service quality. A conclusion of the chapter is made which gives a brief summary of the chapter discussions.

2.2 Overview of the South African Revenue Services (SARS)

The South African Revenue Services Act was published in Government Gazette No.18257on 5 September 1997 and came into operation with effect from 1 October 1997(Government Gazette, Vol. 387). In accordance with the SARS Act 34 of 1997, SARS is an autonomous organ of the state which offers an administrative service that is outside the public service but within the public administration.

As an organ of state, its mandate outlines its obligations towards the state and its people: to ensure maximum compliance with tax and customs legislation, to collect all revenue due and to facilitate legitimate trade (SARS Strategic Plan, 2011/12-2013/14, p.10). As stated in the SARS Strategic Plan (2011/12-2013/14), its mandate is in support of a higher purpose, namely to contribute directly to the economic and social development of the

country through collecting the revenue needed by Government to meet its policy and delivery priorities, building a generally compliant society through achieving tax and customs compliance and building across the value chain.

There are three spheres of Government (National, Provincial and Local Government) which all contribute to the consolidated South African tax revenue. The largest portion (95%) of the consolidated tax revenue is collected at the national level by SARS whereas the provinces and local Government account for less than 1% and 4.1% of the total tax revenue respectively (Tax Statistics, 2009:1).

The main sources of tax revenue are personal income tax (PIT), corporate income tax (CIT) and value added tax (VAT) which combined account for around 80% of the total tax revenue (Tax Statistics, 2009:7). However, as stated in the SARS Tax Statistics: 2009, fuel levy, excise and customs duties account for around 11% and other small taxes account for around 9%.

Income tax consists of Personal Income Tax and Corporate Income Tax and it is the Government's largest source of revenue and is levied and collected in terms of the Income Tax Act. The Income Tax Act provides the framework within which the Commissioner must operate in order to calculate a taxpayer's liability and collect the correct amount from the taxpayer.

The objectives of the Income Tax Act are to consolidate the law relating to the taxation of income and donations, provide for the recovery of taxes on persons, provide for the deduction by employers of amounts from the remuneration of employees (Pay as You Earn), provide for the making of provisional tax payments and for the payment into the National Revenue Fund of portions of the normal tax and interest and other charges in respect of such taxes and to provide for related matters (Tax Statistics, 2009:13-18).Income tax is mainly a tax levied on the income, salaries, interest, and profits among others derived by taxpayers (Tax Statistics, 2009:13).

Value-added tax (VAT) is levied at a standard rate of 14% by registered vendors on most goods and services subject to certain exemptions, exceptions and zero-ratings provided for in the Value-Added Tax Act (1991), (Tax Statistics, 2009:23). VAT is also levied on the importation of goods and services into South Africa (Tax Statistics, 2009:23). The VAT Act makes provision for the standard rated (14%) supplies in terms of section 7 of the Act,

the Zero rated supplies in terms of section 11 of the Act and the Exempt supplies in terms of section 12 of the Act(Tax Statistics, 2009:23).

The standard-rated supplies of VAT include supply of goods or services by a vendor who carries on an enterprise, the importation of goods into the Republic by any person and the supply of an imported service by any person. The Zero-rated supplies in terms of the Act include goods exported from South Africa where the vendor is liable for the transport of the goods to the foreign country, services physically supplied outside South Africa, international transport and related services, the supplies of certain food staff such as brown bread, maize meal etc, and the supply of petrol, diesel and illuminating paraffin. The Exempt supplies of VAT include financial services, passenger transport by road and rail, the rental of residential accommodation and certain educational services (Tax Statistics, 2009:23-24).

Persons who make taxable supplies in excess of R1 million in any twelve month consecutive period are liable for compulsory registration for VAT whereas, persons who make supplies below R1 million but above R20 000 can also register voluntarily provided certain conditions are met (Tax Statistics, 2009:24).

Customs/import duties are imposed on certain goods that are imported into South Africa. Import duties are imposed to protect local producers. In addition, excise duties are also imposed on selected imported goods. Excise duties are also imposed on similar goods that are produced in South Africa (Tax Statistics, 2009:25).

2.3   Theoretical background

For SARS as a service institution, if it wants to satisfy its customers, the first question it needs to answer is what it is that satisfies customers and what it is that makes customers dissatisfied with its products and services. According to Parasuraman et al. (1985, 1988), satisfying customers depends on the balance between customers' expectations and customers' experiences with the products and services that an institution offers.

Thus, when a service institution such as SARS is able to lift a customer's experience to a level that exceeds that customer's expectations, then one can say that the customer is satisfied with the service that was offered. Because customers have ever-increasing expectations, it is necessary for service institutions to continuously improve their service quality. The issue is what should be improved to keep the customer satisfied. It should be kept in mind that what customers experience is not just one simple aspect of a service

institution, but a whole range of aspects and some of these aspects are concerned with the way customers experience the institution itself, whereas some of the aspects are concerned with the customer's experience of the physical product, and finally some are concerned with the way customers experience the service the institution offers.

According to Parasuraman et al. (1980, 1989), comparing customers' expectations and their perceptions of actual performance of a service institution such as SARS can be done by making use of the SERVQUAL scale. The SERVQUAL scale has been developed for the service sector and has five main factors which are tangibles, reliability, responsiveness, assurance and empathy. Tangibles are physical facilities, equipment and appearance of personnel at the service institution. The ability by the employees of a service institution to perform the promised service dependably and accurately is measured by the SERVQUAL scale as reliability. This scale further measures the knowledge and courtesy of employees and their ability to inspire trust and confidence in customers as assurance.

According to them, the willingness of an employee of a service institution to help customers and provide prompt service is measured as responsiveness and the care and attention that a customer gets from the institution and its employees is according to the SERVQUAL scale measured as empathy.

2.4   Conclusion

Revenue collection is a key driver of SARS's performance and is central to the mandate of SARS as contained in the SARS Act 34 of 1997. SARS's mandate in terms of this Act is to collect all revenue due, ensure maximum compliance with tax and customs legislation and to provide a customs service that will maximize revenue collection, protect the South African boarders and facilitate trade. Through revenue collection SARS contributes to the economic and social development of the country.

SERVQUAL methodology as an analytical approach for evaluating the difference between customers' expectations and perceptions of service quality has been studied to measure the quality of services provided by SARS' branches to its taxpayers. The focus is on measuring reliability, responsiveness, assurance and empathy of employees towards taxpayers and tangibles at SARS as per Parasuraman, et al. (1985, 1988) SERVQUAL scale.

Chapter 3 covers the overview of the literature used in this research study. It further discusses the definitions of SERVQUAL, its application, SERVQUAL as SERVPERF, the

use of performance measures, the instruments used for measurement, scales for measurement, and specific reasons for the research. Chapter three will also discuss the validity of the study, customer satisfaction of SERVQUAL and the problems encountered by SERVQUAL.

CHAPTER 3

OVIERVIEW OF THE LITERATURE

3.1   Introduction

South African Revenue Services (SARS) was established by legislation to collect revenue and ensure compliance with tax law. In accordance with the SARS Act 34 of 1997, SARS is an autonomous organ of the state which offers an administrative service that is outside the public service but within the public administration. As an organ of state, its mandate outlines its obligations towards the state and its people: to ensure maximum compliance with tax and customs legislation, to collect all revenue due and to facilitate legitimate trade (SARS Strategic Plan, 2011/12-2013/14, p.10).

All qualifying taxpayers are registered in order to pay tax. This registration is done at SARS's branch offices or through e-filing. The South African income taxation system is a residence-based system, which means residents are taxed on their worldwide income, irrespective of where their income was earned (Tax Statistics, 2009:6). Non-residents are, however, taxed on their income from a South African source (Tax Statistics, 2009:6).These qualifying taxpayers submit their tax returns as per legislation that is, annually for income tax and corporate income tax and they pay what is due after their returns have been assessed.

Keywords used are: Definition, Application of Servqual, Servqual is SERVPERF, Use of Performance Measures, Instrument, Scale of Measurements, Reasons,Validity, Customer Satisfaction of Servqual, and Problems. Search engines such as Google Scholar and Science Direct were used with these keywords.

In this chapter, definitions of the key words will be discussed; and the application of the SERVQUAL scale is also discussed, the relationship between SERVQUAL and SERVPERF is highlighted. The use of performance measures is highlighted and instruments of service quality are also discussed. Chapter three further explains the scales of measurement; discusses studies validating the use of SERVQUAL as a measure of service quality. The relationship between customer satisfaction and SERVQUAL isdiscussed in this chapter; the problems associated with SERVQUAL as a measure of service quality are also discussed. Finally a conclusion summarises the chapter discussions.

3.2   Definitions

Brady et al. (2002) stated that service quality has been identified as a predecessor to satisfaction (Anderson & Sullivan 1993; Anderson & Fornell. 1994; Cronin & Taylor 1992; Godliels et al., 1994; Woodside et al. 1989). Within this fundamental ordering, Anderson and Fornell (1994) describe satisfaction as a post-consumption evaluation of perceived quality. Satisfaction is the consumer's fulfilment response. It is a judgement that a product or service feature, or the product of service itself, provided (or is providing) a pleasurable level of consumption-related fulfilment, including levels of under or over-fulfilment (Machado & Diggines, 2012:149). Machado and Diggines (2012) further define customer satisfaction as the attitude resulting from what a customer thinks should happen (expectations) interacting with what customers think did happen (performance perceptions).

Definitions of service quality revolve around the idea that it is the result of the comparison that customers make between their expectations about a service and their perceptions about a service and their perception of the way the service has been performed (Lehtinen & Lehtinen, 1982; Lewis & Booms, 1983; Gronroos, 1984; Parasuraman, et al., 1985, 1988). The latter authors used generally accepted psychometric procedures (cf. Churchill, 1979) while developing their GAPS model. This has resulted in the operationalisation of service quality by the SERVQUAL instrument. The concern is the conceptual and operational definition of the perceived service quality in the SERVQUAL study. The gap concept of "perceptions-minus-expectations" defines the value of expectations as a normative standard for evaluating level of service quality.

Gronroos (1984) and Parasuraman et al. (1985) cited in Kassim and Bojei (2002) developed theoretical models of service quality and identified possible determinants of perceived quality. Parasuraman et al. (1985) suggested that consumers' perceptions of service quality offering are a function of the following five separate quality perceptions: (1) tangibility; (2) reliability; (3) responsiveness; (4) assurance; and (5) empathy. The latter authors further noted that these five dimensions are related to the difference between consumers' expectation and perceptions of service quality.

The definition of service quality developed by Parasuraman et al. (1988) has been employed as a comparison to excellence in the service encounter by the customer (Rust & Oliver, 1994; Cronin & Taylor, 1992). Bitner et al. (1990) proposed to define service

quality as consumers' overall impression of the relative inferiority or superiority of the organisation and its services. Through observation, Bitner et al. (1990) concluded that in services, the customer formulates his/her perception of actual service quality during interaction with the contact personnel of the organisation. It is because of this observation that Bitner et al. (1990) suggested that service quality is highly dependent on the performance of the employees. The authors further suggested that both service quality and service satisfaction confirm the importance of the quality of customer/employee interactions with services.

Machado and Doggines (2012) define service quality as a customer's evaluative judgement about the degree of superiority of service performance. Snow and Yanovitch (2010) state that service excellence is the feeling that a customer gets after receiving service.

Beisel (1993: 501) defines customer service as an activity that supplements or facilitates store sales. Customer service, according to Beisel, includes such items as free parking, gift wrapping and delivery. Beisel further alludes to the fact that sales personnel offer customer service through their interactions and relationships with customers. Brink and Berndt (2008:56) define customer service as the provision of service to customers before, during and after a purchase.

Consensus on the definition of quality is lacking, however, Garvin (1984 and 1988) identified three major paradigms that systematically examine quality. In the economic-based paradigm, differences in quality reflect differences in the quality attribute or characteristic of the good or service. According to Ma et al. (2004) there is no universally accepted definition for ASP (application service providers). The definition that Ma et al. (2004) suggest and utilise is "any third party organization whose main business is providing software-based services to customers over a wide area network in return for payment".

3.3   Application of SERVQUAL

The SERVQUAL scale which was introduced by Parasuraman et al. (1988) has dominated the conceptualisation and measurement of service quality. This measurement proposes a gap-based comparison of the customers' expectations and the actual performance perceptions.

Some researchers have criticised the item content of SERVQUAL for focusing primarily on the service process and not on the outcome or structural facets (Mangold & Babakus, 1991; Richard & Allaway, 1993; McDougall & Levesque, 1994).

In measuring service quality in the hotel industry, a study in a business hotel in Turkey by Akbaba (2005), the objective of the study was to investigate the service quality expectations of business hotels' customers, examine whether the quality dimensions included in the SERVQUAL model apply in an international environment. It should also search for any additional dimensions that should be included in the service quality construct and measure the level of importance of each specific dimension for the customers of the business hotels. The finding of this study confirmed the five-dimensional structure of SERVQUAL; however, it was found that some of the dimensions and their components were different from SERVQUAL. According to Karatepe et al. (2005) there is clear agreement in terms of conceptual meaning between service environment dimensions and the 'tangibles' dimensions of SERVQUAL.

In the study of service quality measurement in rural accommodation, it was noted that different authors have applied the SERVQUAL instrument to hotels with little modification (Armstrong et al., 1997; Tsaur & Lin, 2004). However, it is also noted that other studies have adjusted SERVQUAL specifically to hotel services (for example, Knutson et al., 1991, who developed the LODGSERV instrument by adapting SERVQUAL to the hospitality sector). It is further noted by Paulins (2005) that SERVQUAL has been applied to retail apparels stores on at least two occasions (Finn & Lamb, 1991; Gagliano & Hathocote, 1994).

Kang and Bradley (2001) proposed that the concept of service quality can be applied to measure the performance of information technology (IT) departments. In their study of 'measuring the performance of IT services: An assessment of SERVQUAL', they developed a conceptual model of IT service quality based on the service quality "gaps model", which was first introduced by Parasuraman et al.(1985). Kettinger and Lee (1994) applied the SERVQUAL instrument to provide more specific information about how users of IT department perceived the quality level of IT services being provided.

3.4   SERVQUAL is SERVPERF

Cronin and Taylor (1992) cited in Brady et al.(2002) were the first to offer a theoretical explanation for neglecting the expectations portion of SERVQUAL in favour of just the

performance measures included in the scale(i.e. what they termed SERVPERF). It is therefore noted that the term performance-only measures has come to refer to service quality measures that are based only on consumers' perceptions of the performance perceptions and their performance expectations. Without measuring expectation value, SERVPERF displayed better reliability and predictive validity than SERVQUAL, using the "performance-minus-expectations" approach (Cronin & Taylor, 1992; Rose et al., 2009; Thomas et al., 1999),cited in Kou et al. (2011). However, the uni-dimensionality of SERVPERF was uncertain because of the inadequate explanation of variance using the proposed 22 items of the SERVQUAL instrument (Parasuraman et al., 1994).

Cronin and Taylor (1992) argue that SERVQUAL was too simplistic for multifaceted cognitive evaluation processes. They contended that the perception of service quality already entailed an expected service. Rather than using gap scores Cronin and Taylor said that a direct measure of perceptions was more favourable. A different view is that of Pitt et al. (1995), who argue that although SERVPERF has superior predictive power, it had inferior diagnostic power, because it provides less information.

3.5   Use of performance measures

Brady et al.(2002) highlighted that a number of authors including Babakus and Boller (1992), Boulding et al. (1993), Cronin and Taylor (1992), Gogliels et al. (1994), Parasuraman et al.(1994) and Zeithaml et al. (1990) suggested the use of performance-only measure. The concept of service quality construct and measurement thereof has been dominated by the use of SERVQUAL scale which was introduced by Parasuraman et al. (1988). Brady et al. (2002) further state that the use of SERVQUAL scale in the literature has suggested that consensus has not been reached relative to the superiority of performance only measures of service quality. Thus, according to Brandy et al. (2002) Cronin and Taylor's (1992) results, although cited often, do not fully resolve the question of how the service quality construct should be conceptualized and measured.

Parasuraman et al. (1988) cited in Brady et al. (2002) developed the SERVQUAL scale and used the disconfirmation paradigm as a theoretical basis. This instrument, according to Brady et al. (2002), employs a pair of 22-item scales, each alike, with the exceptions regarding the level f service to be received. Calculating the difference between the 22 items each of the five dimensions forms the service quality measure (i.e., SERVQUAL). Those five dimensions, which Brady et al. (2002) highlight that are proposed to be

generalized to almost any service provider, are: (1) the reliability of the service provider, (2) the responsiveness of the service provider, (3) the tangible aspects of the service, (4) the assurance provided by the service staff, and (5) the empathy shown to consumers.

Caruana et al. (2000) note that despite the considerable research that has been conducted using SERVQUAL, there were still a number of unresolved issues associated with the service quality measurement.

According to Akbaba (2006), Mei et al. (1999) had examined the dimensions of service quality in the hotel industry in Australia, which led them to using the SERVQUAL instrument as a foundation for the development of the new HOLSERV scale, which was an instrument to be used for measuring service quality in the hotel industry.

Fick and Ritchie (2006) cited in Akbaba (2006), had examined both the operation of the SERVQUAL scale and its management implications in four major sectors of the travel and tourism industry: airline, hotel, restaurant, and ski area services. Akbaba (2006) mentioned that these authors found that the most important expectations concerning service were "reliability" and "assurance" for all four sectors. Their research results, Akbaba (2006) states, confirmed the five-dimensional structure and demonstrated the usefulness of the SERVQUAL instrument; however, they also identified a number of concerns and shortcomings.

According to Karatepe et al. (2005), Avkiran (1994) used SERVQUAL as a starting point and then added items that he extracted from a qualitative study he had commissioned to establish service standards, and he then followed an iterative process and identified staff conducts credibility, communication, and access to teller service as the final dimensions of service quality. The scale developed by Bahia and Nantel (2000) cited in Karatepe et al. (2005) was based on expert opinions and revealed six dimensions of service quality. These were termed: effectiveness and assurance, access, price, tangibles, service portfolio and reliability.

Kettinger et al. (2009), state in 1994 that the use of the SERVQUAL instrument was introduced into the Information Systems (IS) context, which established the validity and reliability of a four-dimension measure (reliability, responsiveness, assurance, and empathy). As SERVQUAL gained acceptance among IS practitioners, Kettinger et al. (2009) state, the researchers seemed willing to accept the causal assumption that higher levels of service quality would lead to the retention of customers, though evidence

supporting this is lacking. They further indicated that in the field of marketing, the researchers had examined the relationship between service quality and behavioural consequences through a measure of customers' intentions. They suggested that behavioural intentions are indicators that signal whether customers will remain with a service provider or not.

In the article by Albacete-Saez et al. (2007), it is said that Reichel et al. (2000) measured service quality in rural tourism establishments (B&Bs) in Israel, using the instrument developed by Fleischer et al. (1993) to evaluate the levels experienced and expected.

Theories used to explain web service quality, Udo et al.(2010) highlight that they are generally drawn from the disciplines of marketing and information systems, which themselves are grounded in other theories of attitude such as Leaning Theories, Expectancy-Value Theories (Fishbein, 1963), and Attribution Theory(Heider, 1958). The Theory of Reasoned Action (TRA) (Fishbein & Ajzen, 1975) cited in Udo et al. (2010) assumes that if people view a behaviour as positive (attitude), and if they believe that others would prefer them to perform the behaviour (subjective norm), there will be a greater intention (motivation) to behave in that manner and they are they are more likely to do so.

In the study by Tserpes et al. (2008), where they studied the mechanism for providing high-level quality of service information in grid(web) environments, they discovered that often the set parameters do not reflect the quality demands of the end-user of the service (or the set of services) as the workflow may vary or dynamically change. This, they say, may result in better employment of the underlying infrastructure and in turn to cost and time efficient solutions from which both the end user and service provider may benefit. According to Tserpes et al. (2008), the end-user must be relieved of the burden of practically making the choice him/herself by only examining a list of offers. In many occasions the end-user may not have the proper rights in the frame of the business plan to decide which service to invoke using only the cost as a criterion.

Roses et al. (2009) point out that the SERVQUAL model uses both client and supplier perspectives to find the expectation and perceptions gaps between respondents. According to these authors, a gap represents the mathematical difference between the assessment of performance perception and of expectations for the service required by each respondent in each item of the five dimensions. The respondents, according to Roses et al. (2009) might

indicate a perceived service quality below or above expectations, which characterizes the paradigm of disconfirmation (Oliver, 1993).

Landrum et al. (2007) argued that performance alone provides better predictive power than SERVQUAL, which uses the gap-based scale. They therefore used only performance scores in examining SERVPERF for its dimensionality, convergent and reliability.

In the study of Kaisara and Pather (2011) on "The Government evaluation challenge: A South African Batho Pele-aligned service quality approach", it is remarked that during the Governance and Administration Cluster media briefing in 2010, the communications Minister Siphiwe Nyanda stated that "... Government can use ICT in order to modernise services, improve efficiency and streamline its operations... it is urgent that Government adopts and uses ICT in order to modernise services, improve administration efficiency" (Department of Communications, 2010, "Minister of Communications Budget Vote Speech," para 35). Kaisara and Pather (2011) further point out that there are a few specialized web projects such as the South African Revenue Services' e-Filing and the Department of Transport's e-Natis, which are aimed at extending the service delivery channels through internet to both citizens and civil servants.

3.6   Instruments

According to Brady et al. (2002), it is still common for organisations to use the SERVQUAL scale as an appropriate service quality measurement tool (Davis, 1994; McCormack, 1994). As stated by Kettinger et al. (2009), the original SERVQUAL measure instrument identified five dimensions:

- Tangibles: physical facilities, equipment, and appearance of personnel.
- Reliability: ability to perform the promised service dependably and accurately.
- Responsiveness: willingness to help customers and provide prompt service.
- Assurance: knowledge and courtesy of employees and their ability to inspire trust and confidence.
- Empathy: caring, individualised attention provided to customers.
- Caruana et al. (2000) asserted that Parasuraman et al. (1994b) had tested different versions of their new instrument and provided empirical support for the use of a three-column format SERVQUAL. They further state that this empirical support incorporated the reconceptualisation of expectations into its two components and

enables to coexisting collection of desired expectations, minimum expectations and performance data.

Akbaba (2005) highlighted the idea that some of quality dimensions were different from the five dimensions described by the original SERVQUAL researchers. Akbaba further states that Akan (1995) prepared a questionnaire modified from the SERVQUAL instrument and investigated the application of the SERVQUAL instrument in an international environment. According to Akbaba the author aimed to examine the scope of the SERVQUAL and measure the level of significance of the dimensions for the users of Turkish four and five star hotels.

Karatepe, et al. (2005) argue that firms must rely on consumers' perceptions of service quality in the absence of an objective measure, in order to identify their strengths and/or weaknesses and design appropriate strategies to deal with such. This therefore leads to the development of psychometrically sound and managerially useful instruments to measure service quality very important. According to Karatepe et al. (2005), the purpose of their study was to develop and test a service quality instrument by using the retail banking services in Northern Cyprus as a case in point. They did not take an existing instrument to try and fit it into their context, but rather developed an instrument that would specifically focus on service. Albacete-Saez et al. (2007) suggest that establishing the dimensions of service quality is inseparable from the development of instruments to measure them.

According to Udo et al. (2010) there have been arguments in relations to the fact that the question items in the SERVQUAL instrument (Parasuraman et al., 1988; Zeithaml, 2002) are global in nature. They therefore suggest that the outcome of administering the SERVQUAL scale to service consumers is of little value for implementing operational service improvement processes. Hence et al. (2010) argue that some researchers (Babakus & Boller, 1992; Lapierre, 1996) have suggested that the search for universal conceptualisation of the service quality construct maybe fruitless, and to be of practical value, a service construct should not only be operational, but should also be context specific.

3.7   Scales Measurement

According to Brady et al. (2002), the dominant operationalisation of service quality has been Parasuraman et al.'s (1988) SERVQUAL scale. Smith (1999) highlighted that considerable debate has focused on the problems of service quality measurement, and that,

despite the many limitations identified, one of the most often cited approaches is the evaluation of the consumer's overall judgement of service quality by administering multi-attribute measurement scales.

According to Machado and Diggines (2012) there have been extensive debates which focused on the problems of service quality measurement, and despite many potential limitations, one of the most often cited approaches is the evaluation of the consumer's overall judgement of service quality by administering multi attribute measurement scales. SERVQUAL was developed based on the five-gap theory of Parasuraman et al. (1988). Machado and Diggines (2012:127) outline and define 5 gaps as follows :)

3.7.1   Gap 1: The knowledge gap

This gap arises when there is a difference between customer service expectations and managements' perceptions of what the customer wants.

3.7.2   Gap 2: The standards gap

This relates to the gap between managements' perception of customer expectations and the service standards that are established.

3.7.3   Gap 3: The delivery gap

This gap arises between the set service standards that are developed and the actual service delivery.

3.7.4   Gap 4: The communication gap

This relates to the gap between the actual service delivered and the service that was promised or communicated through the organisations' marketing initiatives.

3.7.5   Gap 5: The service gap

This is the gap that exists between the customers' expectations and the perceived service. According to Machado and Diggines (2012) this is where the customers are able to judge whether the service they requested is what they received.

In the study by Teng et al. (2007), the study used the scale development approach to investigate service dimensions used by patients to assess a key healthcare service, surgical hospitalization. According to Teng et al. (2007), their study was new to the literature because there was no previous work that had developed a service quality scale for surgical hospitalization (SQSII). Teng et al. (2007) further stated that additional quality related

items were generated and verified, which captured the distinct nature of surgical hospitalization but were not included in the SERVQUAL scale.

Akbaba (2006) mentioned that, although the SERVQUAL scale was a very useful tool as a concept, it needed to be adapted for the specific service segments and for the cultural context within which it was used. In the same study of Akbaba (2006), it was found that perception of service quality was two-dimensional, and consisted of "tangibles" and "intangibles". Ekinci et al. (1998) cited in Akbaba (2006), tested the SERVQUAL instrument in two seaside Turkish resorts and their study did not confirm the dimensions in original SERVQUAL scale, but implied a two-dimensional structure, named as "tangibles" and "intangibles" for resort settings.

Shemwell and Yavas (1999), cited in Karatepe et al. (2005), argue that the more specific the scale items are in a service quality instrument, and the more applicable they are to a manager's own contextual circumstance, the better it will be for that specific manager to use the information. For example, Mersha and Adlaka (1992) cited in Karatepe et al. (2005), had applied the Delphi technique to a sample of MBA students to generate attributes of poor and good service quality. It is noted that they converted the 12 attributes thus identified into scales and analysed students' perceptions of service quality in five services, one of which was retail banking.

Wang and Liao (2008) also reiterate that in order to ensure the content validity of the scales used in the study, the items selected for the constructs should represent the concepts about which generalizations are to be made. Hence, the items selected in their study were adapted from prior studies to ensure content validity.

Two studies by Diaz and Vazquez (1998) cited in Albacete-Saez et al. (2007) presented a 22-item scale based on the SERVQUAL to measure quality in hotels in northern Spain. The dimensions obtained are staff professionalism, tangibles, the firm's complementary offer and basic benefit.

According to Yang et al. (2010), travel comfort is another aspect in the evaluation of transit service quality (TSQ). They mention that although TSQ has been widely studied, it still worries researchers due to the lack of a method of measuring travellers' perceived comfort during their travelling, and there is not even a set of appropriate indicators to objectively depict it.

Bienstock et al. (2008) state that while developing and refining their five-dimensional SERVQUAL scale (tangibles, responsiveness, empathy, reliability and assurance), Parasuraman et al.(1985, 1988, 1991) had interviewed and surveyed retail consumers of appliance repair/maintenance, retail banking, long-distance telephone, securities brokerage and credit card services. Bienstock et al. (2008) further indicated that researchers who use SERVQUAL to investigate service quality perceptions of retail consumers of health care, residential utility, placement, retail store, pest control, dry cleaning, financial and fast food services have found factor structures suggesting from one to eight dimensions of service quality, depending on the type of service examined (Babakus & Mangold, 1992; Babakus & Boller, 1992; Babakus et al., 1993; Brown et al., 1993; Finn et al.,1991; Cronin & Taylor, 1992).

3.8   Reasons

The overall goal for the study of Brady et al. (2002) was to add a measure of clarity to the research concerning the service quality and satisfaction constructs. They highlighted their specific research objectives as: (1) to add further support to the identification of performance-based measures as the dominant example relative to the measurement of service quality and (2) to clarify the nature of the relationship between service quality and satisfaction as discussed in Cronin and Taylor (1992).

According to Teng et al. (2007), these are some of the reasons for selecting Taiwan's surgical hospital for their study: (1) it is one of major medical centres in Taiwan and therefore contains detailed surgical departments, and (2) its patients were not characterized by any specific characteristics (veterans, the standing army, highly religious, or living in metropolis).

Bharati and Berg (2005) highlight that service quality improvement is one of the most important reasons why organisations are investing in IS.

3.9   Validity

In the study by Brady et al. (2002), in the two new studies, alternative measures of service quality and customer satisfaction were used, thereby enhancing the validity of the original findings. Finally, the research contributes to the literature by re-examining the causal order of the service quality-satisfaction relationship. According to them this contribution is significant in part due to the conflicting results reported in the literature relative to their

causal order, but more important because the relationship between these constructs is a vital consideration to service practitioners.

According to Smith (1999), the need for reliability and validity in measurement has been a particular concern of marketing researchers since the 1970s (example, Jacoby, 1978; Peter, 1981). It is stated in Smith (1999) that in 1979, Churchill observed that there was no overriding framework which marketers could use to help them develop a reliable and valid measurement of marketing constructs.

The pre-test to confirm content validity on the study by Ten et al. (2007) was presented. These authors invited five experts who had published academic works on related fields to assess the degree to which items adequately measured service quality. They defined content validity index (CVX) as the proportion of all items appraised as very adequate or adequate. The CVI turned out to be 0.964, indicating a high level of satisfaction.

Mei et al. (1999) cited in Akbaba (2006) examined the dimensions of service quality in the hotel industry in Australia. According to Akbaba (2006), Mei et al. (1999) used the SERVQUAL instrument as a foundation towards the development of their scale which they called HOLSERV scale. The HOLSERVE scale was developed to measure service quality in the hotel industry. As stated by Akbaba (2006), the results of Mei et al.'s (1999) study confirmed the five dimensional structures of SERVQUAL instrument and demonstrated its usefulness. However, Akbaba (2006) alerts one to the fact that the study of Mei et al. (1999) concluded that significant "expectations" differences exist between cultural groups and that "expectations" did not improve the validity of SERVQUAL, rather, they implied that for hotel services expectations of service differed from culture to culture.

According to Albacete-Saez et al. (2007), the instrument developed by Fleischer et al. (1993) did not include an analysis of the scale's reliability and validity. However, Albacete-Saez et al. (2007), mentioned that the two studies done by Diaz and Vazques (1998) and Ruiz et al. (1995) presented a 22-item scale which was based on SERVQUAL to measure quality in hotels in the northern Spain, and that the scale's reliability and validity were analyzed using traditional techniques such as alpha coefficient, exploratory factor analysis, and bivariate correlations to assess criteria for construct validity.

Kou et al. (2011) state in an attempt to eliminate the operational ambiguity of expectations measurement, Parasuraman et al. (1991) revised the definition of expectations and requested respondents to focus on specific features "essential" for companies to deliver

excellent quality. The revised measurement of expectations was further examined for the improvement of validity analysis (Teas, 1993).

Wang and Liao (2008) suggested that the validated eGovernment system success model can serve as a foundation for positioning and comparing eGovernment success research and can provide eGovernment managers with a useful framework for evaluating eGovernment systems success.

With a useful framework for evaluating eGovernment, Wang and Liao (2008) made reference to De Lone and McLean (1992) who referred to IS success as a multidimensional and interdependent construct and stated that it is necessary to study the interrelationship among, or to control for those dimensions. Wang and Liao (2008) further noted that the success model needs further development and validation before it could serve as a basis for the selection of appropriate IS measures. De Lone and McLean (1992:88) cited in Gorla et al. (2010) a call for further development and validation of their model: "... much work is still needed, particularly in assessing the impact of information systems on organizational performance."

Brensinger and Lambert (1990), cited in Bienstock et al. (2008), had applied SERVQUAL to business-to-business purchases of motor carrier transportation services. These authors state that although Bressinger and Lambert (1990) were able to demonstrate a four-factor structure, they found the predictive validity of SERVQUAL to be poor in the context, thus explaining only 6% of the variance in share of business apportioned to each carrier in the study.

3.10   Customer Satisfaction and SERVQUAL

According to Brady et al. (2002) in spite of the evidence presented in Cronin and Taylor (1992) and similar studies (e.g. Babakus & Boller 1992; Brown et al., 1993; McAlexander et al., 1994; McDougall & Levesque 1994), the SERVQUAL scale is still commonly used by service organisations (see Davis, 1994; McCormack, 1994), and is identified as the suitable service quality measurement tool in marketing books (e.g. Boone & Kurtz 1995; Pride & Ferrel, 1996; Zeithaml & Bitner, 1996).

Kettinger et al. (2009), whose study goal was to place IS service quality in a comprehensive behavioural intention model, wanted to highlight the role it plays in customer intentions to reuse service. It emerged from the same study that a review of

customer satisfaction/dissatisfaction processes indicated that several models helped in understanding service reuse.

According to Udo et al. (2010), the skill level of e-customers in manipulating the prevailing technology can affect the outcome of the service experience. They highlighted the difference between traditional service encounters and e-service experience as the fact that e-customers rely entirely on their ability to use technology to obtain service, thus becoming a partner in the delivery of the same e-service (Kim et al., 2009; Kuisma et al., 2007). According to Rowley (2006), as a key organisational strategy for managing customer satisfaction, organizations should focus on increasing customers' knowledge and skills sets with a service process.

In the study by Udo et al. (2010), it is highlighted that several studies have concluded that satisfaction is an affective, rather than cognitive, construct (Oliver, 1997; Olsen, 2002). In the same study by Udo et al. (2010), Rust and Oliver (1994) define satisfaction as the "customer's fulfilment response" which is an evaluation as well as an emotion-based response. According to the latter authors, this is an indication of the customer's belief of the probability of a service leading to a positive feeling. While Cronin et al. (2000) assessed service satisfaction using items that include interest, enjoyment, surprise, anger, wise choice, and doing the 'right thing', Udo et al. (2010), utilised three items that have been used in earlier studies (Zhang & Prybutok, 2005). The items are: I am satisfied with my previous online shopping experience, online shopping is a pleasant experience, and Overall, I am satisfied with my e-service experience.

Kotler (1991) defines satisfaction as a post-purchase evaluation of product quality given pre-purchase expectations. Kim et al. (2011) indicate that delivery of customer satisfaction has been a central theme in both marketing and IS disciplines. They further states that customer satisfaction is found to be positively associated with customer behavioural intentions such as a repurchase intention (Anderson & Sullivan 1993; Szymanski & Henard 2001; Yi & La 2004).

Chou and Kim (2009) recommend that improved service quality can increase customer satisfaction, reduce customer complaints and enhance customer loyalty. Kou et al. (2010) suggest that continuous improvement of service quality is important in reinforcing the capability of the national condominium management service business, as well as enhancing the competence of condominium management companies. They further suggest that before

decision makers improves service quality; they should understand the practical relationships between service quality and customer satisfaction and their measurement (Festus et al., 2006).

According to Young et al. (2008), there has been an increasing trend among organisations to empower employees at all organisational levels with decision making in relation to service quality through decentralization of decision making structures as self-directed team (e.g. Cohen & Ledford, 1994). These authors argue that for these structures to be effective maximally, the employees need to be equipped to accurately judge their customers' satisfaction with service quality, therefore employees' first-hand knowledge of customer attitudes forms a vital component of an organisation's service quality "intelligence" (Schneider & Bowen, 1995).

3.11   Problems

Brady et al. (2002) suggest that, although the SERVQUAL scale has been the dominant measurement concept in the service quality literature (Andaleeb & Basu, 1994; Asubonteng et al., 1996; Babakus & Boller, 1992; Boulding et al., 1993; Brown & Swartz 1989; Ennew et al. 1993; Parasuraman et al., 1994; Smith, 1999), Cronin and Taylor (1992) indicate that there are problems inherent in the use of the disconfirmation concept to measure service quality.

These authors specifically argue that, if service quality is to be considered similar to an attitude, as proposed by Parasuraman et al. (1985, 1988), its operationalisation could be better represented by an attitude-based conceptualization. Parasuraman et al. (1994a) have highlighted that the disconfirmation model of service quality provides managers with a more practical analysis of the service quality problems.

According to Smith (1999), the need for reliability and validity in measurement has been a particular concern of marketing researchers since the 1970s (see for example, Heeler & Ray, 1972; Jacoby, 1978; Peter, 1981). This resulted in an observation by Churchill in 1979 which indicated that there was no overriding framework marketers could use to help them develop reliable, valid measures of marketing constructs. This led to Churchill (1979) suggesting a paradigm with offered a framework for development and has been adopted by researchers in the field of service quality measurement (Parasuraman et al. 1988, 1994). However, Churchill's methods for establishing the reliability and validity of measures are questioned.

Kim and Lee (2009) suggest that despite debates regarding the measurement of perceived service quality, SERVQUAL of Parasuraman et al. (1988), is appropriate to examine perceived service quality in the airline industry and has been used in many studies in spite of its limitations of validity and reliability (Aksoy et al. 2003; Park et al., 2004; Sultan & Simpson 2000). Kang and Bradley (2001) remark that a growing number of managers and researchers have turned to service quality as an alternative measure due to continuing problems faced by organisations when measuring the performance of IT (information technology) departments (Watson et al.,1993; Kettinger & Lee, 1994,1997; Pitt et al., 1995).

In a study by Lu et al. (2009) it was indicated that Westbrook (1981) indicated that consumers were concerned about the handling of problems and complaints during the interaction process. Similarly, according to Kim and Jin (2002) and Martinez Caro and Martinez Garcia (2007) problem-solving was identified as not separate from but rather part of the interaction quality.

3.12   Research Questions

This study aims to determine whether SARS is offering the taxpayers quality service at its branch offices. In order to achieve that, the study will seek to answer the following questions:

1. Is the quality of service rendered at SARS' branch offices in accordance with the SERVQUAL scale?
2. What does the literature say about the application of SERVQUAL in the service environment?
3. How can SARS benefit from the implementation of SERVQUAL scale as a measurement of service quality at its branch offices?
4. Can the SERVQUAL scale be used in Government institutions to measure the objectives of the Batho Pele Principles?

3.13   Conclusion

The inception of SERVQUAL (Parasuraman et al. 1985, 1988) instrument has brought light to service organisations in terms of measuring quality in the industry. It has served as a base for further studies to improve on the quality of service in certain service industries, hence the inceptions of SERVPERF (Cronin & Taylor, 1992), HOLSERVE (Mei et al. 1999), and LODGSERV (Knutson et al. 1991), among others.

Through the use of the SERVQUAL instrument, one will be able to ascertain any actual or perceived service gaps between customers' expectations and perceptions of the service offered.

Through the results of the study one will also highlight how management of service improvement can become more rational and incorporated with respect to the prioritised service quality dimensions and their affections on increasing or decreasing service quality gaps. Managers will be able to know which service gaps they should focus their attention to in order to improve service quality.

Chapter 4 discusses the research design and methodology used to collect data in order to determine the service quality offered at SARS's branch offices.

Chapter 4

RESEARCH DESIGN AND METHODOLOGY

4.1 Introduction

Delivery of quality service in the government institutions in the Republic of South Africa has always been seen as a challenge. Through the years, there have been service delivery protests across the country and these were witnessed through print and electronic media, and observations. Therefore, the purpose of this research study is to investigate the quality of services provided at the SARS branch offices using the SERVQUAL scale as a measure of service quality. Through the choice of data collection which will be identified and discussed in this chapter, information from the taxpayers will play an important role in order to answer the questions that this study attempts to investigate.

The sub-questions for this study were: 1) what does the literature say about the application of the SERVQUAL scale in the service environment? 2) How can SARS benefit from the implementation of the SERVQUAL scale as a measurement of service quality at its branch offices? 3) Can the SERVQUAL scale be used in the Government institutions to measure the objectives of the Batho Pele Principles?

This chapter defines the research methodology. The different research types are discussed briefly and a comparison between quantitative and qualitative research tabled. Data collection is discussed and the different methods explained extensively. The sampling methods are also discussed in this chapter, followed by the different types of variables. Ethical considerations pertaining to this study are briefly discussed and the limitations to the method selected for collecting primary data. The chapter ends with the conclusion which covers the summary of the chapter and links this methodology chapter to the next chapter.

4.2 Definition of Research Design and Methodology

Leedy and Ormrod (2005:2) define research as a systematic process of collecting, analysing, and interpreting information (data) in order to increase an understanding of a phenomenon in which one is interested or concerned with. Leedy and Ormrod (2005:85) define research design as the general strategy for solving a research problem. According to Leedy and Ormrod (2005), the research design provides the overall structure for the

procedures to be followed by thee researcher while collecting data and analyzing it. Therefore the research design is a planning phase for the research process.

According to Neuman (1997:60), research methodology is what makes social science scientific. Leedy and Ormrod (2005:6) state that the research methodology directs the whole endeavour. The research methodology has two primary functions as indicated by Leedy and Ormrod (2005:6); to dictate and control the acquisition of data and to corral the data after their acquisition and extract meaning from them.

4.3   Research Types

4.3.1 Qualitative and Quantitative Research

According to Leedy and Ormrod (2005:135), all qualitative researches have two things in common: (1) they focus on phenomena that occur in natural settings and (2) they involve studying those phenomena in all their complexity. Leedy and Ormrod (2005) state that the qualitative researchers believe that the researchers' ability to interpret and make sense of what one sees is very important for understanding any social occurrences. When little information exists on a topic, when variables are unknown, when a relevant theory base is inadequate or missing, a qualitative study can help define what is important, and what needs to be studies (Leedy & Ormrod, 2005:135). The qualitative researchers, as highlighted by Leedy and Ormrod (2005), tend to ask open-ended questions at the beginning of their investigations, and this leads to them finding is difficult to identify ahead of time the exact method they will use.

Thus, in this study, the respondents are taxpayers who access their services at the SARS branches, and were given the questionnaires at the branch and expected to complete the forms and hand in at the same place. Quantitative research relies primarily on assumptions from the positivist approach to science (Neuman 1997:106). According to Neuman (1997) it becomes easier to design a high quality quantitative research if the researcher began with a well-focused research question to answer.

Table 4.1:   Difference between quantitative and qualitative research

QUANTITATIVE	QUALITATIVE
1. Tests hypothesis that the researcher begins with.	1. Captures and discovers meaning once the researcher becomes immersed in the data.

2. Concepts are in the form of distinct variables.	2. Concepts are in the form of themes, motifs, generalization, taxonomies.
3. Measures are systematically created before data collection and are standardized.	3. Measures are created in an ad hoc manner and are often specific to the individual setting or researcher.
4. Data are in the form of numbers from precise measurement.	4. Data are in the form of words from documents, observations, transcripts.
5. Theory is largely causal and is deductive.	5. Theory can be causal or non-causal and is often inductive.
6. Procedures are standard, and replication is assumed.	6. Research procedures are particular, and replication is very rare.
7. Analysis proceeds by way of using statistics, tables, or charts and discussing how what they show relates to hypotheses.	7. Analysis proceeds by extracting themes or generalization from evidence and organizing data to present a coherent, consistent picture.

(Source: Neuman, 1997:329)

Based on the above table, this study adopts a quantitative research approach. The questionnaires were developed based on the SERVQUAL scale to investigate the quality of service offered at the SARS branch offices.

4.4   Data Collection

The term data is plural (singular is datum) and comes from the past participle of the Latin verb dare, which means "to give" (Leedy & Ormrod, 2005:88). The authors further state that data are those pieces of information that any particular situation gives to an observer. Therefore, for the purpose of this study, data collected will be analysed to discover the underlying truth about the quality of services provided at the SARS' branch offices using the SERVQUAL scale as a measure for service quality..

4.4.1 Methods for collecting primary data

There are numerous types of research methods that one can use to collect primary data. The one to be used will be questionnaires.

4.4.1.2   Questionnaires

Questionnaires are a form of structured interviewing, where all respondents are asked the same questions and are often offered the same option in answering them (yes/no, ranked on a scale, etc.)(Hofstee, 2006:132).

The questionnaires used included first, the notes to the respondents, then part 1 which asks for permission from respondents to use their responses for academic purposes only. Part 2 includes the general personal particulars of the participants (demographics) and consists of 6 questions and art 3 consisted of the questions intended to get the opinion of taxpayers on the quality of service at the SARS' branch offices. These questions will be based on the 5 dimensions of SERVQUAL, namely, tangibles, assurance, empathy, responsiveness and reliability. A total of 15 questions were asked in section 3.

The answers were offered using a 5-point Likert/type scale anchored by "strongly agree" to "strongly disagree" based on Parasuraman et al. (1994), while other responses range from "not within scope" to "completely align".

4.5   Sampling Method

According to Neuman (1997), sampling is a process of systematically selecting cases for inclusion in a research project. Simple random sampling was used in selecting the participants for the research in this study. Neuman (1997) indicated that through simple random sampling, the researcher selects a smaller subset of cases from a larger pool of cases.

For the purpose of this study, the population sample was taken from SARS' taxpayers who access their services through visiting the SARS branch offices. The participants to this study were selected from the following branch offices; Alberton, Doringkloof, Klerksdorp, Mmabatho, Pretoria van Der Walt Street and Rustenburg.

In order to determine the size of the sample for this study, guidance was taken from Gary et al. (2009:133), where N refers to the sample size:

- For smaller populations, say, N=100 or fewer, there is little point in sampling; survey the entire population
- If the population size is around 500, then 50% should be sampled.
- If the population size is around 1500, then 20% should be sampled.

- Beyond a certain point (about N=5000), the population size is almost irrelevant and a sample size of 400 will be adequate.

Based on the above guide, for the purposes of this study, a sample of 410 questionnaires was developed and issued to taxpayers.

4.6 Types of variables

Neuman (1997:107) defines a variable as a concept that varies. Neuman (1997) further states that a variable is a central idea in quantitative research and that it takes two or more values, for example, gender is a variable; it can take on two values: male or female.

4.7 Ethical procedures relating to this study

Within certain disciplines, the social sciences, education, criminology, medicine, and similar areas of study, the use of human beings in research is quite common (Leedy & Ormrod, 2005:101). According to Leedy and Ormrod (2005), whenever human beings or other creatures which have the potential to think, feel, and experience physical or psychological distress are investigated, the researcher should look at the ethical implications pertaining to what one is proposing to do. Most ethical issues in research fall into one of four categories: protection from harm, informed consent, right to privacy, and honesty with professional colleagues (Leedy & Ormrod, 2005:101). For the purpose of this study, ethical procedures will be adhered to, all sources used will be acknowledged, informed consent will be requested from participants and is included in the questionnaires, participants' privacy will be maintained, the questionnaire confirms the anonymity of participants and honesty will be maintained at all times.

4.8 Conclusion

In the introduction of this chapter, the problem that leads to the study was highlighted. Definitions of the research design and methodology were briefly discussed to give an insight to the choice for the study. This empirical study collected its data from both primary and secondary data; the different methods of collecting primary data were discussed. The participants were selected from the SARS' taxpayers, however, because of the availability of resources and the permission given by SARS leadership, a sample was taken from the selected SARS branches. The sample size was determined using guidance from Gary et al. (2009). The different types of variables were also discussed in detail in

this chapter, followed by the ethical considerations. The limitations to the choice of data collection was also discussed

The next chapter presents the findings of the study from the questionnaires, and through these findings the researcher was able to determine the views of the taxpayers in relation to the quality of service at the SARS' branch offices.

Chapter 5

DATA DISCUSSION

5.1   Introduction

In this chapter, research findings will be discussed and analyses and interpretations of data provided. The study was conducted at selected SARS branches, targeting the taxpayers as respondents to investigate the quality of service provided using SERVQUAL scale. SERVQUAL is a comprehensive service quality measurement scale developed by Parasuraman et al. (1985, 1988). The focus of this study is on the five elements of SERVQUAL, namely, tangibles, assurance, empathy, responsiveness and reliability (Parasuraman et al., 1985, 1988).

In the next section the researcher will illustrate whether there is a relationship between the gender, age, qualifications, origin of the taxpayers and tangibles at SARS offices, assurance, empathy, responsiveness of SARS employees, and how reliable they are to taxpayers and how these correlate with one another. A conclusion will be drawn from the findings of the research to determine whether taxpayers' perceptions on expected service equal to the actual service delivered.

5.2   Response rate

Although SARS currently has 48 branch offices across the country, because of limitations of resources the sample of this study was taken from five branch offices in the North West and Gauteng regions. The branch offices where the samples were taken from are Mmabatho, Rustenburg, Klerksdorp, Pretoria Van Der Walt Street branch, Doringkloof and Alberton.

A total number of 410 questionnaires were printed and handed out to taxpayers. The questionnaires targeted taxpayers who came to the identified branch offices in the 2010/2011 financial year. The questionnaires contained the modified SERVQUAL scale, with four questions relating to tangibles, three relating to assurance, four related to empathy, two questions related to responsiveness and the last two related to reliability.

The answers were offered using a 5-point Likert/type scale anchored by "strongly agree" to "strongly disagree" based on Parasuraman et al. (1994). In order to minimize the problem of low response rate, taxpayers were given the questionnaires personally.

Of the 410 questionnaires that were handed out, 390 questionnaires were returned after being completed by the respondents, with only 20 questionnaires returned incomplete and therefore classified as spoilt. This resulted in a response rate of 95%.The clients were randomly selected at the identified branches and were requested to voluntarily complete the questionnaires. The response rate of 95% in the current study was considered acceptable for attempting to make inference for an entire target population.

It is to be noted that all questionnaires were allocated a number and these numbers were drawn. If somebody did not complete a questionnaire, the next number was drawn and the next person used. This was done so as to ensure that the sample is representative. It is also acknowledged that, should somebody else want to use the results, they first test the results in their organisation before it is used to confirm the results.

The 390 respondents who completed the questionnaires correctly were randomly selected from different race groups, different age groups, different professions and qualifications. Both males and females originating from urban or rural areas were given the questionnaires. The data collected were summarised on a spreadsheet and the percentages calculated based on responses. The statistics was calculated using SPSS software. The following section illustrates the findings of the targeted respondents' perceptions of service quality at SARS branch offices.

5.3   Demographics

Of the 390 questionnaires completed correctly by taxpayers, 241 of the respondents were found to be females and 149 were males, giving a 62% female response rate as compared to a 38% male response rate. The study found that taxpayers between the age of 31 and 40 responded more, making 30% of both males and females that responded, followed by those between the age of 20 to 30, with a total of 29% of both males and females respondents as compared to respondents of middle age group between the age of 41 to 50 and those above the age of 50 who only recorded 22% and 19% of both gender groups respectively.

Sixty-two percent of the respondents grew up in areas outside the cities, and 38% of them grew up in urban areas. A high level of educational qualification and literacy was recorded with half of the respondents having at least a basic degree and 29% of them more qualified with post-graduate degrees, giving the researcher an indication that the respondents were capable of understanding and comprehending the contents of the questionnaires. This was also confirmed by the fact that out of the 390 respondents, 53% of them were continuing

with their studies as part-time students at various educational institutions and 47% of them were academics.

The study shows that the majority of the respondents were Africans, almost double the number of the White respondents at 51% and Whites represented by 21% respectively.

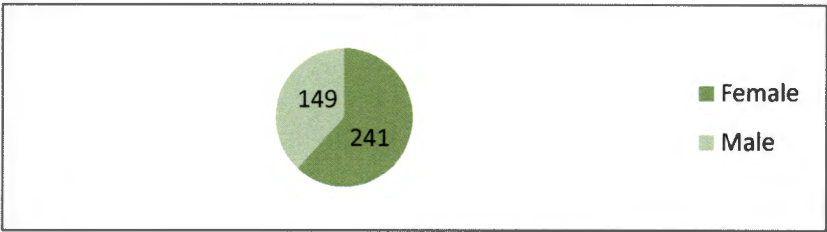**Figure 5.1**   Genders of the respondents

Figure 5.1 shows 241 of the respondents to be females and 149 males, giving a 62% female response rate. No preference was given to any sex group during the survey. Participants were randomly selected as this was a voluntary exercise; this is considered to be a fair representation of the taxpayers who visited the branch offices.

The response rate of females as compared to males could be interpreted as that females prefer to submit their tax returns in the branch offices hence they participated in large numbers. With more people becoming aware of e-filing for their tax returns, the low response rate of males could also be attributed to the fact that males could have opted to submit their tax returns through e-filing rather than coming to the branch offices to submit. In the study by Udo et al. (2010), the authors indicated that the skills level of e-customers in manipulating the prevailing technology can affect the outcome of the service experience. One difference between traditional service encounters and e-service experience is that the e-customer relies entirely on his or her ability to use technology to obtain the service, thus becoming a partner in the delivery of the e-service (Kim, Chu & Song 2009; Kuisma, Laukkanen, & Hiltunen, 2007).

**Figure 5.2**   Ages of the respondents
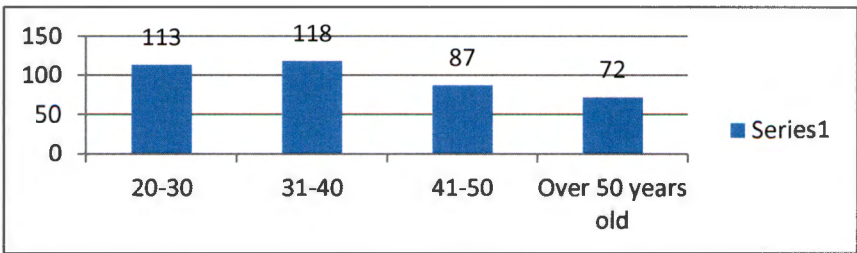
The 29% response rate of people between ages of 20 – 30 years could be representing the people who have just started work and have to visit the branch offices to register for the first time to obtain their tax numbers. The same age group could be representing the work-force that was submitting their returns for the first time since they have not long been in employment and need more guidance from the SARS personnel in completing their tax returns. In terms of the Income Tax Act individuals younger than 65 years earning more than R60 000 per annum are liable to register for tax (Tax Statistics, 2009:14).

The response rate of 30% for people in the age group of 31 – 40 years old could be attributed to the fact that this age group represents the largest number in any work force; hence many taxpayers in this age group participated in the study. The 22% response rate of taxpayers between 41 – 50 years could mean that the older the work force becomes, the lesser the numbers of its representatives, because some of the members in that age group retire due to ill health and death.

The respondents over the age of 50 years represent the workforce at 19% usually because they have reached an exit stage in their careers due to old age and many of those retire to be pensioners. These pensioners could also use the services of younger tax practitioners who might be the cause of the higher number of respondents recorded between the ages of 31 – 40.

Figure 5.3   Grew up in
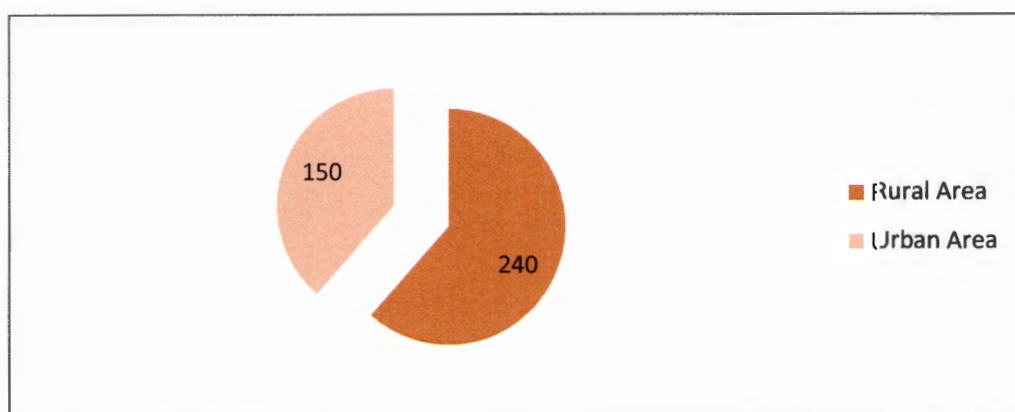
Due to a lack of formal employment in rural areas, many people migrate to urban areas for better employment. This explains the high number of respondents who grew up in rural areas and are now working in urban areas.

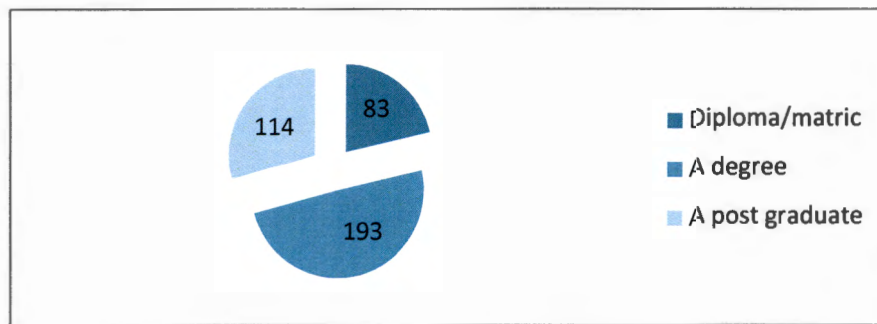**Figure 5.4**   Qualifications of respondents

Figure 5.4 depicts the educational qualification and literacy recorded with half of the respondents having at least a basic degree and 29% of them more qualified with post-graduate degrees giving the researcher an indication that the respondents were capable of understanding and comprehending the contents of the questionnaires. This was also confirmed by the fact that out of the 390 respondents, 53% of them were continuing with their studies as part time students of various educational institutions and 47% of them were academics.

Figure 5.5   Professions of the respondents
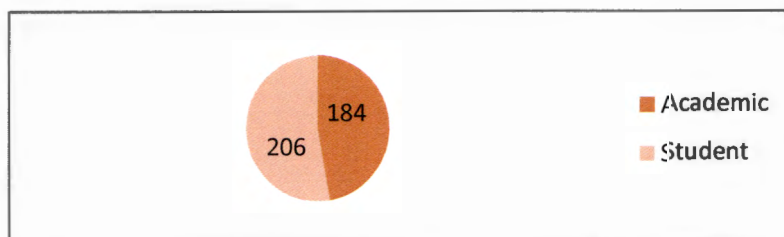
The fact that the respondents are educated and understand to a certain degree, and can comprehend most of the contents of the questionnaires, means that they could be of help in indicating the difference to SARS and the researcher's perceptions of what customers expect, and what they as customers really do expect from SARS. The respondents could indicate in this research the difference between SARS management perceptions of service quality and service quality specifications. The respondents could also indicate in the form of questionnaires the difference between service quality specifications and the actual service delivery by SARS and also indicate if SARS consistently meet these standards.

According to Kassim and Bojei (2002), the hierarchy can affect the nature of the service delivered especially in service situations where the participation of the customer is required. However, they noted that a majority of demographic characteristic studies have been carried out in Western countries (Walter, 1976; Webster, 1989; Webb, 1998).

Figure 5.6 Client's ethnicity
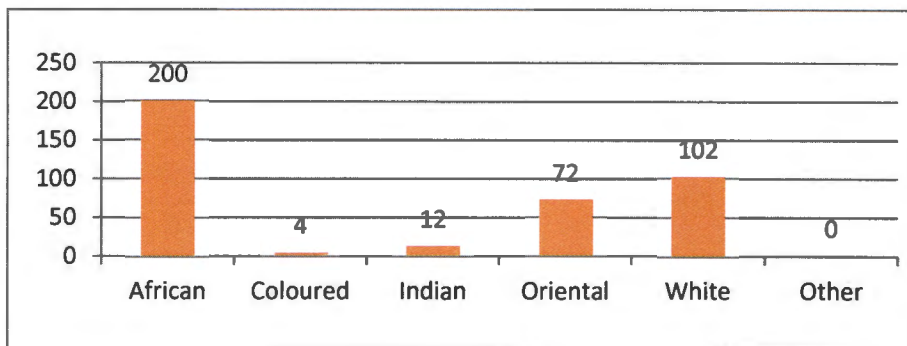
Almost more than 50% of the respondents were Africans, with Whites showing a great interest in the survey followed by Orientals. The reason for a high response from Africans might be because Africans are the majority in the Country or because the targeted areas have a pre-dominance of Africans. It could also be that Africans are now becoming aware of the quality of service that they should get in the government sectors. More and more Africans now seem to value ways to improve quality services. The relatively smaller number of Whites who participated in this study could be because they also value service quality or they want some things to be changed. Therefore they saw the survey as an opportunity to voice their dissatisfactions. Orientals also participated in large numbers as they are many when compared to the minority groups of Indians and Coloureds. Akbaba (2006) alerts one to the fact that the study of Mei et al. (1999) concluded that significant "expectations" differences exist between cultural groups and that "expectations" did not improve the validity of SERVQUAL, rather, they implied that for hotel services expectations of service differed from culture to culture.

5.4 Tangibles

SERVQUAL is based on the perception gap between the received service quality and the expected service quality, and has been widely adopted for explaining consumer perception of service quality (Parasuraman et al., 1988).Institutions offer quality to satisfy their customers. Satisfying customers depends on the balance between customers' expectations and customers' experience with the products and services (Zeithaml et al., 1990). Tangibles play an important role as the face of any institution that offers services. For example, customers do not expect to see dilapidated buildings, old office equipment and untidy staff members.

Figure 5.7 Are SARS facilities visually appealing?
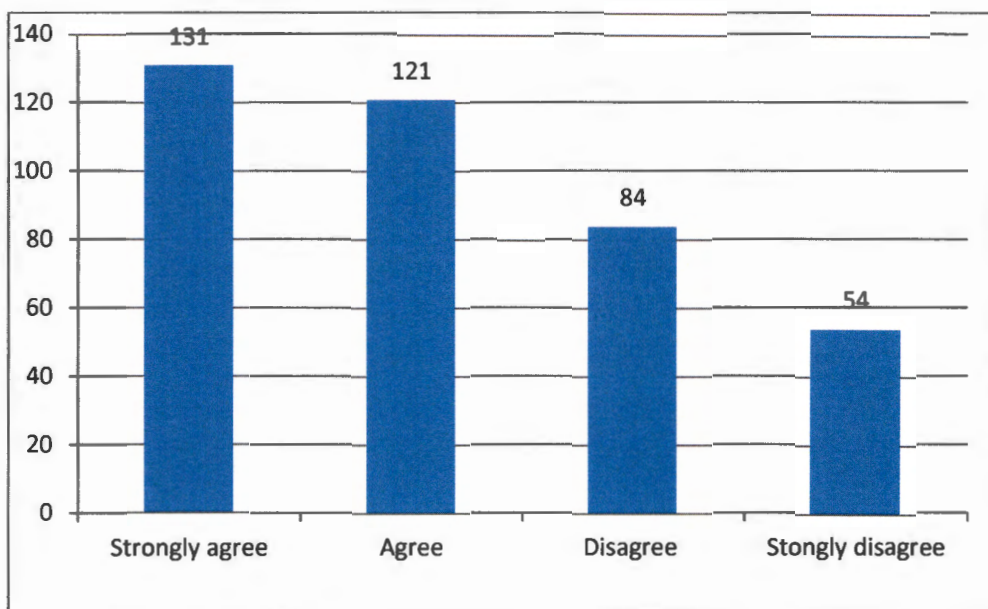
One of the factors affecting service quality in institutions is the visual appearance of the physical facilities. Thus, the facilities where services are offered should be appealing to customers as they do not expect to be served in dilapidated dirty offices. Therefore when taxpayers' visit SARS branch offices to sort out their tax matters; they expect the facilities to be clean, attractive looking and appealing. Figure 5.7 indicates that 34% of the respondents strongly agreed that the facilities at SARS are visually appealing. 31% of the respondents agree that the facilities of SARS are appealing and 22% of the respondents disagree. Thus, 65% of the respondents generally found the facilities at SARS to be visually appealing. Based on the general positive response towards facilities, figure 5.7 suggests that the taxpayers' perceived expectations on facilities have been positively met with the actual facilities that they experienced.

However, it is necessary for institutions to continuously improve their quality because customers have ever-increasing expectations as indicated by the 35% of the respondents in Figure 5.7 who felt that facilities at SARS are not appealing to them. According to Machado and Diggines (2012), in an effort to seek further indications of the quality of the product or service that customers are purchasing, they look for tangibles cues to provide them with the sought-after assurances. Customers also use the physical environment in which the transactions or service performances take place to make service quality judgement (Machado & Diggines, 2012:33).

Figure 5.8 Is SARS office equipment aligned with delivery of quality service?
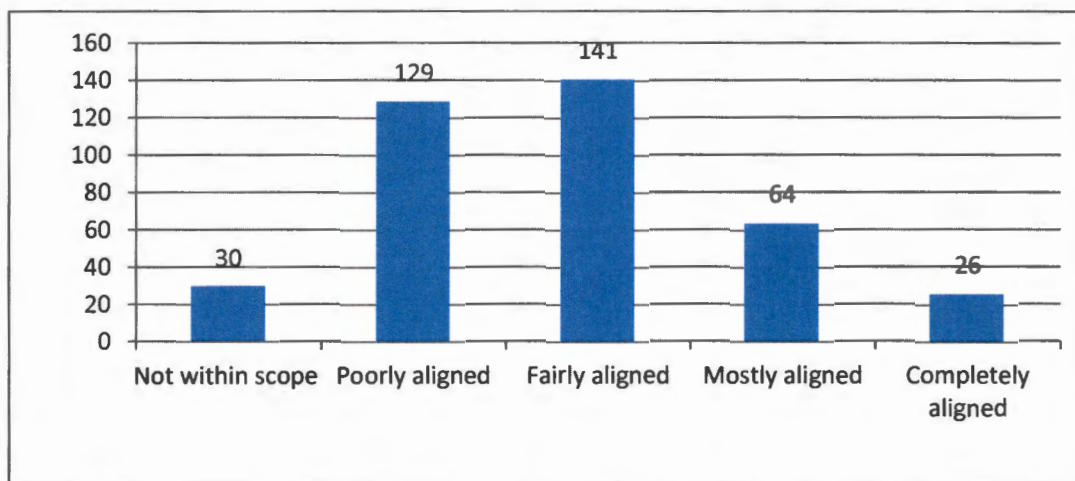
When clients visit service-offering institutions, they expect those institutions to have equipment that will enable them to perform the type of service they are offering. This means that the equipment is expected to be aligned with the type of service promised to be offered by such an organization. Customers compare a product perceived performance or outcome, in relation to their expectations, and this result in them feeling satisfied or disappointed (Kotler, 2000). Therefore, when taxpayers visit SARS to sort out their tax affairs, they expect that office equipment such as computers; telephones and furniture should be well -functioning and aligned with the production of quality service. Those who submit their tax returns by e- filling, expect that SARS' websites are up to date and easy to access.

Figure 5.8 indicates that 7% of the respondents felt that the office equipment at SARS is completely aligned with delivery of quality service, 16% indicated that the equipment is mostly aligned whereas 36% felt they were fairly aligned. The same figure (5.8%) also depicted 33% of the respondents saying the equipment is poorly aligned with quality service delivery and 8% said the equipment was not within the scope of quality service delivery. In general a total of 59% are in agreement that the office equipment at SARS is aligned with delivery of quality service, whereas 41% are not satisfied with that.

Although customer satisfaction can be subjective as indicated by the findings of figure 5.8, it is an important tool as it provides useful insight for organizations such as SARS to improve their services to customers. Therefore, SARS should be able to lift taxpayers' experience to a level that exceeds their expectations in order to satisfy almost all of its customers. Figure 4.8 shows that SARS has to continuously improve its equipment to be in

alignment with quality service delivery in order to close the satisfaction gap of the 41% of its customers.

In the study by Tserpes et al. (2008), where they studied the mechanism for providing high level quality of service information in grid(web) environments, they discovered that often the set parameters did not always reflect the quality demands of the end-user from the service (or the set of services) as the workflow may vary or dynamically change. This, they say, may result in better employment of the underlying infrastructure and in turn provide cost and time efficient solutions from which both the end user and service provider may benefit.

Figure 5.9 Do SARS employees look neat and professional?
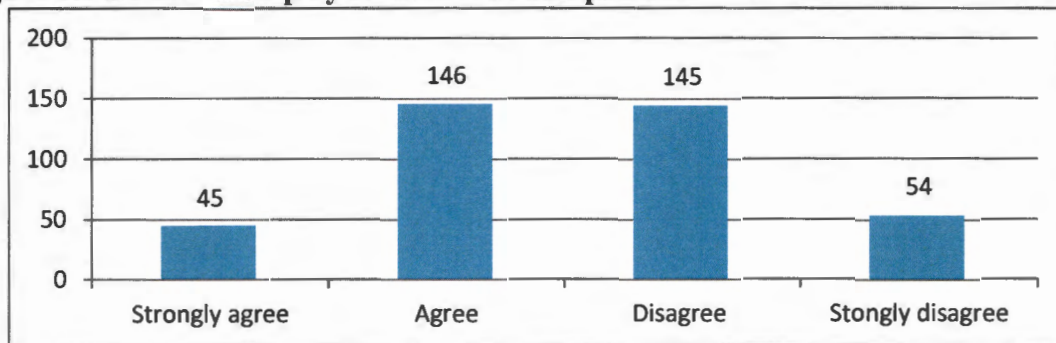
In

Figure 5.9, 12% strongly agreed that the employees at SARS look neat and professional and 37% agree with that. However, it was recorded that 37% disagreed and 14% strongly disagreed that the employees at SARS look neat and professional. It can be concluded that in general 49% agree that the employees' looks are neat and professional whereas 51% held a different view. Therefore, figure 5.9 suggests that since the branch offices are the face of SARS, a neat and professional look of its branch staff is expected at all times by the taxpayers. Figure 5.9 indicates an almost equal number of respondents who agree and those who do not agree to the professional look of the staff. Due to the fact that SARS employees do not have a dress code such as uniforms, their choice of personal clothing to work could be sending different messages to the taxpayers. Two studies by Diaz and Vazquez (1998) cited in Albacete-Saez et al. (2007) presented a 22-item scale based on the SERVQUAL to measure quality in hotels in northern Spain. The dimensions obtained are staff professionalism, tangibles, the firm's complementary offer and basic benefit. Therefore, professionalism has an effect on quality service and satisfaction.

Figure 5.10   Are SARS sign boards visible to taxpayers and aligned with quality of service delivery?
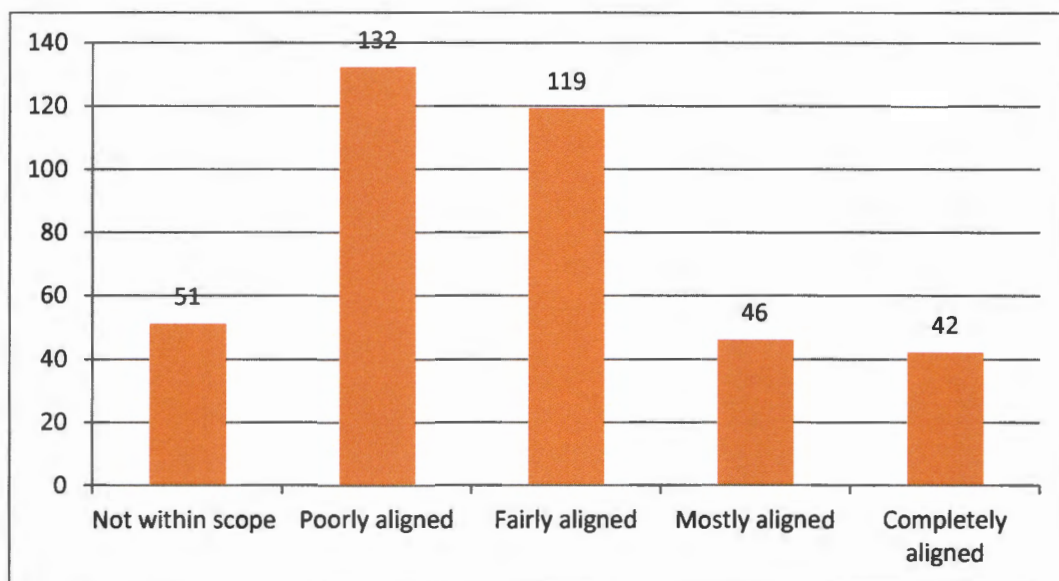
Figure 5.10 indicates that 13% of the respondents believe that signboards are not within scope and 34% felt the signboards' visibility is poorly aligned with quality of service delivery. 31% of the respondents felt the signboard's visibility to taxpayers is fairly aligned, 12% indicated that boards are mostly aligned and 10% says the signboards at SARS are completely aligned with quality of service delivery. Generally, 47% of the respondents indicated that signboards are not visible and are not aligned and 53% have shown that boards are visible and aligned with quality of service delivery. Figure 5.10 indicates that although many of the respondents are satisfied with signboards' visibility, an almost equal number of respondents were dissatisfied with SARS' signboards' visibility. This could suggest that there should be an improvement and more visual advertisement and pointers for easy access to SARS' offices.

5.5   Assurance

Assurance refers to the knowledge and courtesy of employees and their ability to inspire trust and confidence. The assurance dimension includes competence to perform the service, politeness and respect for the customer, and effective communication with the customer (Parasuraman et al., 1988).

Figure 5.11: Do SARS employees instil confidence in taxpayers when dealing with their tax matters?
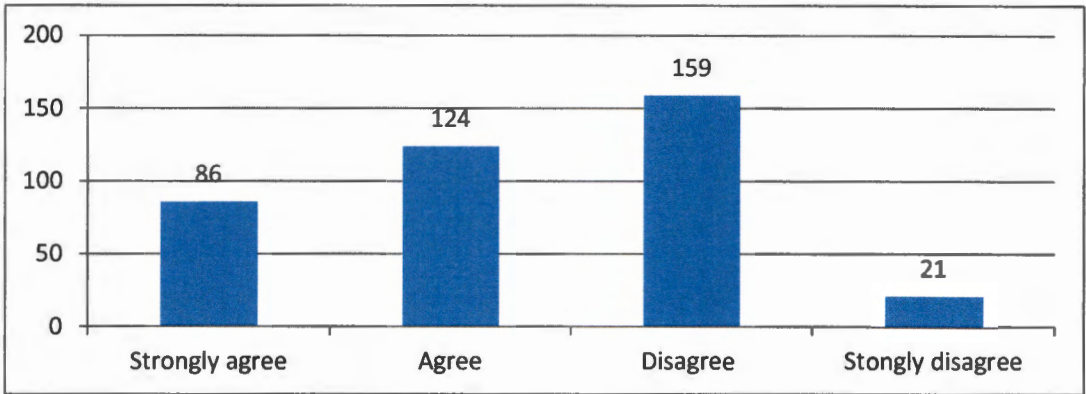
Figure 5.11 shows that 22% of the respondents strongly agree that SARS employees instil confidence in them when dealing with their tax matters, and 32% agree with the statement. However, 41% of the respondents disagree and 5% strongly disagree. In general, 54% of the respondents feel that SARS employees inspire confidence in them whereas, 46% of the participants do not agree. The respondents are merely showing that although some employees at SARS are good, competent and skilled, among them there are those who need further development and training. According to Bitner et al. (1990), in services, the customer formulates his/her perception of actual service quality during interaction with the contact personnel of the organization. Through this observation, Bitner et al. (1990) suggested that service quality is highly dependent on the performance of the employees.

Figure 5.12 Is handling of taxpayers' information within the confidentiality procedures?
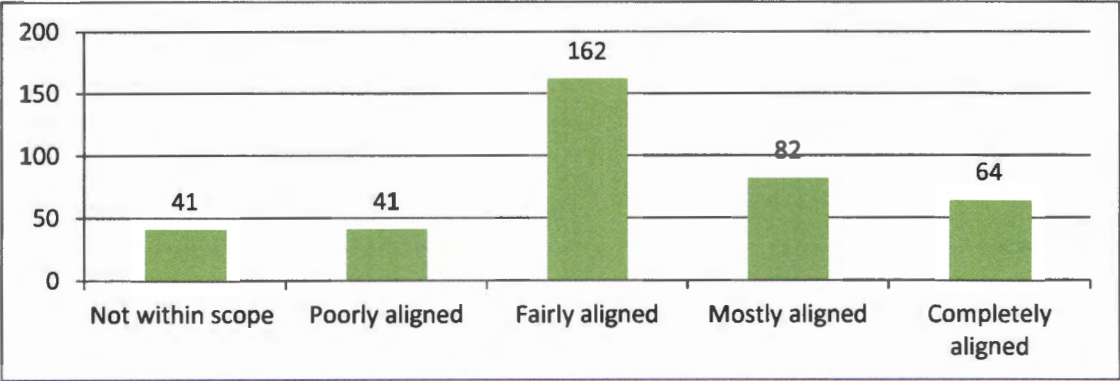
In Figure 5.12, 11% of the respondents felt handling of taxpayers' information is not within scope of confidentiality, another 11% indicated that it was poorly aligned, whereas 41% recorded fair alignment. Twenty-one percent of the respondents scored mostly aligned and 16% alluded to the fact that the handling of taxpayers' information was completely

aligned with confidentiality procedures. A total of 22% of the respondents indicated that handling of taxpayers' information by SARS employees was not within the confidentiality procedures whereas an overwhelming 78% of the respondents felt that employees handle their information confidentially with the privacy that it deserves. Thus, 78% of the respondents do not fear the risk to share their personal information with employees they do not know. Therefore figure 5.12 indicates that taxpayers feel that SARS' employees can be trusted and they also feel safe in their transactions with employees. In the study done by Knutson et al. (1990) cited in Akbaba (2006), five service quality dimensions emerged, and among them "reliability" was ranked first in the hierarchy of importance for evaluating service quality, followed by "assurance", "responsiveness", "tangibles" and "empathy".

Figure 5.13 Do SARS personnel have the knowledge to answer taxpayers' questions?
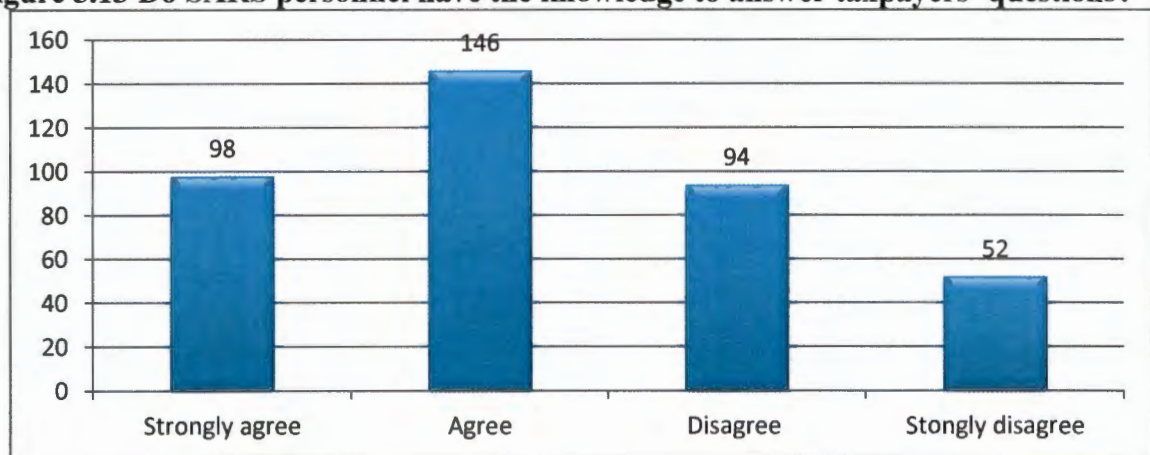
One of the aspects in assurance factor is knowledge needed to answer questions by the employees of a service delivery organization. Customers expect to find everything they want from SARS employees for instance, meaning that employees should be able to help and answer the taxpayers questions without doubts. In order to satisfy customers, information given to them must be rich and relevant. Bitner et al. (1990) cited in Kassim and Bojei (2002) suggested that both service quality and service satisfaction affirm the importance of the quality of the customer/employee interactions with the service.

Figure 5.13 shows that 25% of respondents strongly agree that SARS personnel have the knowledge to answer taxpayers' questions, 37% also support that whereas 24% disagree with the statement. Therefore, 62% of the respondents generally agree that SARS employees know how to answer taxpayers' questions. If SARS wants to satisfy its taxpayers, the first question it needs to answer is, what it that satisfies its clients is, and equally important, what is it that makes them dissatisfied. According to Zeithaml and Bitner (1996) there are two aspects that need to be taken into consideration when

evaluating the service quality: content and delivery. Therefore, based on the results in figure 5.13, 62% of the respondents' expectations on knowledge of SARS' personnel were met.

5.6   Empathy

This refers to the provision of caring, individualized attention given by the organisation to its clients when providing service. Empathy includes approachability, sense of security, and the effort to understand the customer's needs (Parasuraman et al. 1988). Therefore, taxpayers expect of SARS' employees special care, individualized attention and understanding of their needs.

Thus, empathy refers to the way employees attend to particular customers' needs, giving customers personal attention, helping them with a friendly looking face and warmth, so that more and more customers feel comfortable, making them more likely to return for the services because of the general feeling of satisfaction associated with the personnel's' handling of customers.

Figure 5.14   Is the care given to taxpayers aligned with quality of service delivery?
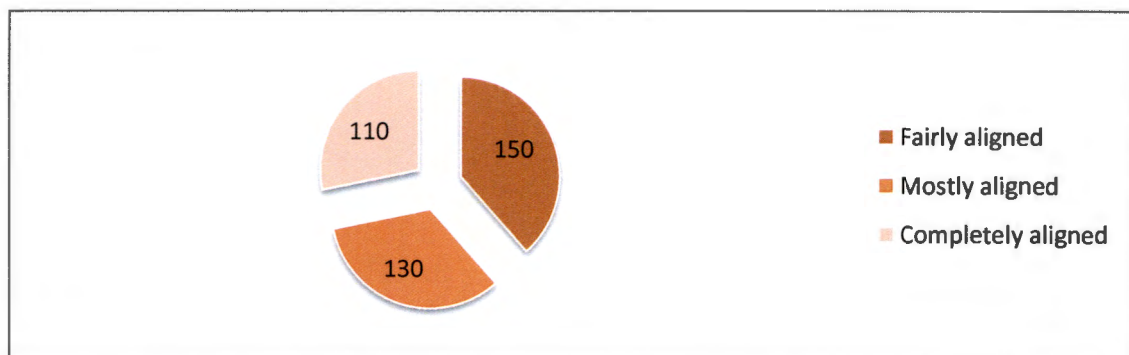
Figure 5.14 shows that 39% of the respondents felt they were treated with special care and the treatment was fairly aligned with quality of service delivery, 33% indicated it was mostly aligned whereas 28% says it is completely aligned. Figure 5.14 indicates that SARS employees do care and pay attention to taxpayers' issues. This is a good sign of service that is aligned with quality by SARS employees, thereby rendering SARS to be an institution with good service delivery. Figure 5.14 indicates that there is a balance between customers' expectations and customers' experience with the services offered. The definition of service quality developed by Parasuraman et al. (1988) has been employed as a comparison to excellence in the service encounter by the customer (Rust & Oliver, 1994; Cronin & Taylor, 1992).

Figure 5.15   Is the quality of treatment of taxpayers aligned with the Batho Pele Principles?
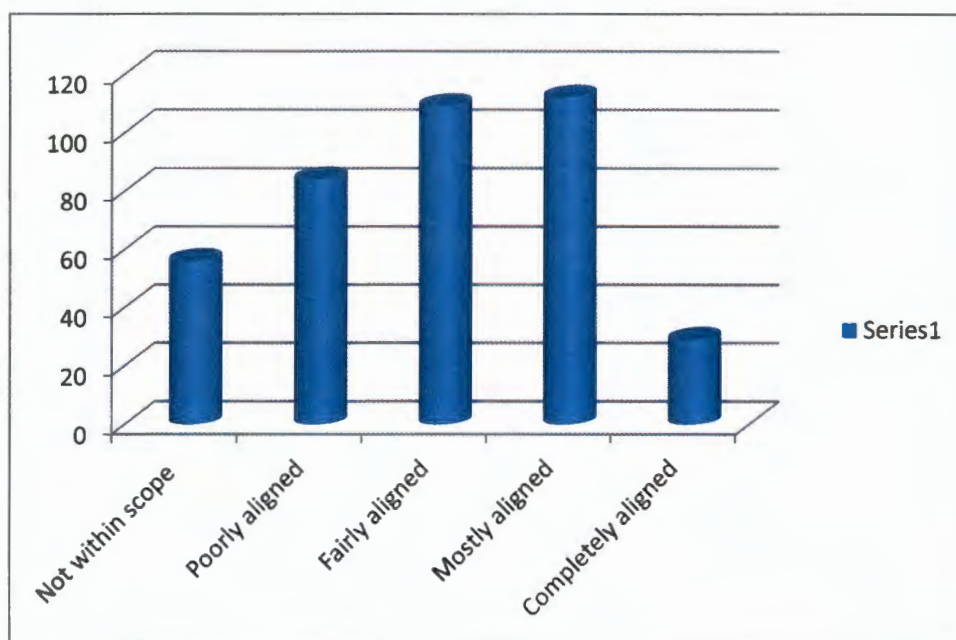
In Figure 5.15, 14% of the respondents indicated that the quality of treatment of taxpayers was not within scope of Batho Pele Principles, 22% felt it was poorly aligned, whereas 28% indicated a fair alignment. 29% gave a positive response and felt that the quality of treatment was mostly aligned alignment to Batho Pele Principles and 7% felt it was completely aligned. Figure 5.15 therefore suggests that there is a balance between the taxpayers' expectations in relation to the treatment received and their experienced treatment.

Satisfying customers depends on the balance between customers' expectations and customers' experiences with the services (Zeithaml et al., 1990). Figure 5.15 suggests that taxpayers are satisfied with the experience of their treatment by SARS' employees. Therefore, they are satisfied with the quality of service they received as there is a balance between their expected treatment and their actual received treatment from SARS employees. According to Kaisara and Pather (2011), the intention of the Batho Pele framework was to create a customer-oriented mindset in the South African public service, and to imitate the mindset of the "competitive commercial market, in which private companies cannot afford to ignore the needs and wishes of their customers"(South Africa, 1997:13).

Figure 5.16   Is the attention given to taxpayers at the branch offices aligned with quality service delivery principles?
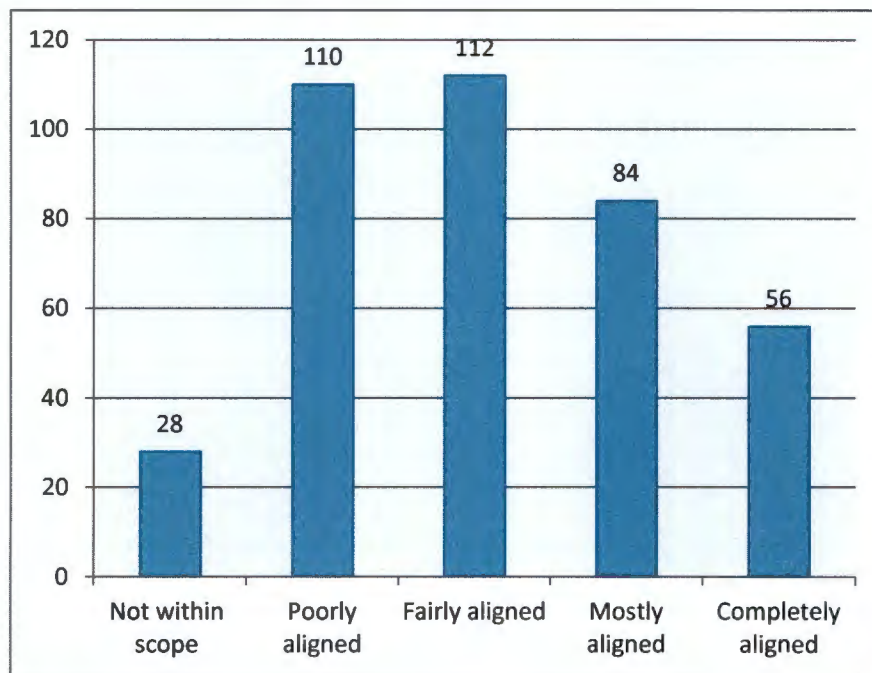
Figure 5.16 shows responses of 7% of the respondents who indicated that the attention given to clients was not within scope of quality service delivery principles, 28% felt it was poorly aligned, 29% indicated fairly alignment, whereas 22% indicated the attention given to taxpayers was mostly aligned with quality service delivery principles. Thus, 35% of the respondents generally felt that the attention given to them by SARS employees at branch offices was not aligned with quality service delivery.

Although 65% percent of the respondents felt that SARS' employees gave them the attention they deserve, 35% of the respondents felt that there was an imbalance between how they expected to be handled by SARS employees and the actual attention they received from them, leaving them not satisfied about the quality of service they received. Through observation, Bitner et al. (1990) concluded that in services, the customer formulates his/her perception of actual service quality during interaction with the contact personnel of the organisation. It is because of this observation that Bitner et al. (1990) suggested that service quality is highly dependent on the performance of the employees. The authors further suggested that both service quality and service satisfaction confirm the importance of the quality of customer/employee interactions with services.

Figure 5.17 Do SARS personnel understand the needs of taxpayers?
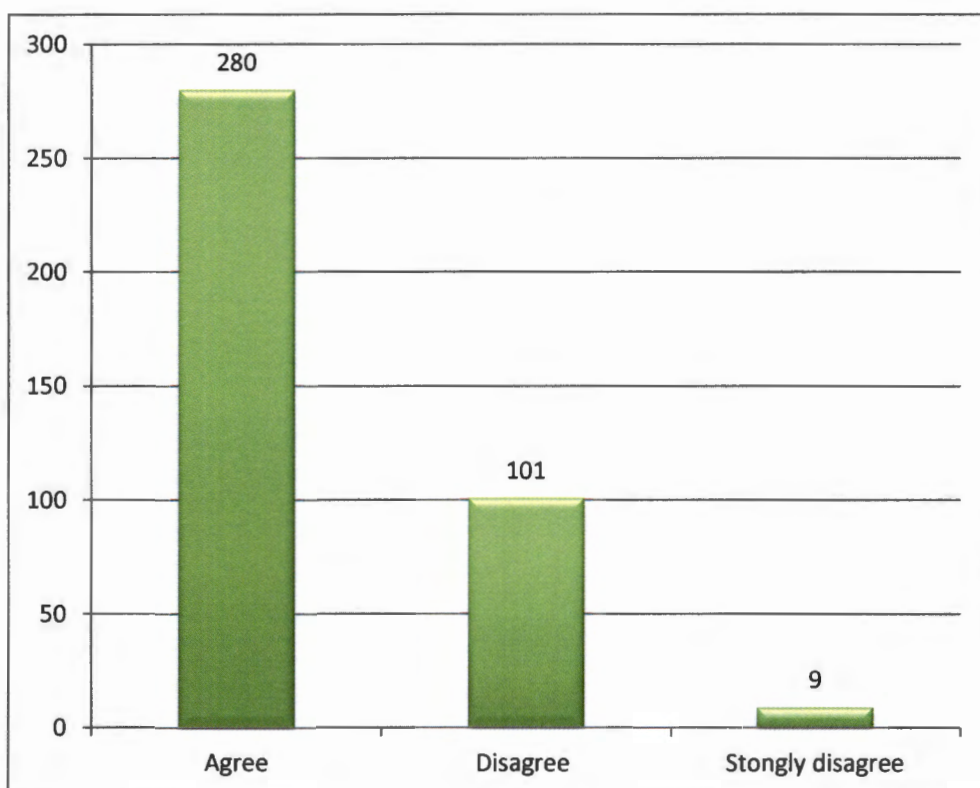
In Figure 5.17, 72% of the respondents agree that the SARS personnel understand their needs as taxpayers, however, 26% disagree. This indicates a total of 28% of the respondents who felt that their needs were not understood as compared to 72% who agreed that their tax needs were understood by SARS employees. Empathy includes approachability, a sense of security, and the effort to understand the customer's needs (Parasuraman et al., 1988). Figure 5.17 indicates that 28% of the respondents felt that there was a service gap between their expectations of SARS employees in understanding their tax needs and the actual service that they received. Therefore, this percentage suggests to SARS that although many respondents are satisfied with the service quality they received in general, there are certain numbers of taxpayers who are not satisfied. Service quality has been identified as a predecessor to satisfaction (Anderson et al., 1994). It is a post consumption evaluation of perceived quality (Anderson & Fornel (1994). It is therefore a result of the comparison that customers make between their expectations about a service and their perceptions about such service, and the overall perception of the way the service has been performed (Zeithaml et al., 1988).

5.7   Responsiveness

Responsiveness refers to the willingness of employees to help clients and to provide prompt service. To keep clients waiting for long before being served without any explanation creates negative perceptions on quality(Parasuraman et al.1988). In the event where there is service failure, for example, systems failing, the ability to recover quickly with professionalism can create a very positive perception about service quality.

Figure 5.18   Is service provided aligned within the specified turnaround time?
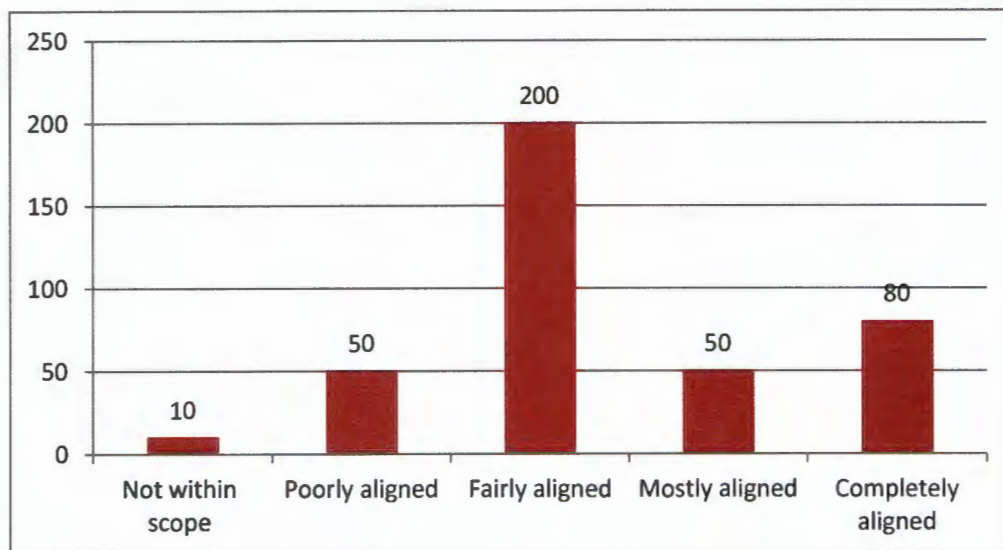
In figure 5.18, 3% of the respondents indicated that the service provided was not within the specified turnaround time. 13% indicated that the service provision was poorly aligned. Respondents (51%) felt the provision of service within specified times was fairly aligned, 13 % rated the service provision as mostly aligned, whereas 20% were completely satisfied with the service. Therefore, a total of 16% felt that there was a gap between provisions of service delivery at the promised time.

Figure 5.18 shows that 84% of the respondents agreed that there was a balance between the service they expected and the actual service experience that they received (Zeithaml et al., 1990). It is very important for an organisation to have employees that are prompt in providing service without keeping customers waiting for long. Kim and Lee (2011:237) stated that responsiveness is a more important dimension in people-based industries, such as an aerobics school or an investment-consulting firm. Therefore, SARS being a people-based industry, the turnaround time for service delivery is regarded as very important by its taxpayers.

Figure 5.19   Is service provided at convenient times?
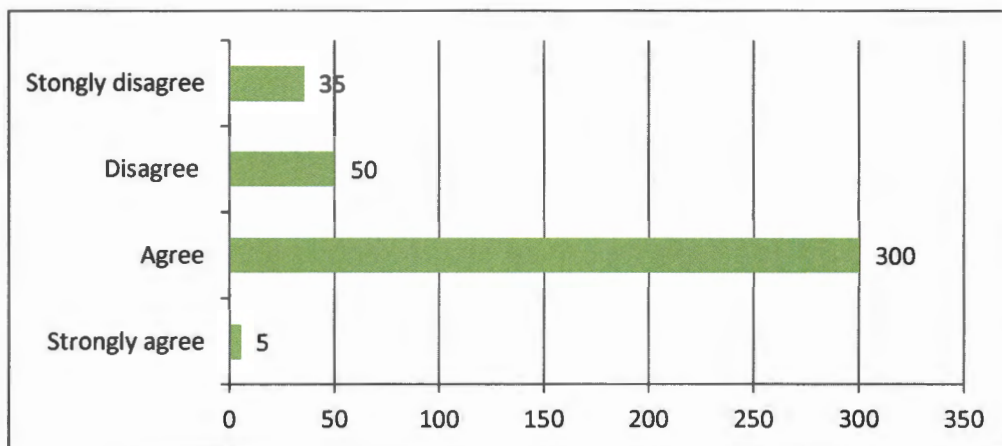
Figure 5.19 shows 9% of the respondents who strongly disagree with the fact that SARS provides service at convenient times and a 13% disagree. However, 77% of the respondents agreed that SARS provides services at convenient times, and only 1% strongly agreed to the same.

Figure 5.19 suggests that SARS employees provide prompt service at a convenient time to the taxpayers. 78% of the respondents felt that service was delivered at a convenient time, and they were satisfied with that. The positive responses in figure 5.19 could be attributed to the fact that SARS has increased the operating hours during their peak individual tax filing season, now starting at 7.30am as opposed to the normal time of 8am, and closing at 6pm as compared to normal 4.30 pm (SARS' extended operating manual) and also the fact that taxpayers can access their e-filing anytime through internet. Kaisara and Pather (2011) point out that there are a few specialized web projects such as the South African Revenue Services' e-Filing and the Department of Transport's e-Natis, which are aimed at extending the service delivery channels through internet to both citizens and civil servants.

5.8   Reliability

It refers to the ability to provide the promised service dependably and accurately. (Parasuraman et al., 1988).Reliability is therefore the customers' expectation that the service will be delivered on time and without mistakes. For example, in the case of SARS, taxpayers would expect that their tax return assessments would be correctly assessed the first time without any errors and that the correct refund would be paid on time without any mistakes.

Figure 5.20: Is provision of service first time within the set quality standards?
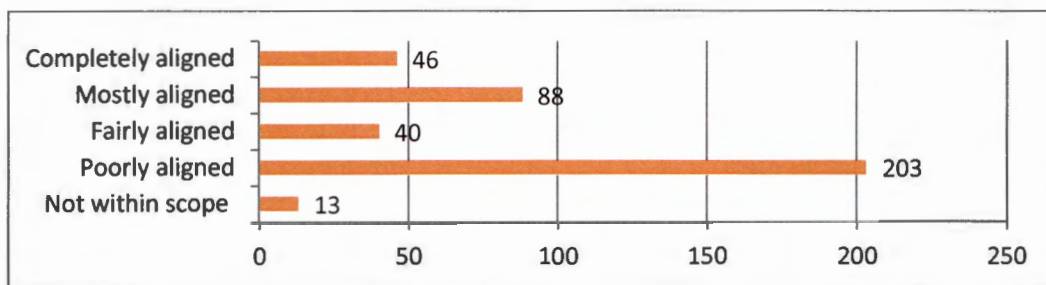
In Figure 5.20, 12% of the respondents felt the provision of service first time was completely aligned with set quality standards, 23% of the respondents scored mostly aligned, whereas 10% felt the service was fairly aligned. However, 52% indicated that the provision of service first time was poorly aligned with the set quality standards and 3% felt it was not within scope. Therefore, a total of 55% of the respondents indicated an imbalance between their expectations on the first time service offering and the actual first time service that they experienced. This could mean that the dissatisfied percentage of the respondents, although they expected that the service provided to them would be accomplished on time and without errors, employees delayed service and made mistakes. The scale developed by Bahia and Nantel (2000) cited in Karatepe et al. (2005) based on expert opinions revealed six dimensions of service quality. These were termed: effectiveness and assurance, access, price, tangibles, service portfolio, and reliability.

Figure 5.21 Is provision of service within the promised time lines?
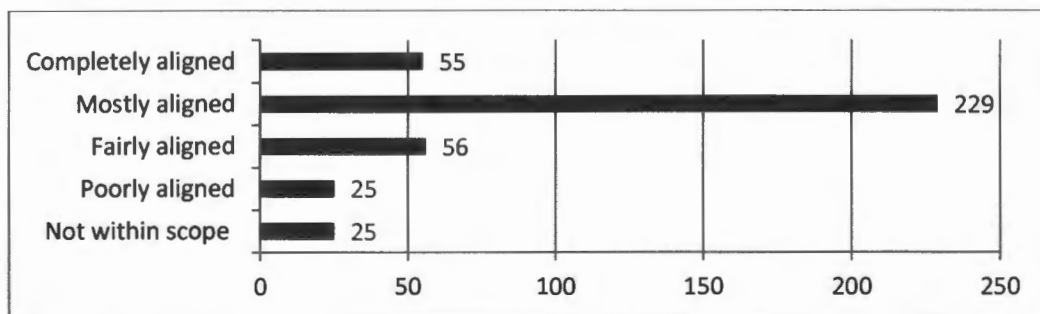
Figure 5.21 shows 14% of the respondents are in agreement that services at SARS were completely aligned with the promised time lines. 59% indicated that service provision was mostly aligned with promised time lines, and 16% felt it was fairly aligned. However, 6% felt service was poorly aligned with the promised time lines and another 6% indicated that service was not within scope of the promised time lines. A total of 82% of the respondents were in agreement with the fact that SARS provides services within the promised time lines, whereas 12% did not agree to that.

The timelines at SARS are communicated with clients, and clients are happy with the set timelines and the delivery of service as promised. To enforce these timelines, SARS has made clients aware of the toll-free number so that they can track their cases and the free toll-number of reporting service that is not aligned with the promised time lines. Therefore the 84% of the respondents were satisfied because their service expectations balance with their service experience provided. The Theory of Reasoned Action (TRA) (Fishbein & Ajzen, 1975) cited in Udo et al. (2010) assumes that if people view a behaviour as positive (attitude), and if they believe that others would prefer them to perform the behaviour (subjective norm), there will be a greater intention (motivation) to behave in that manner and they are they are more likely to do so. Therefore, staff members should be rewarded for meeting the service set standards to encourage the good behaviour and to always want to strive for excellence.

5.9   Frequency Tables
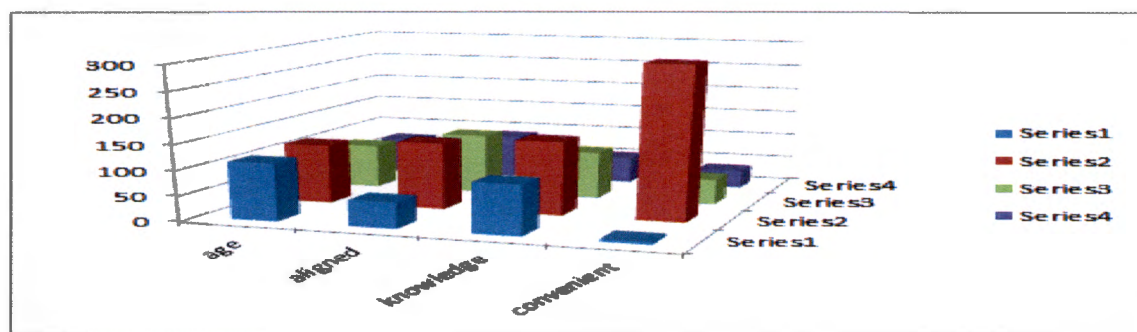
A frequency table is a table that shows the total for each category or group of data. In the above frequency table, almost 60 percent of the respondents indicated that the service is aligned with SARS' goals whereas 51 respondents indicated that they do not mind if it is not within scope. Nearly 50 percent of the respondents argued that they do not mind that services are not aligned or mind that it is not aligned.

Nearly 63 percent of the respondents think that people assisting them have knowledge to deal with their tax queries. They are concerned with a good service. On the other hand nearly 80 percent of the respondents agree that the service is convenient as SARS try to reach people who are tax liable, this is done through extension of working hours during the individual tax season and the availability of efiling system 24 hours, and the SARS call centre.

5.10 Conclusion

SERVQUAL provided the researcher with a tool for the measurement of functional quality at SARS. SERVQUAL has the ability to identify symptoms and to provide a starting point for the examination of the underlying problems that inhibit the provision of quality service at SARS.

For example, a poor score on one or more SERVQUAL dimensions would normally indicate to the researcher an existence of a deeper underlying problem at SARS. Assume that SERVQUAL indicates that taxpayers do not perceive SARS employees as being willing to help. Therefore, the low score on this aspect of quality may be symptomatic of deeper problems that centre on SARS's ability to hire and retain high quality employees. It may also be an indication to the researcher that SARS has a problem with evaluating and rewarding superior performance, or SARS does not provide adequate training to its employees.

The Batho Pele principle score was found to be not good, and the employees seem not to pay much attention to taxpayer's needs. These could be resolved in the form of in-service training and seminars presented to the employees by SARS so that the general empathy outlook of SARS employees to taxpayers improves. In general SARS employees' responsiveness to taxpayers is very good, and they were found to be reliable in this survey although poor results were scored for provision of service first time within the set quality standards which may be due to many factors that SARS has to look into in order to improve and make its service as perceived fully reliable to taxpayers.

In general, many of the scores indicated a good and positive response by the respondents, assuming that SARS service delivery is not of a bad quality, but needs to be improved too. From what the researcher found, in the next chapter, one could make recommendations based on the findings of the survey questionnaires that may contribute towards the improvement of service quality at SARS.

CHAPTER 6

CONCLUSION AND RECOMMENDATIONS

6.1   Introduction

In chapter five, the results of the empirical survey of this study were discussed in detail. In the current chapter, the same results are used to come to conclusions and make recommendations to the management of SARS, with reference to the main research problem. The main aim was to investigate the quality of service provided at SARS' branch offices using SERVQUAL scale as a measurement. The challenges encountered in the research process will be highlighted and the limitations to the study will also be identified. Further research opportunities relating to this study will be highlighted and final conclusion remarks will be made.

6.2   Summary of the Study

SARS has proved to be one of the best performing government institutions, and this is supported by the fact that it won the government's service excellence awards in 2009 and 2010, and has consistently achieved the set revenue collections annually as stated in their 2009-2010 Annual Report.

Although SARS has won the Government Service Excellence awards and has achieved their set revenue collections targets annually, measuring the quality of service that they provide to the taxpayers at the branch offices prompted the current study. As Snow and Yanovich (2010) indicated, it is a challenge to define service excellence because it is a feeling that one gets during and after being serviced.

Therefore, to enable the researcher to measure the quality of service that is provided at SARS' branch offices, Parasuraman et al. (1998) SERVQUAL scale was adopted in order to measure the service quality. The SERVQUAL conceptual model serves as a concise framework for understanding, measuring and improving service quality (Parasuraman et al., 1988). The study looked into the five elements of the SERVQUAL scale to determine if the perceived quality of service by taxpayers equals the actual service received.

In 1997, the South Department of Public Services and Administration introduced the Batho Pele Principles in an attempt to transform all public service institutions in addressing the service challenges. Therefore, when developing the questionnaires, the researcher also investigated if SARS' branch offices service provision was in alignment with the Batho

Pele Principles. The questionnaires were therefore based on the SERVQUAL five elements and the Batho Pele Principles.

Taxpayers' responses from the five branch offices in the North West and Gauteng regions were taken as a sample for this study. The consideration of sample was informed by the availability of resources to the researcher.

Reference on service quality and the theory relating to quality was drawn from the research work that had been done previously. Definitions of keywords used were defined and discussed in detail. The search engines that were used were Google scholar and Science direct.

Service quality has been identified as a predecessor to satisfaction (Anderson & Sullivan 1993; Anderson & Fornell. 1994; Cronin & Taylor 1992; Godliels et al., 1994; Woodside et al., 1989).

A quantitative research approach was adopted in this study. Quantitative research involves either identifying the characteristics of an observed phenomenon or exploring possible correlations among two or more phenomena (Leedy and Ormrod, 2005:182). The situation will be examined as is, it does not change or modify the situation under investigation, nor does it determine the case-and-effect relationships. The questionnaire model was used to collect data from taxpayers. Although 410 questionnaires were printed and issued, only 390 were completed without any errors and these are the ones whose responses were used to develop an analysis.

In general, from the data analysis, taxpayers were satisfied with the quality of services they experienced at the SARS' branch offices. This indicates that the service expectations of the majority of the tax payers have been met.

6.3   The first sub-question

What does the literature say about the application of SERVQUAL scale the service environment?

A comprehensive literature review was carried out in chapter three to address this sub-question. In Chapter Three, the definitions of SERVQUAL were discussed and its application in the service environment was also outlined.

The similarities and use of SERVQUAL and SERVPERF were highlighted and the uses of performance measures were also discussed in detail, for example, Cronin and Taylor

(1994) cited in Kou et al. (2010), proposed that SERVPERF as a method of assessing service quality based on the performance-based paradigm. Cronin and Taylor (1994) further stated that without measuring expectation value, SERVPERF displayed better reliability and predictive validity than SERVQUAL, using the "performance-minus-expectations" approach. The instruments of SERVQUAL and their applications were discussed in chapter three with the different scales of measurement reviewed. The reasons for the use of SERVQUAL scale were also discussed in chapter three. Studies confirming the validity of the original findings of SERVQUAL scale as a measure of service quality and customer satisfaction were also discussed. Studies carried out confirming that SERVQUAL is still used to measure customer satisfaction were highlighted. Finally the problems encountered with SERVQUAL were outlined.

6.4   The second sub-question

How can SARS benefit from the implementation of SERVQUAL scale as a measurement of service quality at its branch offices?

In chapter three the core elements of SERVQUAL scale were discussed, and in chapter five the findings that show the service gaps from the questionnaires were analysed. The SERVQUAL dimensions were looked at and interpreted and from these interpretations it was found that the introduction of SERVQUAL would assist the management of SARS in recognizing the elements exposing lack of service quality in the branch offices.

In Figure 5.9, it was found that SERVQUAL scale has the ability to identify symptoms and to provide a starting point for the examination of the underlying problems that inhibit the provision of quality service at SARS. For example, a poor score on one or more SERVQUAL dimensions would therefore indicate to the SARS management the existence of deeper underlying problems. In this case, figure 5.9, 51% of the respondents' expectations were not met in relation to the employees' professional look and neatness.

Through SERVQUAL dimensions, it was found in figure 5.20 that a total of 55% showed an imbalance of their expectations in relation to provision of service first time. This could be an indication to SARS management that more training of their staff is needed to reduce the service gap that has been identified. According to Chou and Kim (2009) cited in Kou et al. (2011), they stated that improved service quality can increase customer satisfaction, reduce customer complaints and enhance customer loyalty.

SERVQUAL is based on the perception gap between the perceived service quality and the experienced service quality, and has been widely adopted for explaining consumer perception of service quality (Parasuraman et al., 1988). Service quality models such as SERVQUAL do not only help in showing the service organizations the factors that play an important role to customer satisfaction, but also provide directions for improvement in an organization. Therefore, SERVQUAL can also assist managers in identifying problems with quality service in their organizations, and can also help them in improving the efficiency, profitability and overall performance of their organizations. Fick and Ritchie (2006) cited in Akbaba (2006), had examined both the operation of the SERVQUAL scale and its management implications in four major sectors of the travel and tourism industry: airline, hotel, restaurant, and ski area services. Their research results, Akbaba (2006) states, confirmed the five-dimensional structure and demonstrated the usefulness of the SERVQUAL instrument, however, the also identified a number of concerns and shortcomings.

6.4.1 Tangibles

Tangibles play an important role as the face of any institution that offers services. For example, customers do not expect to see dilapidated buildings, old office equipment and untidy staff members. Every detail of an organization's physical environment says something about that organization's brand. Everything the customer sees, hears, touches, smells and tastes creates an impression – "everything speaks" (Snow & Yanovitch, 2010:7). In Chapter 5 Figure 5.9 and Figure 5.10 respectively, SERVQUAL identified that professionalism among staff members is lacking and the visibility of sign boards is not in accordance with taxpayers' expectations. These are the two elements exposed by the SERVQUAL scale that the management of SARS should improve in order for their tangibles to satisfy most of their taxpayers.

Therefore, through the introduction of SERVQUAL, SARS management will be able to see which elements of tangibles need to be improved in order to satisfy and meet the expectations of its taxpayers.

6.4.2 Assurance

Employees of organizations must have the knowledge, courtesy and the ability to inspire trust and confidence. The assurance dimension includes competence to perform the service, politeness and respect for the customer, and effective communication with the

customer (Parasuraman et al., 1988). Through observation, Bitner et al. (1990) concluded that in services, the customer formulates his/her perception of actual service quality during interaction with the contact personnel of the organisation. It is because of this observation that Bitner et al, (1990) suggested that service quality is highly dependent on the performance of the employees. The authors further suggested that both service quality and service satisfaction confirm the importance of the quality of customer/employee interactions with services.

Therefore, employees must have sufficient knowledge to answer customers' questions, and they also have to be trusted. Customers must feel safe in giving the employees personal information. For example, people are very concerned about the misuse of credit card information or any personal information given over an internet as there is a risk for customers in sharing personal information. Therefore, customers need to be assured and have trust in the employees of an organisation that need them to give personal information. Any organization, should always strive to have the right people on the team and putting those people in the right places. The SERVQUAL scale in Figure 5.11 has found that employees do not instil confidence in taxpayers when dealing with their tax matters.

With the implementation of the SERVQUAL scale, and the analysis of the exposed assurance elements, SARS can be able to place knowledgeable personnel who are trustworthy in positions that suit their personalities and skills. Therefore, with the help of the SERVQUAL scale, management can identify the weaknesses of an employee based on the elements of the assurance dimensions lacking in such an employee, and they can develop such an employee through further training and coaching to achieve and improve in the deficient element.

6.4.3 Empathy

According to Parasuraman et al. (1988), empathy includes approachability, sense of security, and the effort to understand the customer's needs. Therefore, taxpayers expect from SARS employees special care, individualised attention and understanding of their needs.

Thus, empathy refers to the way employees attend to particular customers' needs, giving customers personal attention, helping them with a friendly looking face and warmth, so that more and more customers feel comfortable, making them more likely to return for the

services because of the general feeling of satisfaction associated with the personnel's handling of customers.

SERVQUAL has shown that SARS employees in general are empathetic towards their clients as indicated in Section 5.6. Therefore, in implementing SERVQUAL at SARS, management would be able to identify the specific factors of empathy that some of their employees lack in dealing with the taxpayers. Once management has identified the lacking elements, they can concentrate on developing the affected employees and where it is an attitude problem which cannot be corrected, then management can place the individual employee in positions that do not involve working with clients.

6.4.4 Responsiveness

Responsiveness refers to the willingness of employees to help clients and to provide prompt service. According to Parasuraman et al. (1988), keeping clients waiting for long before being serviced without an explanation creates negative perceptions on quality. Thus, in the event where there is service failure, for example, systems failing, the ability to explain to the clients and to recover quickly with professionalism can create a very positive perception on service quality. Bitner et al. (1990) cited in Kassim and Bojei (2002) defined service quality as the consumers' overall impression of the relative inferiority/superiority of the organisation and its services.

In figure 5.7, SERVQUAL scale has shown that the response time by the SARS' employees is highly satisfactory to the taxpayers. Although this is of a high standard, to keep customers satisfied all the time, SARS has to maintain the standard that its employees have set.

Therefore, by continuously implementing SERVQUAL scale at SARS, management will identify the factors that affect the speed at which their employees resolve taxpayers' queries and their accuracy in solving such queries, and if the standards are declining, they will be able to come up with corrective measures.

Thus, if service delivery is not in alignment with the set turnaround times, then management should be able to provide service improvement based on the SERVQUAL findings. By using SERVQUAL, SARS will also be able to identify if the taxpayers are satisfied that they are providing service at the convenient times.

6.4.5 Reliability

Reliability refers to the ability to provide the promised service dependably and accurately (Parasuraman et al., 1988). Customers expect that service should be delivered on time and without mistakes. For example, if SARS has promised taxpayers that their tax refunds will be paid within 21 working days as per their standard operating procedures, then taxpayers expect their tax refunds to be paid at the exact promised date and if that is not the case, taxpayers will show dissatisfaction.

In Figure 4.19, SERVQUAL scale found that taxpayers are not satisfied with the quality standards of the first time resolution of their tax queries. Therefore, SERVQUAL was able to indicate to SARS's management a deeper symptom and lack of reliability among its employees in providing the service first time. Through the implementation of the SERVQUAL scale, management would be able to identify those areas where promised service is not being realized and work on improving the identified problem.

6.5 The third sub-question

Can SERVQUAL scale be used in Government institutions to measure the Batho Pele Principles objectives?

The Batho Pele Principles were developed by South African Government to serve as an acceptable policy and legislative framework regarding service delivery in the Public Service. Batho Pele is a Sotho translation for 'People First', and it is an initiative by Government to get public servants to be service-orientated, to strive for excellence in service delivery and to commit to continuous service delivery improvements. It is a simple and transparent mechanism, which allows citizens to hold public servants accountable for the level of services they deliver (South Africa, 1997). In Figure 5.15, it was found that taxpayers felt that the quality of treatment that they experienced was not aligned with Batho Pele Principles. The eight Batho Pele Principles are:

6.5.1 Consultation

This means public servants should interact with, listen to and learn from the people they serve. Public servants should make sure that they stay in touch with the people they serve, by finding out what services they need, how they would like their services to be delivered and what they are dissatisfied about.

6.5.2 Service Standards

Every department has to set service standards that guide exactly what they deliver to what quality or standard. These service standards should clearly state how long it will take and exactly what people can expect from the public.

6.5.3 Redress

When service recipients do not get what they are entitled to from the Public service, they have the right to redress. This means that the public servants should immediately apologise to them and also tell them what solution they are offering to their problem. This principle stresses that the success in building the image of the Public Service is on its ability to deliver what has been promised.

6.5.4 Access

All citizens have the right to equal access to the services to which they are entitled, especially those in rural areas and thedisabledand special arrangements should be made for them to access services. Services should be close to people. The scale developed by Bahia and Nantel (2000) cited in Karatepe et al. (2005) based on expert opinions revealed six dimensions of service quality. These were termed: effectiveness and assurance, access, price, tangibles, service portfolio, and reliability.

6.5.5 Courtesy

Public Servants are expected to be courteous and helpful when providing services to the public.

6.5.6 Information

This refers to the availability of information about the services provided and this information should be made available at the point of service delivery, however, for those people who are far from the service point delivery, separate arrangements should be made for the information to reach them; this could be through non-profit organizations (NGOs) and community development workers.

6.5.7 Transparency

A key aspect of openness and transparency is that the public should know more about the way national, provincial and local government institutions operate, how well they utilise the resources they consume and who is in charge. Through this principle, Government

anticipate that the public will take advantage and make suggestions for improvement of service delivery mechanisms and make Government employees accountable and responsible by raising queries with them.

6.5.8 Value for money

It is important that the public servants do not waste the scarce resources of Government and that they deliver a service that is as cost-effective and efficient as possible. As indicated earlier in the study, the Batho Pele Principles were introduced in order to transform the provision of services in the public institutions. SERVQUAL scale is used to measure the quality of service in the service offering institutions; therefore, this study concludes that SERVQUAL can be used to measure the quality of service through Batho Pele Principles.

6.6 Limitations

Although SARS currently has 48 branch offices across the country, the sample of this study was taken from five branch offices in the North West and Gauteng regions due to limitations of the resources. The branch offices where the samples were taken from are Mmabatho, Rustenburg, Klerksdorp, Pretoria Van Der Walt Street branch, Doornkloof and Alberton. Although 410 questionnaires were printed, only 390 were completed, others were regarded as spoilt.

6.7 Managerial recommendations

Service quality is the result of the comparison that customers make between their expectations about a service and their perceptions about such service, and the overall perception of the way the service has been performed (Zeithaml et al., 1988). Therefore, for a customer to be satisfied with a service, first such service must be of quality (Dale, 1999). For a service organization to satisfy its customers, it depends on the balance between what customers expected and what customers' experienced with the products and services offered (Zeithaml et al., 1990).

From the results of this study, the researcher would like to recommend to SARS how to improve some elements of the SERVQUAL dimensions about which the respondents have indicated a level of dissatisfaction. Although the responses given indicate in general that SARS is providing quality service to clients as measured by SERVQUAL's scale, there are some SERVQUAL dimensions that have been rated lower than others.

As indicated previously in this study, SERVQUAL has the ability to identify symptoms and to provide a starting point for the examination of the underlying problems that inhibit the provision of quality service. Based on the low score on certain aspects of SERVQUAL dimensions found in this study and a belief that the low score may be symptomatic of deeper problems, the researcher will make a recommendation to SARS as a guideline and remedy for the management to achieve excellent service quality from its employees to the benefit of taxpayers at all times.

Of the five SERVQUAL dimensions, responsiveness has been positively rated as the highest. This is an indication that SARS employees adhere to giving prompt service and they are willing to help clients without keeping them waiting for too long, and in cases when there are delays or service failure due to unforeseen reasons, they are able to explain to the taxpayers, recover quickly and handle the situation in a professional manner that creates a positive perception of service quality. However, SARS management must improve in providing the services at convenient times in all its branches as there remain a significant number of taxpayers who are not satisfied in this element of SERVQUAL dimension.

In general, SARS tangibles have shown a positive response from taxpayers. However, the respondents expected the employees to look neat and professional and this element of tangible scored a negative response. Tangibles have an important role to play in every service organisation including SARS as it is the face of an institution that customers first come into contact with. Therefore, customer's perceptions on service quality can be based on what the organization physical facility looks like, and what the personnel image is like.

Although facilities at SARS have good visual appeal to most of the taxpayers, there is a need for improvement and a need for renovations and upgrading of some branch office buildings to satisfy more customers whose expectations were not met in this regard.

Of most importance is the unprofessional look of some of SARS employees as respondents express different equal views on this element. Therefore, this study will recommend that SARS should implement and encourage its employees to wear professional office wear in order to look more professional as expected by taxpayers. Other service institutions such as banks are a good example of professional image of their employees due to the usage of corporate wear. The results of the study by Mei et al. (1999) cited in Akbaba (2006) concluded that service quality was represented by three dimensions in the hotel industry,

relating to 'employees", "tangibles" and "reliability", and the best predictor of overall service quality was the dimension referred to as "employees". Therefore, it is important for employees to look professional and neat at all times.

SARS management must also continuously improve, fix and upgrade office equipment to be more in alignment with the type of service the organisation deliver. Thus, modern equipment that works fast and reliable websites must be SARS's priority in order to improve and satisfy a significant number of taxpayers who indicated their dissatisfaction in this element of SERVQUAL dimension. According to Salmela (1997) efficient information systems work process and easy to use software assist in keeping the costs of information systems planning, development, maintenance and use feasible.

Although SARS employees handle taxpayers' information with confidentiality and they generally have knowledge to answer taxpayers' questions without doubt, taxpayers do not have much confidence in them. SARS' management should continuously develop its employees to be more competent and be able to approach taxpayers' issues with confidence and with no doubt in order for taxpayers to feel strongly assured. Bitner et al. (1990) cited in Kassim and Bojei (2002), observed that in most services, the consumers formulate their perceptions of actual service quality during their interaction with the contact personnel of the firm. He further concludes that service quality is highly dependent on the performance of employees.

According to Chou and Kim (2009), cited in Kou et al. (2011), continuously improving service quality is important in strengthening the competence of the national management service business, as well as enhancing the competence of the entire management companies. Festus et al. (2006) cited in Kou et al. (2011) highlighted the fact that before improving service quality, decision makers should understand the practical relationships between service quality and customer satisfaction, and their measurement. Therefore, it is important for SARS to invest in training the entire work force to ensure customer satisfaction is maximized.

SARS employees have shown that they treat their clients with empathy, as the findings in figure 5.14 of this SERVQUAL dimension in this regard show very high positive scores. Taxpayers were given special attention and care, and employees were more understanding to the taxpayers needs.

However, SARS management should put more emphasis on the Batho Pele Principles so that more employees get a good understanding of it and to achieve its objectives. Thus, employees of organisations must strive to place value on other people. The Theory of Reasoned Action (TRA) (Fishbein & Ajzen, 1975) cited in Udo et al. (2010) assumes that if people view a behaviour as positive (attitude), and if they believe that others would prefer them to perform the behaviour (subjective norm), there will be a greater intention (motivation) to behave in that manner and they are they are more likely to do so. Therefore, rewarding and acknowledging staff members who perform excellently will motivate them to continue to excel.

In general SARS offers a reliable service as indicated by the findings of this study. Although many taxpayers feel that it strives to provide its services within the promised time, there are a significant number of taxpayers who feel that promised services are not without mistakes or quality is compromised. To improve on the quality standards and to eliminate mistakes, SARS should implement checklists and standards that its employees follow in order to deliver quality service first time.

6.8   Suggested future research

This study proposes the following future research to be conducted:

- The relationship between Batho Pele Principles and SERVQUAL scale.
- Factors affecting failure to provide service first time within set standards

6.9   Conclusion

In conclusion, this study has found that the service expectations of taxpayers in relation to the quality service that SARS branch offices offer is in balance with the actual service experienced. Taxpayers have shown a positive response in almost all elements of SERVQUAL dimensions. Therefore, this study can conclude that SARS branch offices offer quality service to their clients as supported by the findings of SERVQUAL scale. However, SARS should continuously improve on the elements of SERVQUAL that taxpayers views were divided and those that scored positively but lower percentages. SARS should also bench mark with other receiver of revenues from different countries for best practice.

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APPENDIX A - MATRIX

	Definition	Application of Servqual	Servqual is SERV	Use of Performance	Instrument	Scales Measure	Reasons	Vali	Customer Satisfaction and	Prob
Performance-only measurement of service quality 1	•	•	•	•	•	•	•	•	•	•
Some problems when adopting Churchill's Paradigm 2	•	•		•		•		•	•	•
Assessment of the Three-Column Format SERVQUAL 3	•			•	•					
Service quality 4	•								•	
Customer satisfaction 5	•			•						
Development of service quality scale 6	•	•		•		•	•	•		
Measuring service quality in the hotel industry 7	•	•		•	•	•		•		
Measuring service quality of banks 8	•	•		•	•	•		•	•	
Understanding the consequences of Information systems service quality 9		•		•	•				•	
Service quality measurement in rural accommodation 10		•		•	•	•		•		•
From information systems quality to sustainable business quality 11				•						
An assessment of customer's e-service quality perception 12				•	•					•
Process completeness 13		•		•				•	•	•
A novel mechanism for provisioning of high-level quality 14	•	•		•						•
The development of an e-travel service quality scale 15		•		•		•				
Antecedents of application service continuance 16		•		•	•				•	•
An analysis of customer service quality to college students 17	•	•		•	•	•				•
Evaluation architecture discussion of route-level transit service quality 18		•		•		•				
Measuring the performance of IT services 19	•	•		•						•
Elucidating how service quality constructs influence satisfaction 20	•		•	•				•	•	
Congruence in the assessment of service quality between employees and customers 21	•			•					•	
Assessing eGovernment systems success 22				•		•		•		
Local telephone quality=of=service 23	•									
Management of perceptions of IT service quality 24	•	•	•	•	•	•				
An expanded model of logistics service quality 25	•			•		•		•	•	
Organisational impact of system quality 26		•		•	•			•	•	
A comparison of Magal's service quality instrument with SERVPERF 27	•	•	•	•	•					
The eGovernment evaluation challenge 28		•		•	•	•			•	
The impact of IS sourcing type on service quality and maintenance efforts 29		•		•		•			•	
Service quality from the other side 30				•	•		•			
An exploratory study into factors of service quality 31	•	•	•						•	•
The moderating effect of occupation 32		•	•	•					•	
e-SELFQUAL 33		•				•		•		

APPENDIX B: Questionnaire

AN EMPIRICAL INVESTIGATION INTO THE QUALITY OF SERVICE IN SELECTED BRANCH OFFICES OF SOUTH AFRICAN RECEIVER OF REVENUE (SARS), USING SERVQUAL SCALE"

Graduate School NWU

Researcher: Talitha N Muade

Supervisor: Prof S Lubbe

Note to the respondent

- We need your help to understand the taxpayer's opinion into the quality of service that SARS is delivering to its clients.
- Although we would like you to help us, you do not have to take part in this survey.
- If you do not want to take part, just hand in the blank questionnaire at the end of the survey session.
- What you say in this questionnaire will remain private and confidential. No one will be able to trace your opinions back to you as a person.

The questionnaire as four parts:

Part 1 asks permission to use your responses for academic research.

Part 2 asks general personal particulars like your age, gender and home language.

Part 3 asks about the quality of service in selected branch offices of SARS using SERVQUAL scale.

How to complete the questionnaire

1. Please answer the questions as truthfully as you can. Also, please be sure to read and follow the directions for each part. If you do not follow the directions, it will make it harder for us to do our project.
2. We are only asking you about things that you and your fellow researchers should feel comfortable telling us about. If you don't feel comfortable answering a question, you can indicate that you do not want to answer it. For those questions that you do answer, your responses will be kept confidential.
3. You can mark each response by making a tick or a cross, or encircling each appropriate response with a PEN (not a pencil), or by filling in the required words or numbers.

Thank you very much for filling in this questionnaire.

Part 1: Permission to use my responses for academic research

I hereby give permission that my responses may be used for research purposes provided that my identity is not revealed in the published records of the research.

Initials and surname _____ Postal address: _____

_____ Postal code: _____

Contact numbers: Home: _____ Cell: _____

No.	PART 2: GENERAL PERSONAL PARTICULARS
	Please tell us a little about yourself
	Please mark only ONE option per question below.
1.	I am _____ years old.
2.	I am a: ☐ Female ☐ Male.
3.	I grew up in: ☐ A rural area ☒ An urban area
4.	I have: ☐ A diploma/school Grade 12 ☐ A degree ☐ A post-graduate degree
5.	I am: ☐ African ☐ Coloured ☐ Indian ☐ Oriental ☐ White ☒ a member of another ethnic group: _____
6.	I am: ☐ Academic ☐ Student

Instructions: Please indicate by a mark the number that best identifies your opinion to each corresponding statement.

No.	Survey Question	Tick the correct one
1.	**TANGIBLES** . Are SARS facilities visually appealing?	Strongly agree Agree Disagree Strongly disagree

2.	Is SARS office equipment aligned with delivery of quality service?	Not within scope Poorly aligned Fairly aligned Mostly aligned Completely aligned
3.	Do SARS employees look neat and professional?	1.3.1. Strongly agree 1.3.2. Agree 1.3.3. Disagree 1.3.4. Strongly disagree
4.	Are SARS' sign boards visible to tax payers and aligned with the quality of service delivery?	Not within scope Poorly aligned Fairly aligned Mostly aligned Completely aligned
5.	**ASSURANCE** . Do SARS' employees instil confidence in tax payers when dealing with their tax matters?	2.1.1. Strongly agree 2.1..2. Agree 2.2.3. Disagree 2.2.4. Strongly disagree
6.	. Is handling of tax payers' information within the confidentiality procedures?	2.2.1. Not within scope 2.2.2. Poorly 2.2.3. Fairly 2.2.4. Mostly 2.2.4. Completely
7.	. Do SARS personnel have the knowledge to answer tax payers' questions?	2.3.1. Strongly agree 2.3..2. Agree 2.3.3. Disagree 2.3.4. Strongly disagree
8.	**3. EMPATHY** 3.1. Is the care given to tax payers aligned with quality of service?	3.1.1. Fairly aligned 3.1.2. Mostly aligned 3.1.3. Completely aligned
9.	3.2. Is the quality of treatment of tax payers' within Batho Pele Principles?	3.2.1. Not within scope 3.2.2. Poorly 3.2.3. Fairly 3.2.4. Mostly 3.2.4. Completely
10.	3.3. Is the attention given to tax payers at the branch offices aligned with quality service delivery principles?	3.3.1. Not within scope 3.3.2. Poorly 3.3.3. Fairly 3.3.4. Mostly 3.3.4. Completely

11.	3.4. Do SARS personnel understand the needs of the tax payers?	3.4.1. Strongly agree
		3.4.2. Agree
		3.4.3. Disagree
		3.4.3. Strongly disagree
12.	**RESPONSIVENESS**	
	4.1. Is service provided within the specified turnaround times?	4.1.1. Not within scope
		4.1.2. Poorly
		4.1.3. Fairly
		4.1.4. Mostly
		4.1.5. Completely
13.	4.2. Is service provided at convenient times?	4.2.1. Strongly agree
		4.2.2. Agree
		4.2.3. Disagree
		4.2.4. Strongly disagree
14.	**5.RELIABILITY**	
	5.1. Is provision of service first time within the set quality standards?	5.1.1. Not within scope
		5.1.2. Poorly
		5.1.3. Fairly
		5.1.4. Mostly
		5.1.5. Completely
15.	5.2. Is provision of service within the promised time lines?	5.2.1. Not within scope
		5.2.2. Poorly
		5.2.3. Fairly
		5.2.4. Mostly
		5.2.5. Completely

APPENDIX C: Frequency Table