

**INSTITUTIONAL REFORMS AND THEIR EFFECTS ON SERVICE QUALITY IN
PUBLIC SECTOR ORGANISATIONS: A CASE OF UGANDA REVENUE AUTHORITY
MODERNIZATION PROGRAMME**

BY

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DECLARATION

I, Betty Lizzie Muvuma hereby declare that this research work is my own original work. No other work known to me has been submitted either in part or full to any academic institution known to me on this topic for any academic requirement.

Signed

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APPROVAL

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DEDICATION

To my parents Faith and Abel, for the love and care accorded to me. To my family, my beloved husband Fred, our children Sparkle, Emmanuel, Jemima, Mira, Sandra and my sisters and brothers in the Lord for the support and encouragement given to me.

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LIST OF ABBREVIATIONS

ASYCUDA	Automated Systems of Customs Data
SYCUDA++	Version of ASYCUDA
CPD	Continuous Professional Development.
COMESA	Common Market for Eastern and Southern Africa
URA	Uganda Revenue Authority
ITAS	Integrated Tax Administration System
ICT	Information Communication Technology.
IMF	International Monetary Fund
IT	Information Technology.
MOF	Ministry of Finance.
SPSS	Statistical Package for Social Science.
UMI	Uganda Management Institute

ABSTRACT

The study sought to examine institutional reforms and their effect on service quality in Uganda Revenue Authority (URA). The objectives of the study were to investigate the effect of online boost on service quality in URA; to establish the effect of information dissemination (communication) on service quality in URA; to assess the effect of business process reforms on the service quality in URA; and to examine the effect of corporate image reforms on service quality of URA. The study employed cross-sectional case study and correlation research designs, both quantitative and qualitative methods were used in the study. A total 116 respondents of the selected sample of 175 representing a 66 percent response rate were subjected to questionnaires and interviews. Data was collected from both internal (staff) and external (taxpayers) customers in Kampala based offices. The study revealed a significant positive relationship between online boost and service quality; information dissemination and quality service; corporate image and service quality, a partial relationship between business process reforms and service quality. It was thus concluded that institutional reforms have a positive significant relationship with service quality in Uganda Revenue Authority.

On the basis of the study's findings and its comparison with local and international literature, it was therefore recommended that efforts to improve on the corporate image, on line boost, communication and business processes would be vital to achieve excellent service quality. URA ought to be online facility, information dissemination, business processes and corporate image. URA needs to have well defined structures, systems and information dissemination (communication) should be an integral part so as to reinforce and support service quality. Emphasis should be laid in synchronization of external and internal communication mechanisms.

CHAPTER ONE

1.1 INTRODUCTION

This study investigated the effects of institutional reforms on service quality in Uganda Revenue Authority (URA). Institutional reforms in URA included online boost, information dissemination (communication), business processes, and corporate image improvement. This chapter presents the background to the study, problem statement, purpose, the objectives, questions, the hypotheses, the scope and significance of the study as well as operational definition of terms and concepts used in the study.

1.2 Background of the Study

The study adopted the broader-narrow approach of background development as suggested by Mugenda and Mugenda (1999). Globally, in recent decades, the challenges facing the public sector are many and varied and include constant change, growing competition, market testing, reduced costs and increased customer expectations within the delivery of government services under best value principles. The challenge to authorities is to deliver the services to a standard at least comparable with that of the private sector provision. Government service providers must identify and implement best practices, in comparison with key service quality measures (Shelfeid and Coleshil, 2001).

Several studies have suggested that there are a number of distinct differences between private and public sector organisations, because the two sectors operate in distinctively different environments. In particular, a United Kingdom study of public sector organisations reveals that these operate in an environment characterised by resource constraints, market competition and growing customer expectations (Robinson, 2003).

Research in Asia revealed that the public sector is inherently inefficient because of the

absence of incentives that exist in the private sector which operates in an open market and has a decentralised model of decision-making (Bhatta, 2001). The purpose of the public sector in the current environment can be viewed as a paradox-the pursuit of public good and a sustainable competitive advantage (Mathews and Shulman, 2005).

In the United Kingdom private sector's singular focus is on economic efficiency, as it is generally viewed that profit and/or cost reduction are key ingredients to survival and growth (Cooper, 2004). It can therefore be argued that public services that are free of charge are less inclined to adopt service quality practices unless pushed by customer demands and government legislation. The disparity in service performance in Taiwan between the public and private sector and the resulting public dissatisfaction has instigated government legislation to render public service entities to be more customer-oriented. Service enhancements through customer orientation provide the public sector with an opportunity to gain confidence from the tax –paying public (Chen, Yu, Yang and Chang, 2004)

During the last two decades, most countries have embarked on comprehensive public sector reform programmes. Public sector management reforms are a central feature of economic policy reform programmes. Many African countries such as Ethiopia, Ghana, Mauritius, Senegal and Uganda have embarked on comprehensive reforms aimed at improving the quality of life of their citizens and creating new government machinery to establish efficient and effective management systems. However, the performance of such reforms in Africa remains hindered by a myriad of factors including lack of efficiency, lack of accountability, inefficient management practice and corruption (Economic Commission for Africa, 2004).

In recent studies by Common Market for Eastern and Southern Africa (COMESA) study

conducted in October 2009, the major reforms that have been made by the Government of Uganda to promote investment have mainly focused on supporting the private sector as the engine of growth. Government has moved away from doing business and privatized most of the state owned enterprises. At the local scene, recent initiatives in URA tax administration have emphasized reduction of tax compliance costs as a means of maximizing revenue. These costs are often reflected in employing middlemen on behalf of taxpayers, extensive transactions delays and non-tariff barriers to movement of goods (Revenues, 2002).

The Government of Uganda established Uganda Revenue Authority (URA) as a statutory body in 1991 as a monopoly responsible for Tax Administration in the country; URA Statute (1991). It came about as a result of an amalgamation of the formerly existing Departments of the Ministry of Finance; Inland Revenue and Customs and Excise Departments. the URA exist to: “To provide the most effective contribution to the national development through maximizing central government tax collection systems with a highly motivated and professional staff and strict expenditure management” (URA Statute, 1991).

Uganda Revenue Authority has traversed just over a decade of existence since its birth on 5th September 1991. Revenue collection has grown from annual collection of Shs. 133 billion (6 percent of gross domestic product(GDP) ten years ago to shs.1250 billion, International Trade taxes grew by 23 percent, consumption taxes by 80 percent and fees and license by 35.5 percent (Revenues 2003). This was attributed to the concerted effort and commitment of employees.

In July 2004, government started another set of reforms in the tax body by appointing a new Board of Directors. Subsequently, the board appointed a new Commissioner General in

November 2004. This was followed by implementation of other reform initiatives that included developing a new flat organization structure that reduced the reporting levels from eleven to seven. Consequently, staff establishment also reduced from 2076 to 1805. The top heavy structure was reduced from eleven to five Commissioners. The reforms were aimed at ushering in a complete transformation of the tax body in virtually all aspects.

In November, 2004 URA embarked on a number of reforms that have had tremendous impact on the organizations performance. Over the last five years URA has greatly improved her corporate image and as a result many agencies and institutions are willing to partner within its transformation drive. Revenue performance has steadily improved with net collections growing from 1923.52bn in 2004/05 to UGX 3,662.32bn in 2008/09 (Revenues, 2009).

The initiatives identified are in line with the modernization strategy with the overall goal of totally transforming URA. In addition to the projected automation of most business processes, like continued roll out of the automated system for customs data (ASYCUDA++), the introduction of Integrated Tax Administration (ITAS), URA had to set priorities and objectives to be achieved by successfully implementing key initiatives and strategies.

The strategic objectives of URA for the period 2002–2006 corporate plans included maximizing central government revenue, improving and sustaining the quality of service delivery, recognizing the importance of the human resource through improved staff motivation, minimizing revenue leakages through automated tax administration systems and improving the URA corporate image. Five strategies were developed to achieve these objectives.

The five strategies included – revenue collection, quality service delivery, human resource, management information systems and the corporate image improvement.

In its efforts to implement these strategies, the Organization registered considerable progress. Revenue grew from Shs.1, 264 billion in 2001 to Shs.2, 336bn in 2005. Annual nominal growth rate rose from 6 Percent in 1999 to 18 percent in 2005. A competence based performance management system was introduced. Quality assurance was established as a significant item within the URA priorities. There was a substantial increase in the number of staff using Internet/Intranet services. The number of networked personal computers with internet services increased from 56 in 2001 to 380 by 2005 (URA Business Plan, 2009).

1.3 Problem Statement

Institutional reforms are upheld by many scholars, with major emphasis laid on service quality. Institutional reforms are now moving to the forefront of public sector management as a result of the combined pressure of growing customer expectations. Drawing from the findings of a study carried out in Malaysia, according to Berkley (2003) and Kadir, Abudallar and Agus (2000), little attention has been given to the application of service quality in the (Malaysian) public service. This led to a situation where the concept of ‘quality schemes’ became an integral part of public service management. However, their impact on service delivery remains largely unknown (Robinson, 2003).

Despite the many reforms in Uganda Revenue Authority in the past decade, a study by International Monetary Fund (IMF) conducted in Uganda Revenue Authority to assess the immediate effects of restructuring concluded that the organizational changes were still in their initial stages and URA needed to consolidate its systems and procedures in the areas of

business processes, corporate image and information communications technology (IMF, 2007). This poses the question of how the reforms are affecting service quality. This study therefore examined the effects of institutional reforms on service quality of Uganda Revenue Authority. The study questions the extent to which reforms affect service quality.

1.4 Purpose of the study

The purpose of the study was to examine the effects of institutional reforms on service quality at Uganda Revenue Authority

1.5 Objectives of study

- a. To establish the effect of automation reforms on service quality in Uganda Revenue Authority.
- b. To examine the effect of structural reforms on service quality of Uganda Revenue Authority.
- c. To explore the effect of retooling reforms on service quality of Uganda Revenue Authority.

1.6 Research Questions

The study will be guided by the following research questions.

- a. To what extent do automation reforms affect service quality at Uganda Revenue Authority?
- b. What effects have structural reforms had on service quality at Uganda Revenue Authority?
- c. What has been the effect of retooling reforms on service quality at Uganda Revenue Authority?

1.7 Hypotheses of the study

The following hypotheses guided the study

H₁ = There is significant positive relationship between automation and service quality in Uganda Revenue Authority.

H₂ = Structural reforms significantly affect service quality in Uganda Revenue Authority.

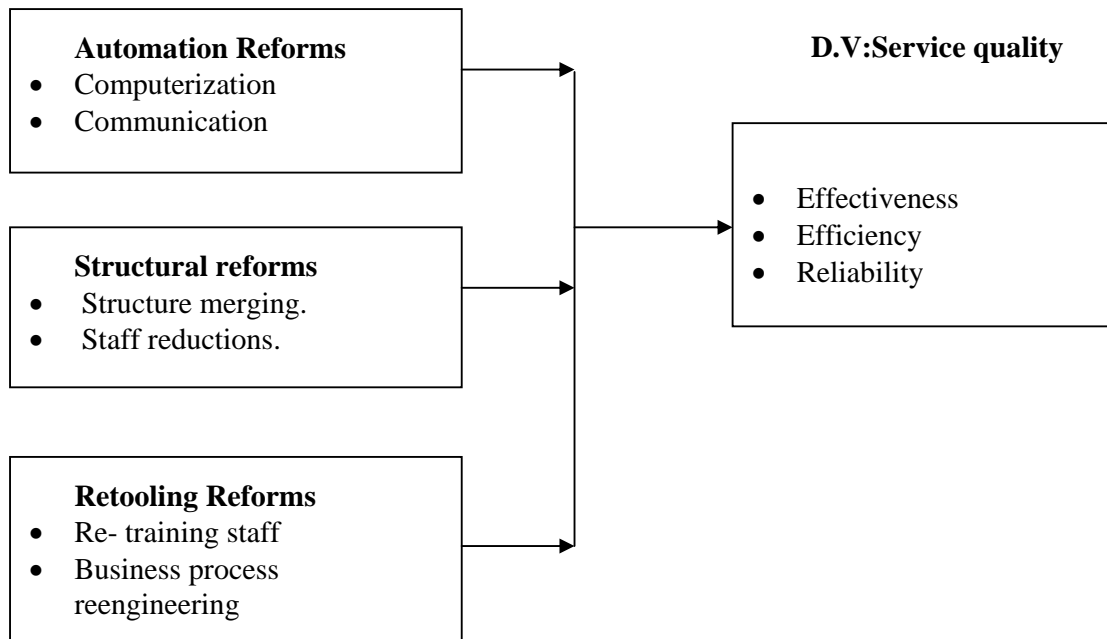
H₃ = There is significant positive relationship between retooling reforms and service quality at Uganda Revenue Authority.

1.8 Conceptual Framework.

The conceptual framework below presupposes that there is a relationship between institutional reforms and service quality in Public Sector Organizations. The two concepts have been further operationalized on the basis of extensive literature review on reforms and service quality. In figure 1, the operationalizations of all variables are presented.

Figure 1: The conceptual framework for understanding the relationship between institutional reforms and service quality.

I.V: Institutional Reforms



Reforms in URA

Developed from: Kadir et al (2000)

In figure 1, the study conceptualised the institutional reforms as automation reforms, structural reforms and retooling reforms. On the other hand service quality had a number of dimensions that were formulated after reviewing the literature, like (Kadir et al., 2000). The model has been drawn from the original service quality (SERVQUAL) which looks at service quality in terms of reliability; accessibility of service, competence, responsiveness and courtesy of staff. This was customised to suit the URA situation by the researcher. This has advantages in that it helps one understand the various dimensions of quality.

1.9 Scope of the study

The study was carried out in URA offices in Kampala District comprising of Nakawa Head quarters, customs business centre (CBC), large tax payer office (LTO), medium taxpayer office (MTO), Kampala central located at crested towers building Kampala, Nakawa house

and internal audit. This was for easy accessibility and 80 percent of URA staff is based in this area. The study covered the period November 2004 to October 2009. This period is crucial as far as the various reforms are concerned; various reforms took place in this period. It focused on the objective of the research which included automation reforms, communication reforms, business process reforms and corporate image improvement and how they affect service quality in URA.

1.10 Justification of the study

A number of processes, systems and structures in Uganda Revenue Authority are undergoing constant change that affects the quality of services provided to both internal and external customers. These reforms were aimed at creating coherent and transparent systems across the organization. Consequently, Uganda Revenue Authority is searching to redefine its operations in bid to improve service quality. Hence efficient and effective ways of delivering quality Revenue Service being critically considered in the strategic plans. Emphasis put on maximizing the unique contributions of each individual departments thus removing non value adding processes and creating a competitive tax administration system.

1.11 Significance of the study

The research findings and recommendations will enable various stakeholders that are supporting reforms in the public sector to re-assess their strategies in order to develop effective systems and mechanisms which will enhance quality service.

The findings that institutional reforms of corporate image improvement, online boost, information dissemination and business process reforms significantly affect service quality at URA meaning that more efforts and resources are required with specific emphasis on

corporate image improvement. This was found to be the highest predictor of service quality at URA. But this does not mean that no effort is required in the area of business process reform which ranked lowest among the four predictors; the various business processes should be continuously reviewed according to customer needs and requirements.

The research results added the existing body of knowledge on Service Quality in URA.

The findings of this study provided knowledge on institutional reforms. The study was deemed of great significant to many stakeholders and scholars of institutional reforms on one hand and service quality on the other hand. The findings, conclusions and recommendations from the study are expected to help decision makers, especially tax administrators and their governing bodies the Ministries in understanding the underlying components as Corporate Image predicting 37 percent of the variations in service quality, Online boost being the second predictor with 18 percent, closely followed by Communication with 17 percent and Business Process contributing 7 percent

1.12 Operational definitions

Service quality: In this study service quality was taken to mean the organizations judgement about entity's excellence or superiority (Parasuraman et al., 2003).

Institutional reform: According to Bezes and Lodge (2006), reform means to change a system, modernization of systems of public administrations refers in this study institutional reform means changes in structure, personnel, and organization performance measurement systems.

Communication: This can be broadly defined as an interchange of thoughts or information

to bring about a mutual understanding between two or more parties. In this study communication will be used interchangeably with information dissemination.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter focused on the critical review of literature on the key concepts and variables shown in the conceptual framework. The chapter is arranged along the variables of the study. The literature discusses the institutional reforms as the independent variable and service quality as the dependent variable.

The source of literature was both internal and external to URA, including journals articles, textbooks and relevant reports on the research topic. The procedure of reviewing literature was be done by defining the conceptual variables as suggested by various scholars and thereafter discussing the various reviews so as to demonstrate the gaps in the literature.

2.2 The attributes of Service Quality and Institutional Reforms

Service quality is at times referred to as the level of quality of service, or the guaranteed service quality where the technical aspects of quality predominate; the quality of the service provider cannot be separated from the measurement of service quality (Berry, 2003). The attributes of quality of service include timeliness, effectiveness, efficiency, and friendliness of the service providers making the measurement of service quality a challenging issue. Service delivery occurs through human interaction, thus customer contact with employees during the service encounter largely determines the level of service quality delivered (O'Neil, 2004).

Parasuraman (2002), defined service quality as customer oriented activities carried out by the organization towards meeting customer needs and expectations. In brief service quality is the manner in which customer needs are met.

According to Bezes and Lodge (2006) Institutional Reform entails changes either in constitutional or collective choice rules. This is done through changes of operational rules and practices in root organizations. Institutional Reform in this study was used interchangeably with modernization of public administrations.

2.3 Online boost and its influence on service quality

The impact of advance in technology, and the rate of change it produces, is not easy to forecast. However, the increasing use of website technology is altering the expectations of customers on the availability of services and the nature of services provided. Customer expectations vary with their concept of technology. Technology from this point of view also offers efficiency to service providers (Parasuraman, 2000).

Julia, Kiely and Colin et al (2004) argued that future developments in network communications will increase the opportunities for home –based and field based remote work. They further posited that this will increase the reach and speed of customer communication and flexibility in service operations. However, the potential for home and field working is not restricted to technical or other specialists. Call-centre organizations with large numbers of customers are also rethinking future network communications, with a view to developing home working in these operations.

Many organizations are aware that the increasing complexity of products and services

requires customer service professionals (CSPs) to be competent in training and educating customers. This will require CSPs to have competent communication skills (soft skills) as well as technical expertise (Julia et al, 2004). A significant element in the future competitive strategy of organisational success.

In the various literature reviewed there was general agreement that CSPs will need to be efficient in the use of new communication modes, including e-mail. This aspect of future service was especially a matter of concern to companies in financial services, telecommunications, public utilities and distribution. The dominant modes of communication at the present are telephone and e-mail messages, with e-mail in particular becoming increasingly significant. CSPs need to handle both modes of communication competently and sometimes simultaneously. Thus Strategy of organizations is the enhancement of communication modes to expand information dissemination, E-mail facility and telephone.

The URA ICT strategy 2004 identified three major components; first re-engineering the core business processes of international trade and domestic taxes. The second component was re-engineering processes and services that support the core business. The strategy identified business driving factors as cross linkages between all sources of tax information, simplified procedures, minimizing duplication of effort, improved turnaround time and achieving a high level of voluntary compliance. The automation of business processes including a base communication infrastructure was therefore not an option but a prerequisite necessary intervention in URA. The third key component of the ICT strategy was therefore a secure and reliable base communication voice and data infrastructure.

URANET was conceived in 2006 to address ICT infrastructure requirements including Data

and voice communication between URA stations and nominated third party entities. The scope of URANET linking sixty URA stations across the country. This was assumed to improve the quality of service because of its faster means of communication (The Taxman, 2008).

2.4 Information dissemination (communication) and service quality

Cheeseman and Wood, (2003-2004) regard internal communication as working together with colleagues and providing good services so that as a team, the organisation can achieve its goals. In addition, Milkovich and Boudreau (2003) established that the variety of communication approaches ranges from annual written reports to abstracts and seminars. Communication is seen as a check point and a sign of personal assessment among employees towards personal development, performance and job commitments thus improving quality of service to both internal and external customers.

Nazalemo (2003) also argued that managers should develop a habit of spending a great deal of time talking to employees because transparency drives to improved performance when all employees know what their key annual performance targets are. In addition feedback is essential for accurate control, and calls for change in case of any deviations in communication procedure or standards. Thus the current study intended to establish how communication with external customers improves the quality of service. Staff and customers are stakeholders in the organization, who should be informed of changes in the organization before they occur so as to be able to answer questions that arise. They stated that ‘the two-way flow of information is important as managers hear staff’ views and opinions and staff get to know managements’ objectives, views and plans. This can be through regular meetings, performance reviews and meetings with senior managers when discussing an

organizations overall performance and future developments. They encouraged effective use of newsletters, notice boards and internal networking through e-mails, telephone connections. They added that organizations should encourage suggestion boxes to enable complaints handling, as they help to identify ways of improving.

In a study by Muhenda and Lwanga (2009) to investigate the effect of information communication technologies on intra knowledge transfers success among information workers in higher public institutions of learning in Uganda, it was recommended that institutions of learning should invest substantially in training information workers in ICTs. According to Saito, Umemoto and Ikeda, (2007), for instance, technologies can be categorized as collaboration technologies that support the creation of personalized knowledge; dissemination technologies that support the transfer of personalized knowledge, discovery technologies that support the creation of especially codified knowledge and repository technologies that support the codified knowledge

This finding by Syed-Ikhsan and Rowland (2004) who reported that ICT infrastructure allows individuals to create and share knowledge effectively and contribute to organizational performance. Their study found a significant positive relationship between ICT know how and performance in organizations. This study addressed this gap because information dissemination cannot be appreciated without paying attention to technology, and its impact on the process. It is against this background that this study considered information dissemination (communication) that affects service quality.

Scattered Organizational data can be integrated through ICT via network. (Hoon, 2003). In revenue services, ICT plays an important role in the operations of organizations, as they can

collect and share innovative ideas from and between every corner of the organization and finally come up with excellent products and processes which can significantly improve the quality of service (Lin and Wei, 2005). ICT use and quality service are closely linked as ICT enables rapid search, access and retrieval of information and supports communication and collaboration among organizational members at the same time overcoming geographical boundaries (Lin, 2007; Carrillo and Chinowsky, 2006).

In revenue administration, the use of ICT is likely to make the internal and external collaboration faster and more efficient thus improving service quality. This is because some of the benefits of service quality include time and cost saving and the use of the computer as a tool to organize, store, and retrieve knowledge as soon as it is required. In this context, ICT can be considered a key enabler of service quality.

Effective information dissemination depends on people sharing their knowledge through computer facilities that users throughout the organization have access to. Blood good and Salisbury 2001 argue that IT can be seen as embodying two general capabilities with respect to knowledge. First, knowledge may be modified into a decision support or expert system by making it explicit. Second, it helps to keep track of persons with particular expertise and enabling rapid communication between them. Thus up-to-date ICT infrastructure helps employees create and share information within the organization.

Swee 2002, in his study suggested developing horizontal communication flows which go beyond using technology. He stated that one approach is to encourage cross-functional teams and team work in organizations. This is very crucial for public workers. A public organization can design tasks that require cross-functional collaboration to be accomplished.

For example in the management of unpaid revenue such an approach forces individuals and groups from the public to begin learning to communicate horizontally. Swee (2002), states that knowledge exchange policy should be instituted in organizations if effective communication is to be realized. He argues that without a proper policy in place effective communication will be impossible.

In a study by Muhenda and Lwanga (2009) conducted to investigate the effect of information communication Technologies on intra-Knowledge transfers success among information workers in Higher public Institutions of learning in Uganda , it was recommended that institutions of learning should invest substantially in training information workers in ICTs. Other researchers have also acknowledged the importance of ICT in information dissemination and management initiatives. Results of such studies confirm how technology plays a key role in knowledge dissemination in organizations (Kim and Lee, 2006). According to Saito, Umemoto and Ikeda, (2007) technologies can be categorized as collaboration technologies that support the creation of personalized knowledge; dissemination technologies that support the transfer of personalized knowledge, discovery technologies that support the creation of especially codified knowledge and repository technologies that support the codified knowledge. Kim and Lee specifically reported a positive significant effect between employee usage of IT applications and levels of employee dissemination capabilities for public sector employees'. This finding is amplified by Syed-Ikhsan and Rowland (2004) who reported that ICT infrastructure allow individuals to create and disseminate information effectively do contribute to service quality in organizations. Their study found positive a significant relationship between ICT know how and the performance of organizations. This study addressed this gap because we cannot appreciate dissemination efforts without paying attention to technology, and to the impact of technology

on the process. And it is against this background that this study considered information dissemination (communication) and their affect on service quality.

Many factors have transformed the way organizations view information and information dissemination, but perhaps most pivotal is the dramatically extended reach of knowledge through new information technology. However, most of the literature reviewed suggests that technology, particularly ICT, is not service quality is. Technology is a key enabler in implementing a successful service quality program and strategy. Although technology is an enabler to service quality, it is still considered as the most effective means of capturing, storing, transforming and disseminating information.

Referring to the technological dimension, the huge potential of information and communication technologies (ICTs) to support knowledge transfer has been stressed by many authors .The current development of ICTs is now increasing opportunities; information can be captured, codified and stored in repositories, where it can be easily shared, accessed and used by anyone in the organization .However, the real value of information technology in supporting service quality schemes is not yet fully understood. The first class is for information creation such as Computer Aided design systems. The second class is under office automation systems such as Word Processors and Databases. The third class is systems that facilitate information sharing such as intranets, internet, group ware, document management systems, electronic mails and bulletin boards. The fourth class is for information capture and codification with artificial intelligence technology (Carneiro, 2001). Organizational scattered data can be integrated through ICT via the network (Hoon, 2003). , ICT plays an important role on how the institutions operate, as they can collect and share innovative ideas from and between every corner of the organization and finally come up with

excellent service standards and new processes which can significantly outperform the competitors (Lin & Wei, 2005). ICT use and information dissemination are closely linked as ICT enables rapid search, access and retrieval of information and supports communication and collaboration among organizational employees at the same time overcoming geographical boundaries (Lin, 2007; Carrillo and Chinowsky, 2006. the use of ICT is likely to make the internal and external collaboration faster and more efficient. As some of the benefits of information dissemination include time and cost saving, the use of the computer as a tool to organize, store, and retrieve knowledge as soon as it is required would be beneficial towards the organization. In this context, ICT can be considered as a key enabler to information dissemination within and without the organization in question. Therefore, ICT in place in revenue service supports information dissemination to both internal individuals and other organizations.

Effective information dissemination depends on people sharing their information through computer facilities that users throughout the organization have access to. Bloodgood and Salisbury argue that IT can be seen as embodying two general capabilities with respect to information. First, knowledge may be modified into a decision support or expert system by making it explicit. Second, it helps to keep track of persons with particular expertise and enabling rapid communication between them (Bloodgood and Salisbury, 2001) With regard to ICT infrastructure, up-to-date ICT infrastructure will help employees to create, share and disseminate information within and without the organization.

2.5 Business processes reforms and service quality

Reforms in URA were embarked upon in all the departments, this was by revamping, re-engineering and automation of business processes. For instance the domestic taxes

modernization by developing an integrated tax administration mode (ITAS), the customs introduction of automated system of customs data (ASYCUDA) (URA Modernization, newsletter, 2007).

Modernization through the process being reengineering aimed at reducing tax administration costs and compliance thus improvement of the quality of service. The re-engineered processes provide coherent and transparent systems across the organization (Modernization, 2009). The modernization of URA business demanded adoption of modern, efficient and effective processes/systems in order to collect tax and customs revenues that meet the set target of 16 percent revenue to GDP tax ratio by the year 2010.

Organizations often reform to achieve increased productivity, improved quality, enhanced competitive advantage and success. This is due to reduction of overhead costs, faster decision making, smoother communication and optimal resource utilisation that result from such reforms (Decenzo and Robbins, 2002)

A number of corporate bodies have restructured in Uganda including Civil Aviation Authority(CAA), Uganda Posts and Telecommunications Corporation (UTL), Uganda Hotels Ltd, Uganda Airlines, Uganda Peoples Defence Forces(UPDF), Dairy Corporation, Uganda Electricity Board (UEB), Uganda Commercial Bank (UCB), National Insurance Corporation (NIC),Uganda Revenue Authority (URA) to mention but a few.

According to the International Monetary Fund report (IMF) 2000/01. Uganda's various ministries and institutions have been implementing an ambitious and successful program of macroeconomic adjustments and structural reforms since 1987, with strong support from multilateral and bilateral creditors and donors. In line with this report similar finding by the

International Monetary Fund (IMF) report states that after the restructuring exercise in URA led to URA structural adjustments like reduced power gaps and provided for clear reporting lines within the organization which basically implies effective feedback mechanisms thus better information flow (IMF, 2007).

2.6 Retooling reforms and service quality

The literature reviewed indicates employees who are courteous and keen to listen are more likely to enhance customers' perceptions of service than those who are rude, inattentive, and unapproachable. It is apparent that service quality is an integral component of the management strategy.

The public sector can borrow a leaf from the major driving objectives of the private sector (such as reducing costs and improving the responsiveness, quality and service aspects of their operations in an effort to provide a more efficient and effective service) are increasingly aligning with those of the public sector (Yasin , Wafa and Small, 2001). Public sector management can therefore learn from the experiences of the private sector, specifically in relation to customer orientation. Furthermore, the subsequent role and importance of the service provider in delivering and maintaining quality standards.

In November 2004, URA embarked on a journey to transform herself into an efficient and successful tax agency. From then URA has recorded significant success in achieving set targets such as increasing revenue collection, improved customer service and a better corporate image. Total transformation essentially through modernization of people, processes, systems and procedures with a view to create a modern tax administration capable of not only matching but also setting pace in international practices. (URA Corporate strategy

2009-2013). The organization also made a number of efforts to improve the general appearance and ambience of the work place and general operating environment by instituting what was termed the New Office Concept. This involved having all the offices country wide with the same furniture and appearance to improve URA's corporate image. The transformation has seen URA introduce a number of reforms such as automation, business process reengineering, corporate image reforms and structural changes. As such revenue performance has steadily improved with net collections growing from 1923.52bn in 2004/05 to shs 3,662.32bn in 2008/09 (Revenues, 2009).

Like Dyk et al (2001) stated that South Africa is faced with challenges of developing its people in order to allow them make meaningful contributions thus improved service quality. URA faces the same challenge to ensure that employees demonstrate an image commiserate to the desired corporate image they need to be trained and bench marker the best practices. This is believed to contribute to service quality in organizations as a result of competent workers; this therefore means that training is becoming a driving force for meeting the demands for highly skilled workers needed to manage the Organisations. Organizational success is made through endeavours of individual employee self development initiatives and the skills that they bring to their work.

Nick and Thacker (2003) argued that many people think that training of any sort will benefit the company; this assumption is not true. When a training program is developed without using a training process, disaster usually follows. Such program is likely to be unrelated to the needs of the company, employees being training or both. The questions are that if training increases job satisfaction, employee morale, efficiency and reduces labour turnover, then why trained employee leave organization in numbers. What is the effect of employee leaving their

jobs on quality of service delivery? Marrow (2000) establishes that employees who are highly trained are effective and very committed to the values of the organization thus make significant contributions to the quality of services offered. Armstrong (2008) contend that training must have a purpose and that purpose can be defined only if the learning needs of the organization , the group and individuals have been systematically identified and analysed.

2.7 Summary of the literature review

Majority of the literature has an international character in nature, the views expressed in the literature offered useful insights into understanding the dynamics between reforms and service quality. Although the literature reviewed was relevant to the study, there were knowledge/information gaps identified for instance most of it did not focus on revenue service therefore the need to undertake a study concerning reforms and their effect on service quality in Uganda Revenue Authority.

The literature concurs that a number of reforms in various institutions affect service quality. However the researcher wanted to find out the effect of the various reforms in Uganda Revenue Authority on service quality. There are a number of limitations in the studies that influence this current study the previous studies were mainly conducted in the private sector organizations which influenced the researcher to conduct a study in the public sector of Uganda. Furthermore most of the studies mainly looked at the perceptions of management and customers; thereby exclude studies did not consider the views of frontline staff. It can be argued that management perceptions of organizational service quality practices are likely to be overstated when compared with frontline employees and customers. This study looked at views of management and frontline employees as well as external customers

Furthermore, a single evaluation of customer satisfaction for each service counter is not necessarily indicative of the often wide-ranging feedback generated from customer-satisfaction surveys. In the current study various counters were considered. From the literature the researcher came across, relationships between automation, retooling/training, communication and quality of service.

However the results have mostly been established in the private sector/ profit oriented organizations and most scholars have used mail questionnaire to collect data. This formed the basis and need to carry out the study in a not for profit setting, in this case the Uganda Revenue Authority.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter focuses on how the study was conducted. It describes the research design that was adopted for the study, study area, study population, methods and techniques used to determine the sample size, sampling method and procedure, data collection methods, instruments used to collect the data, test their validity and reliability, measure the variables of the study and data analysis.

3.2 Research Design

The study adopted a cross-sectional, correlational case study which according to Amin (2005:212) is perhaps the most commonly used research method in social sciences and is used to gather data from a sample of the population at a particular time. A correlation design enables a researcher to analyze the relationship between two or more variables (Orodho and Kombo, 2002). The study also used both the quantitative and qualitative research approaches since they are seen to supplement each other. The quantitative approach was used to provide hard data while the qualitative approach provided the in-depth explanations needed to answer the research objectives and to test the hypotheses (Mugenda and Mugenda, 2003). Punch (2000) puts emphasis on the use of both qualitative and quantitative approaches noting that none of the two can exhaustively answer all the research questions.

According to Mugenda and Mugenda (1999) the two designs supplement each other (hard data and in depth explanation) the element of bias was reduced, as each validates the other.

The quantitative design involved the administration of structured; -questionnaires developed in order to capture the feelings and attitudes of respondents. This was appropriate as it was cheaper and time saving to administer. The questionnaires provide first hand information from the selected respondents (Kakooza, 2002). While the qualitative data collection involved use of semi-structured interview schedules that were administered to top and middle managers. The design was appropriate because it provides exact words from the interviewees, about their experiences and interaction in relation to the variables in the study (Mugenda, 2000).

3.3 Study Population

The study was conducted from URA Kampala based offices of Kampala East, Kampala South, Kampala Central, Large Taxpayers Office, Medium Tax Payers' Office Objections, Appeals Management and Internal Audit Department. The study population consisted of managers, supervisors, officers of URA and top 100 taxpayer representatives in the Domestic Tax, Corporate Services, Internal Audit and Compliance departments as these are the people who mainly interact with audit firms. Total population of study was three hundred twenty.

3.4 Sample size and selection

According to Sekaran (2003), sampling is a process of selecting a sufficient number of elements from the population made to make it possible to generalize such properties to the entire population. The researcher used a stratified sampling method because there were various strata identified in the population of study. The strata were developed from available staff registration list. Following the list the researcher used simple random. The method is also easy and less costly as compared to other methods.

Using Krejcie and Morgan's (1970) table of sample selection adopted from Amin (2005), 175

respondents were appropriate for this population.

The table1: Structure of the study population sample and categories

(Factor 175/320*)

Population strata	Study population	Proportionate sampling	Sampling technique
Managers	13	7	Simple Random
Supervisors	37	20	Simple Random
Officers	170	93	Simple Random
Taxpayers	100	55	Simple Random
Total	320	175	

Source of template: Krejcie and Morgan (1970) adopted from Amin 2005

Every category was proportionately represented from the total population. All respondents were randomly chosen using simple random sampling. The names were written on pieces of papers, which were folded and put in 4 separate boxes representing the categories above. Thereafter the researcher picked one by one without returning them up to the sample needed from each category.

The qualitative data was obtained from the top managers who were purposively selected. These were the heads of sections, from which the researcher hoped to obtain information on the quality of service. A total of 10 interviews were conducted.

3.5 Data collection Methods and tools

Data for the research was derived from both primary and secondary sources. Primary data was obtained from self administered closed and semi structured questionnaires, observation

and interviews. While secondary sources included internal and external documents like circulars, URA magazines such as revenues, policy documents, media and websites.

3.5.1 Self-administered Questionnaire method

Quantitative data was collected using a self-administered questionnaire. The questionnaire is an efficient data collection method which has advantages of high complete responses within a short period. Use of questionnaire also allowed the respondents' time to reflect on answers to avoid hasty responses (Mugenda and Mugenda, 2003).

The questionnaire was administered on all the four variables of online boost, information dissemination (communications), business processes and corporate image reforms.

The researcher administered 175 questionnaires which were personally administered questionnaires; these were constructed basing on 5 point Likert scales. A few open ended questions were also included in the questionnaire (Appendix 1) to ensure response clarity and consistency (Hussey, 2002).

3.5.2 In-depth Interviews method

Qualitative data was collected using interviews. The method of interviewing is used to collect information that cannot be directly observed. It also helps the researcher to gain control over the line of questioning. Qualitative data was obtained through interviewing purposively selected respondents to supplement the data gathered through quantitative sources. After receiving respondents' replies to the questionnaires, the researcher conducted interviews with respondents with firsthand knowledge on institutional reforms. This was face-to-face interaction between the researcher and interviewees/middle managers, using a predesigned interview schedule. The interviews composed of open ended questions, this was to allow free expression and establish original perceptions. The interviews lasted twenty

minutes each. Notes of interviews were taken following Ghauri and Gronhaug, (2002).

The interviewer also made account of non verbal communications such as the attitudes and behaviours of the interviewee. Interviews were on business processes, communication and corporate image reforms.

3.5.3 Observation method

To identify how services are offered, courteousness, overcrowding at the service centres, the researcher physically inspected the various counters to ascertain the state of affairs as regards service quality for instance courtesy of staff while serving, the office lay out, facilitation, numbers of staff at service centres, how customers were attended to by the front desk personnel.

3.5.4 Document Review Method

The researcher collected secondary data from documentary review from reading dissertations, journals text, Newsletters and internal memos. The documentary review assisted the researcher to reconstruct study variables and provided an in-depth understanding of the variables under study in comparison to the study area.

3.6 Data collection instruments

The following research instruments were used to collect data.

3.6.1 Questionnaire

The data was collected using a self-administered questionnaire and interview guide.

Questionnaires are used to obtain information about the population and ensure a wide coverage of the population in a short time (Kabanza, 2001). A closed-ended structured questionnaire was used to capture data on URA reforms of online boost, information dissemination (communication), business processes and corporate image. The structured

questionnaire was considered appropriate as it helps respondents make quick choices thereby saving time as well as helping the researcher to code the information quickly for analysis (Sekaran, 2003; Mugenda and Mugenda, 2003). This was also supported by Amin (2005) who affirmed that a questionnaire offers greater assurance for anonymity especially when handling sensitive issues in organizations like URA. The respondents were asked to respond to how strongly they agreed or disagreed with a series of statements on a five-point Likert-type scale (ranging from 1 = strongly disagree to 5 = strongly agree).

3.6.2 Interview guide

An interview guide consisting of unstructured questions was used for the case of the in-depth interviews with key respondents to gain interviewees' point of view. The unstructured interview guide comprised of eleven (11) open ended questions that were posed during the face – to- face interviews. The use of the interview guide allowed the collection of important information.

3.6.3 Observation guide

To identify how services are offered, courteousness, overcrowding at the service centres, the researcher used an interview guide to ascertain how the various counters to analyse the state of affairs as regards service quality for instance courtesy of staff while serving, the office layout, facilitation, numbers of staff at service centres, how customers were attended to by the front desk personnel.

3.6.4 Document Check list

Secondary data from documentary review from reading dissertations, journals text, Newsletters and internal memos. The documentary check list aided the researcher in obtaining data from the URA news letter and electronic journal at the URA website.

3.7 Validity of the instrument

Validity of a data collection instrument refers to the appropriateness of the instrument to measure a variable or construct and come up with the intended results (Amin, 2005). This can be done using construct, face and content tests. For this study, content and face validity was used to test the instruments. To establish content validity, the researcher employed four (4) judges (in these case respondents) in pre-testing the instruments. The results of the observations made after customers were analysed a few adjustments were made according to the comments from the selected respondents.

Amin (2005) is of the view that the research instruments must be pre-tested to ascertain their reliability and validity before actual research is carried out. He argues that validity refers to the appropriateness of the instrument while reliability refers to the consistency in measuring whatever the instrument is intended to measure. Sekaran (2003) emphasizes the measure of variables by testing the reliability and validity of the research instrument.

3.8 Reliability

The questionnaires were tested for completeness and accuracy using an alpha cronbach's test of more than 0.7. (See table 2).

Table 2: The Reliability coefficient variables computed were as follows:

SN	VARIABLE	RELIABILITY	Number of items
1	Automation	.878	11
2	Structural	.930	12
3	Retooling	.836	15
4	Service Quality	.862	14

The researcher pre-tested the questions on ten purposively sampled members of staff of selected organization outside the researcher's place of work to ascertain the consistency in measuring variables.

3.9 Data Analysis:

The raw data from the research instruments was organized, cleaned and edited to eliminate errors. Data was then assembled and arranged with a systematically comparable data according to research objectives. Data analysis was done through tabulation to generate frequency tables used to summarise data in a more simplified and easily understandable manner. The data was then analysed using statistical package for social science program (SPSS) and tests of hypotheses generated were carried out.

3.9.1 Procedure of statistical analysis

3.9.2 Technique number one: Factor analysis technique

Factor and reliability analyses were first computed and emerging results examined. Factor analysis as a generic term for a family of statistical techniques concerned with the reduction of a set of observable variables in terms of a small number of latent factors is heavily relied on in testing the various hypotheses postulated in the study, and using its output, the researcher then used multiple regression analyses to assess the degree to which the

independent variables explained the variations in the dependent variable.

Researchers have given guidelines for the minimum sample size needed to conduct factor analysis and this study met these guidelines. The recommendation for the ratio of sample size to number of variable as a criterion: the recommendation range from 2:1 through 20:1. Others have suggested a minimum sample size of 100 to 200 observations (Guadagnoli and Velicer 1988). Such authorities found that absolute sample size was more important than functions of sample size in determining stable solutions as small sample sizes may affect the factor analysis by making the solution unstable and the addition of more data may cause the variables to switch from one factor to another. In this study, factor analysis was used following a set of recommended steps:

Step 1: Preparing Data

This study used exploratory factor analysis to verify whether the above variables and their respective indicators as elaborated in the conceptual framework in chapter one could be confirmed by the collected data.

Exploratory factor analysis allowed the possibility to test very specific hypotheses regarding the number of factors, factor loadings, and factors inter-correlations. The study considered several important questions while preparing input data for factor analysis as recommended by authorities on this technique. Firstly, what variables were to be included in the analysis. Factor analysis was designed to explain why certain variables are correlated both in the dependent and independent clusters. Moreover, common factor analysis is concerned only with that portion of total variance shared by the variables.

Secondly, was the question of how many variables were to be included and retained? Factors

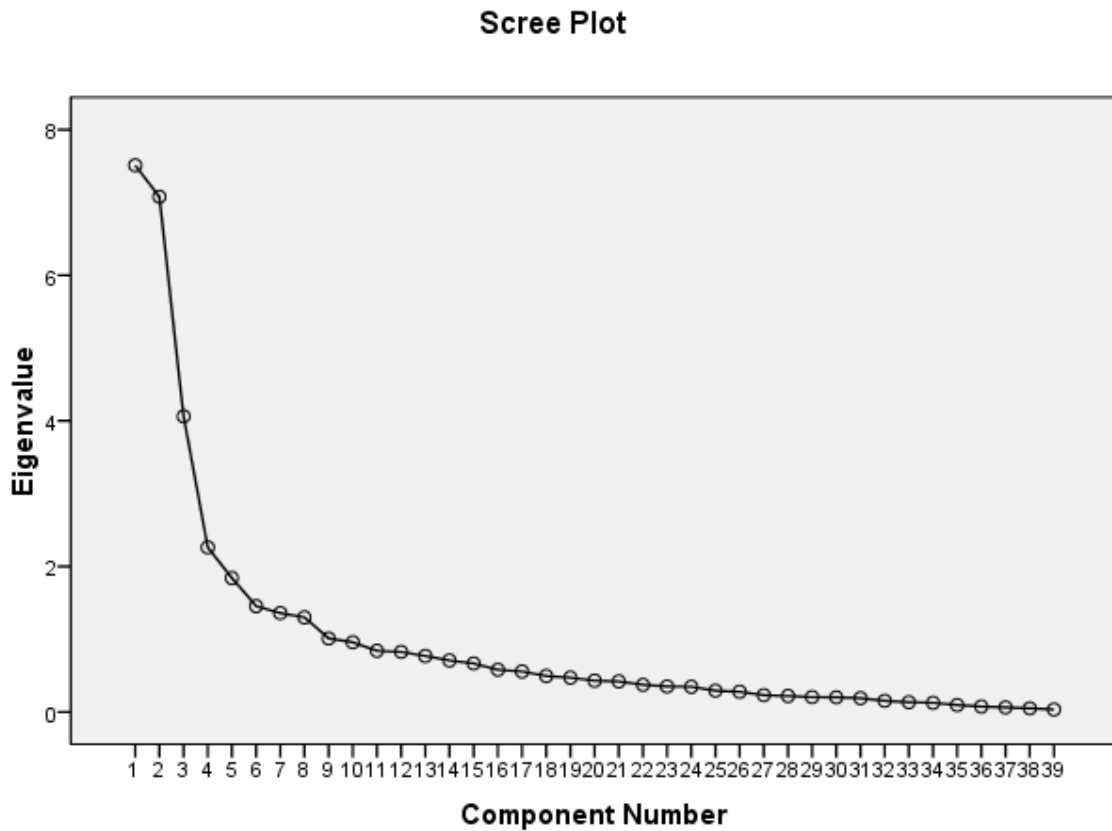
are grouped according to what they measure and variables that can be inferred from a set of observed variables.

Step 2: Selecting a factor model and determining the number of factors

Once the data input was prepared for the analysis, it was necessary for the study to decide on a factoring technique, that is, a method of extracting factors. The study opted for principal component analysis because of its wide usage. Thus the researcher used the “Eigen values greater than one” rule which has been most commonly used due to its simple nature and availability in various computer packages. The rule states that the number of factors to be extracted should be equal to the number of factors having an Eigen value (variance) greater than 1.0. The rationale for choosing this particular value is that a factor must have variance at least as large as that of a single standardised original variable. Another criterion that was used in this study was related to the latent root criterion, and this was the percentage or proportion of the common variance criterion (defined by the sum of commonality estimates) that is explained by successive factors.

Additionally the scree plot criterion was used to determine the number of factors to retain. This was used to compliment the above technique. Using SPSS programme, plotting the Eigen values against the corresponding factor numbers gave us insight into the minimum number of factors to extract. The Scree option in the SPSS produces a scree plot that illustrates the rate of exchange in the magnitude of the Eigen values for the factor. Figure 2 below illustrates this approach.

Figure: 2 Scree plots of factors.



The study also used the interpretability criterion for determining the number of factors extracted. Factor solutions were evaluated not only according to empirical criteria but also according to the criteria of theoretical meaningfulness. The use of face validity is recommended. Those factors that had a high correlation but were not theoretically fitting were deleted. An appropriate mix would always be made to consider factor loadings that have grave impact on the above three and some would be maintained until an acceptable level was found. Using the varimax rotational method.

Once the factors had emerged, those with significant loadings were assigned some meaning based on the patterns of the factor loadings. To do this it was necessary to examine the

significant loadings for each factor. The larger the loading the more important.

Table 3: Factor and Reliability Analysis Results for the Institutional reforms (IV) and Quality of Service (DV): Scale (N=116)

I tem	Factor	Number of items	Cronbach's Alpha
1	Internet facility	5	.873
2	Web portals	5	.839
3	External communication	6	.803
4	Internal communication	5	.757
5	Business processes	10	.965
6	Service Quality	8	.872
7	People reform	2	.859
8	Working Environment	2	.733

According to Mugenda and Mugenda (1999), in a research study, the reliability co-efficient can be computed to indicate how reliable data are. A coefficient of .80 or more implies that there is a high degree of reliability of the data the factors were renamed because these were now different grouping from the original variables of automation, structural reforms and retooling reforms. The new variables were renamed as online boost, information dissemination (communication), business process and corporate image.

Statistical Technique number two: Regression analysis

In order to test the various hypotheses postulated in the study, using the output from the factor analysis as described above, the researcher conducted multiple regression analyses. Using this statistical approach, it was possible to test how institutional reforms contributed to

service quality in URA. Regression is a technique used to predict the value of a dependent variable using one or more independent variables. In this case various reforms were tested against each other.

Statistical Technique number three: Analysis of variance (ANOVA)

Analysis of variance (ANOVA) as a data analytic technique based on the idea of comparing explained variance, by a comparison of the coefficient of determination with the coefficient of alienation was also used.

3.10 Quantitative Data Analysis

Quantitative data presentation, analysis and interpretation were conducted on the data by coding, sorting and interpretations drawn. The researcher carried out a scrutiny of the captured data to ensure consistency and completeness of questionnaires. Quantitative data generated from the questionnaire was edited with the view of checking for completeness and accuracy during data collection and then entered into that statistical package for social sciences (SPSS) program which was used to do that generated the descriptive, correlation and regression analyses. Percentages were used for summaries and easy assessment. Percentages for frequency distribution and proportions and descriptions were used to reflect frequency applied. Pearson correlation coefficient was used to establish relationship between the dependent and the independent variables (Mugenda and Mugenda, 2003).

In order to carry out statistical tests of significance, the level of confidence was pre-tests at 0.01(2-tailed).

Bruce (2004), states that statistical test is predicted to be accrued for a certain percentage of

the population. Thus a finding at 0.05 and 0.01 levels suggests that the researcher has confidence that is 95 times and 99 times respectively out of 100, these same results will be obtained with a similar population. The regression co-efficient analysis was used to examine the relationship of dependent variable (response variable) to specified independent variable (predictor variable).

3.11 Qualitative Data Analysis

The data collected using interview and guide and documentary reviews was edited and systematically organized in a manner that facilitated further analysis (Mugenda and Mugenda). It was summarized in categories according to main themes based on the variables. This was helpful in further understanding the explanations for responses under quantitative questionnaires and in drawing up conclusions for the study. Qualitative strategies usually focus on identifying frequencies of phenomenon. This is usually subjective, rich and in-depth descriptions presented in a thematic manner. The researcher carried out a thorough review of the scripts looking for similarities and developed themes related to the variables of study. The findings from the qualitative data were used to reinforce the quantitative data derived from questionnaires.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter presents the findings of the study in relation to the purpose of the study. The study purpose was to examine reforms in URA conceptualised as on-line boost, communication, business processes and corporate image and how they affect the quality of service. The chapter presents the response rate, demographic characteristics of the respondents and data according to objectives.

The data collected under the four objectives are presented in two sections where section one presents information on the background characteristics of respondents, while section two presents results on the objectives of the study. The findings are presented using descriptive statistics to describe the basic features of data providing summaries, graphs of frequencies and percentages, correlation analysis using the Pearson correlation coefficient, in order to determine the relationships between the key variables of institutional reforms and service quality. Regression analysis was used to ascertain the institutional reform factors that are significant in predicting service quality. The chapter is arranged from response rate, socio economic features of respondents' information, factor analysis reliability of the factors, and then, inferential statistics, that is correlation and regression analyses as well as interpretations of the results.

4.2 Response rate

The study first analyses the response rate before presenting the bio-data of the respondents. The researcher distributed 175 questionnaires to selected staff of URA and taxpayer representatives with knowledge on institutional reforms, out of which 116 were fully completed and returned, giving a response rate of 66 percent According to Denison, (1996) response rate should be positive enough and should at least be 50 percent in order for the views raised to be representative. Mugenda and Mugenda, (1999) also confirms that a response rate of 50 percent and above is very good. The response rate is summarized in table.2 below

Table 4 Response rate

Category	Target Respondents	Actual respondents	Response rate(percentage)
Managers	7	7	100
Supervisors	20	14	70
Officers	93	53	55
Taxpayer representatives	55	42	76
Total	175	116	Average 66

As indicated in table 4 above 100 percent of the managers, 70 percent of the supervisors, 55 percent of the officers, and 76 percent of the taxpayer representatives responded and returned the questionnaires. This gave a good response rate of 66 percent meaning majority of the sampled respondents returned the questionnaires.

4.3 Background information of respondents

The study involved respondents of varying characteristics which enabled the researcher to obtain the necessary background information on the respondents. The characteristics of the respondents investigated included sex, age, experience in the organization and current job title. The background variable about the respondents helped the researcher to know how respondents were acquitted with the study area specifically the variables under investigation.

4.3.1 Length of stay with the organization

The study sought information on the number of years the internal customers have stayed with URA. This was an important element to define the ability of the respondents to raise appropriate responses on study variables. .

Table 5: Length of stay with URA

Number of Years in service	Frequency	Percentage
1-5	36	48
6-10	13	18
11-15	19	26
16 and above	6	8
Total	74	100

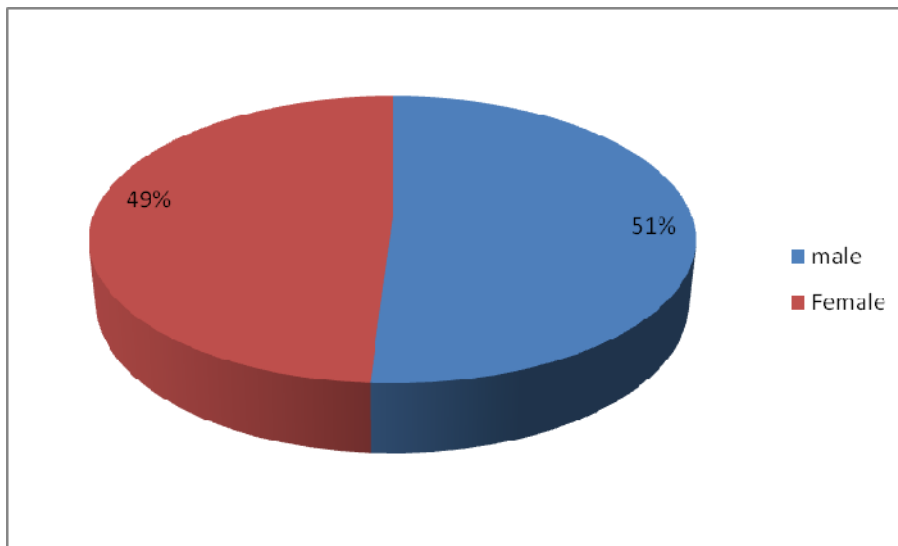
The results indicate in table 5 show that the biggest number of the respondents thirty six (48 percent) have spent less than six (6) years in the organization, thirteen (13) that is (18) percent between 6-10 years, nineteen (19) (26) percent have been in the organization for 11-15 years and only six (6) that is eight (8) percent have been in the organization for more than sixteen years.

Thus the biggest number of respondents was relatively new respondents to the organization, this suggests that most of the staff seem to have joined the Authority after 2004 when the restructuring took place and new staff had to be recruited to fill the gaps in order to enhance service delivery. This could also indicate that there could be a high labour turns over in the organisation. It also implies that as several staff members join the organisation, there is need to train them on quality assurance. This may affect the quality of service, as new people come into the organization they require some time to start performing hence quality being impinged on, which may inevitably affect the image of the organisation.

4.3.2 Sex of the respondents

The study wished to find out the gender distribution of the respondents. The findings are presented below as follows:

Figure 3: Gender of respondents



The figure 3 shows that, majority 59(51 percent) of the participants were male as compared to females who were 57(49 percent) of the total participants of the study. The number of male

respondents was slightly more than female respondents but largely there was proportionate participation of both men and women, thus the study represents views from both male and female at different levels. This implies that the organization is an equal opportunity employer. Therefore the research findings are not prejudiced by gender perspectives hence balanced views were obtained.

4.3.3 Age of respondents

The age of an individual quite often has a bearing on his/her level of thinking and perception. In this regard, the study sought to obtain information on the age distribution of the respondents, with a view of establishing the differences in views and opinions as a result of age differences, the results of which are presented in table 6 below.

Table 6: Age of respondents

Age category in years	Frequency(f)	Percentage (%)
Below 30	50	43
31-40	42	36
41-50	23	20
Above 50	1	1
Total	116	100

Majority of the respondents 50 (43 percent) were below 30 years thus the organization employees quite young people as compared to only one respondent who was over 50 years, 42 that is 36 percent of the participants were between 31-40 years while 23 about 20 percent of them being between 41-50. This could partly explain the improved quality of service because young people tend to be faster and quick as compared to older people. The clients were seen to be serviced with efficiency and courteousness.

4.3.4 Designation of respondent

The analysis distributed the respondents into four predetermined groups namely; manager, supervisors, officers and taxpayers. An evaluation of the respondents' designation suggested the following as per table 7 below:

Table7 Designation of respondents

Designation	Frequency(f)	Percentage (%)
Manager	7	6
Supervisor	14	12
Officers	53	46
Taxpayers	42	36
Total	116	100

Most of the respondents were officers 53 (46 percent) followed by taxpayers 42 (36 percent), then supervisors 14(12 percent) and managers 7(6 percent), and. This could be explained by the fact that the current structure of URA is triangular in nature with fewer staff in senior management position at the apex of the triangle and more staff at the base (officers) .The study results were obtained from all categories of respondents in the organization thus the views are very representative of the organization.

4.4 Factor Analysis

As part of the process of ensuring accuracy and acceptability of the results of this study, a number of measures of goodness -of-fit were considered. Among them was factor analysis, described, as the most often used multivariate technique of research, specifically pertaining to social and behavioural sciences (Afifi, Clark and May, 2004).

It is a powerful statistical procedure, often used to validate hypothetical constructs and attempts to cluster those indicators or characteristics that seem to correlate highly with each other. It is used as a data reduction technique to identify a relatively small number of factors (Constructs) from a set of many interrelated variables for confirming hypothesized construct (Amin, 2005). The technique allows the researcher to group variables into factors based on correlation between variables and factors so derived may be treated as new variables (often termed as latent variables). The meaning and name of such variables is subjectively determined by the researcher as suggested by Kothari (1999).

The findings suggested the use of factor analysis to investigate any separate underlying factor and to reduce redundancy of certain questions. The Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) of 0.776 and the Bartlett' Test of sphericity approximated chi-square of 3.186E3, P= 0.000 indicated that the data satisfied the assumptions of factorability. Principle component factor analysis was chosen as the method of extraction in data using minimum number of factors. A nine factor solution was extracted with Eigen values of 19.256, 18.152, 10.414, 5.797, 4.7, 3.73, 3.4, 3.333 and 2.5 all these factors account for 72 percent of the total variance.

These are the core and peripheral attributes pointed out in the conceptual framework and required by the research objectives and research questions in chapter one. All the 58 variables considered to be the institutional reforms were subjected to this technique, and the results are presented in the table below;

Table 8: Summary of factor loadings for reforms and Service quality in URA

Items	1	2	3	4	5	6	7	8
There is an improved objections handling.	.936	-.085	.075	.016	.096	.023	.066	.017
Appeals against assessments are handled on time.	.933	-.036	.129	-.014	.096	.076	.001	.067
Refund of taxes is done on time	.930	-.001	.032	.024	.072	.089	-.038	-.065
Recovery of un paid taxes is effective.	.928	-.031	.057	.064	.063	.072	-.034	.013
Audit processes by URA are clear.	.918	.032	.073	.022	-.069	-.009	-.009	.051
Communication process is transparent.	.913	.006	.088	-.003	.045	-.010	.036	-.001
On-line payment process has improved on speed in payments of due taxes.	.773	-.146	.141	-.022	-.011	-.076	.108	-.146
Training in taxpayer education has improved.	.757	-.102	.105	-.070	.094	-.087	-.049	.136
Payments online reduced on congestions at the service counters.	-.022	.825	.058	.132	.163	.129	-.058	-.125
Returns can now be submitted on line at taxpayer premises.	-.009	.795	.067	.200	.017	.124	-.165	-.209
Customer accounts can now be accessed online without the taxpayer coming to URA offices.	-.110	.718	.062	.199	.285	-.190	.095	-.104
Access channels to the web Portal are available 24 hours.	-.067	.672	-.037	-.003	.023	-.101	.115	.206
Information about online facilities.	-.097	.644	-.044	.096	.256	-.056	.179	.140
Internet has facilitated taxpayer's business with URA running.	-.123	.629	.026	.155	.061	-.378	.174	.171
Client engagements with URA have reduced due to automation.	-.023	.598	-.163	-.036	.066	-.081	.021	.552
Customer movements to and from URA (turn around) has reduced.	.057	.555	-.319	.261	.126	-.095	.110	.156
Tax information availability on the web has increased.	-.047	.509	.108	.409	-.110	.233	-.164	.221
Service reliability in URA has improved.	.147	-.034	.873	-.002	.022	.066	-.117	.058
Customer concerns are easily handled on line without any obstacle.	.189	-.020	.859	-.066	-.087	.088	.129	.040
URA staffs entertainment of customers has improved as compared to the past.	.200	-.081	.789	.090	-.014	.160	.147	.010
The bringing together of services has been enhanced by the systems in place.	.046	.138	.702	-.065	.081	-.002	.270	-.142

Taxpayer's feedback to URA has greatly improved.	.022	.234	-.054	.840	.055	-.053	-.081	.157
Information delivery to clients by URA has been facilitated.	.003	.174	-.021	.734	.269	.002	-.135	-.104
Flow of information from URA to taxpayers is reliable.	.112	.107	-.041	.663	.318	-.040	.048	.030
Information reaches the intended recipients on time.	-.147	.340	-.077	.537	-.043	-.221	.391	.056
Materials are easily accessible on the web Portals.	-.034	.399	.027	.447	.022	.003	.034	.230
Communication of tax amendments to taxpayers is adequately done.	.069	.018	-.006	-.010	.832	.015	-.034	.135
Information flow from customers to URA is reliable.	.100	.214	.015	.204	.699	.117	-.104	.245
There is Taxpayers ease of access to information by the various changes.	.122	.266	.018	.263	.686	-.079	.117	-.148
Information flow from URA to taxpayers is adequate.	.103	.260	-.048	.079	.543	-.067	.162	.052
Ambience of URA offices has greatly improved the public Image of the Organization.	.065	-.091	.112	-.041	-.012	.761	.321	.051
There is always Network availability at the service points.	.008	.069	.444	.068	.055	.623	-.031	-.224
Returns submission process in URA is possible electronically.	.384	.175	-.203	.240	-.086	-.422	.144	-.218
Staff courteousness has greatly improved.	.065	.088	.453	-.120	.050	.172	.692	.003
Staff loyalty to service is evident in the way of serving customers.	.082	.056	.537	-.053	.039	.185	.678	-.096
Customer expectations are met by URA.	.114	.047	-.009	.349	.262	-.083	-.207	.623
Web portal materials are simplified to be understood by clients.	.088	-.004	.092	.410	.376	.159	.087	.445
On line/internets facilitates customers business.	-.060	.318	-.335	.211	.234	-.339	.247	.400
Extraction Method: Principal Component Analysis.								
Rotation Method: Varimax with Kaiser Normalization.								
a. Rotation converged in 13 iterations.								

As can be seen from table above, the survey instrument had a list of thirty eight (38) items that measured as a predictor variables and service as the predicted variable. The initial conceptualization of quality as had three (3) variables. The four (4) dimensions were generated after carefully assessing the measures of institutional reforms. Using the knowledge and conceptualization from the above four dimensions were named as online boost, information dissemination (communication), business process and corporate image improvement. The instrument was subjected to exploratory factor analysis. The factor analysis computation using varimax rotation of all items constituting the different dimensions returned a total of nine principle components which were subjected to reliability test.

Considering the distribution of the factors above, URANET is loaded with the highest number of loadings (09) followed with business processes (08), communication (05), External information flow, staff competence, and web facility and working environment in the order.

Generally the loadings were quite strong for each of the attribute measures and, as such, indicate good internal consistency among the items within each dimension and indeed within the instrument as a whole. As outlined in table 7 above they range from 0.554 to 0.907 across groupings. This means that the factors loading ratings varied in the various ways and numbers of items distributed in a similar category measuring the same thing.

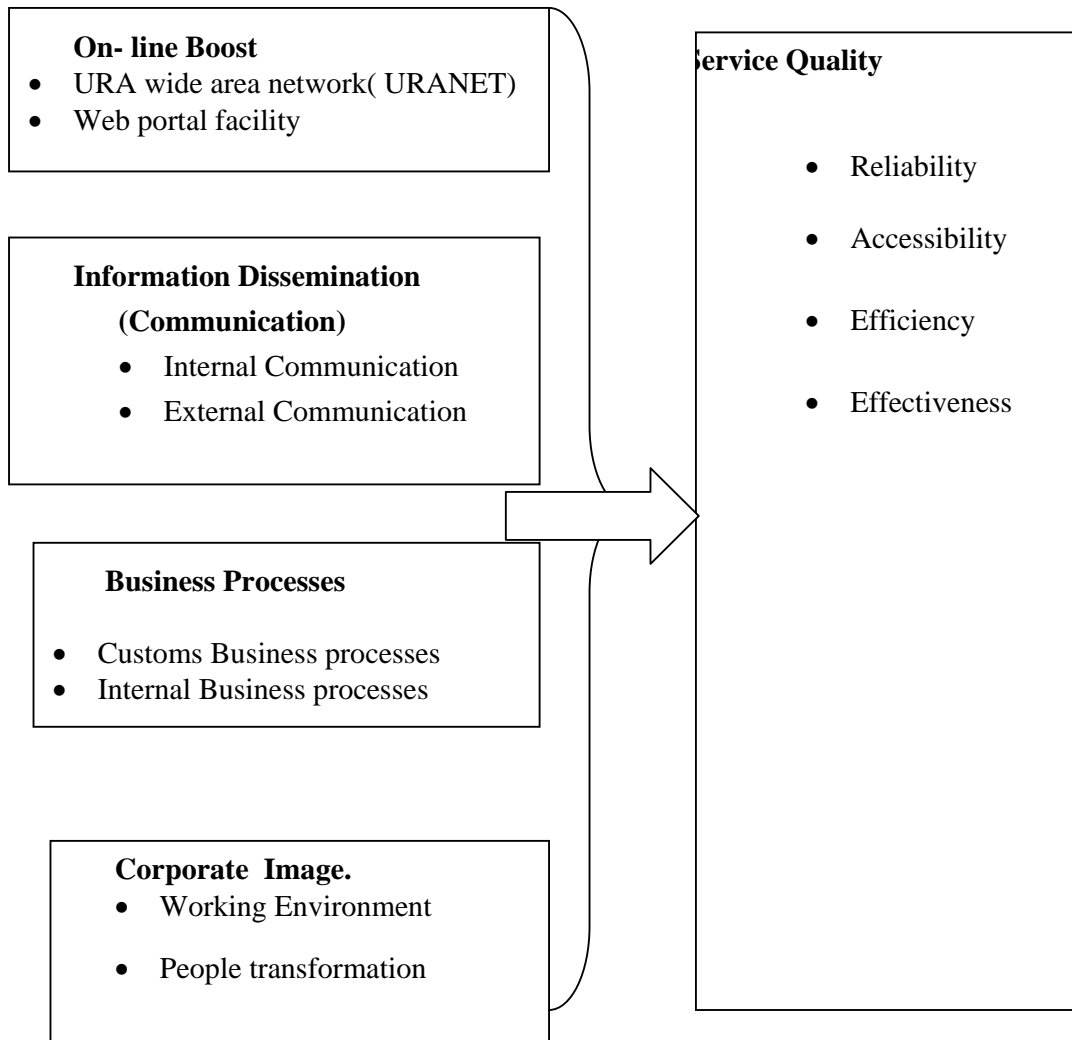
Factor analysis was carried out on data collected from 74 staff and 42 taxpayers. The method of extraction was principal components analysis. Forty one items, encompassing the main themes from the data, were extracted accounting for 72 percent of the variance in quality service. The factors were: business processes with eight (8) items, URANET with nine (9) items, external information flow with five (5) items, communication with four (4) items,

working environment with two (2) items , staff competence with two (2) items, web Portal with three(3) items all contributing to quality service with four (4) items. This implies that URANET and business processes had the highest number of items and the relationship to service quality was based on these items.

Figure 4: The Modified conceptual frame work

I.V Institutional Reforms

D.V Service Quality



Source: Factor analysis by the researcher

The four Hypotheses of study were reformulated after factor analysis from as follows:

H₁ = There is significant positive relationship between Online Boost and Service Quality in Uganda Revenue Authority.

H₂ = There is significant positive relationship between information dissemination (Communication) and Service Quality in Uganda Revenue Authority.

H₃ = Business processes reforms significantly affect service quality in Uganda Revenue

Authority.

H₄ = There is a significant positive relationship between Corporate Image and service quality in Uganda Revenue Authority.

4.5 Empirical findings

Each objective was twofold; on the one hand the study investigated the perceptions of the respondent about the independent variables of online boost, information dissemination, business processes and corporate image reforms and the dependent variable of service quality. On the other hand it investigated the relationship that exists between these variables and service quality. This part of study presents results in line with the research objectives that guided the study. The presentation indicates the verification of the research objectives and presents views of the respondents as from the face to face interviews along with the descriptive statistics of percentages and frequency distribution.

4.5.1 Online Boost and service quality in URA

Under objective one of the study, the researcher aimed at establishing the extent to which on line boost conceptualized as wide area network (URANET) and web portals contributes service quality in URA. Findings were obtained from the close ended questionnaires to the selected sample that provided quantitative data and face to face interviews of key informants (seniors like assistant commissioners and managers) that provided qualitative data.

In order to gauge the effect of online boost on service quality, the researcher endeavoured to analyse the descriptive statistics on online boost and service quality. The researcher further

ascertained the relationships between online boost and service quality using the Pearson's moment correlation. In addition a regression analysis was used to predict which of the elements of institutional reforms affect service quality. The table 9 below shows the results of the study in regard to online boost and service quality a URA.

Table 9: Summary of the effect of online boost on service quality

SN	Items	Agree (percentages)			Disagree (percentages)	
		SA	A	NS	D	SD
1	URANET has greatly improved the quality of service	40	45	4	6	5
2	URANET has facilitated inquiry handling by URA to customers.	21	32	19	22	7
3	URANET facilitation of networking among customers.	23	37	14	14	7
4	Customer engagements on the Web Portals have reduced on movements to and from URA.	16	27	24	22	10
5	Web Portal Usage Has Led To reduction in Turnaround time	21	32	28	16	3
6	URA has sufficient computer in place to facilitate serving customer.	24	37	13	20	20
7	I have adequate Knowledge of online usage.	33	42	8	11	7
8	An online submission has eased by the systems in place.	44	39	10	10	3
9	Online payments being possible.	40	37	11	7	5
10	Online facilities are simplified to me being enabled electronically.	37	39	10	10	5
	MEAN	30	37	13	14	7
	MEAN	70			21	

Key: SD = Strongly Disagree; DA = Disagree; NS = Not Sure; A = Agree; SA = Strongly Agree.

The researcher ascertained views on whether URANET has facilitated handling of customer complaints, 53 percent of the respondents agreed, 29 percent disagreed and 19 percent were not sure. When the views were obtained on how internet facilitate networking internally and externally, majority of the respondents 60 percent agreed, 21 percent and 19 percent were not sure. Thus majority of the respondents acknowledged that URANET has facilitated

networking, with a likelihood of increasing the number of customers being served hence efficiency and effectiveness.

A number of equipment were sited at various premises for instance mobile scanning machines which were said to greatly reduce on physical verification of goods, cases of smuggling and false declaration of goods at customs stations. This was believed to improve on service quality. In an interview with one staff it was discovered that mobile scanners can scan 18 containers per hour, has digital display for details of scanned image space for four officers, can detect illicit and contraband goods, fully equipped with flat screen modern computers, air conditioned interior rooms and sound proof rooms This implies that there is timely and efficient service to customers. From the participant observations it was found out that all the offices visited were quite computerised with visibly new computers installed and almost the computer staff proportion was 1:1. Every staff had a computer at the desk in addition to some having two sets of computer sets a laptop and a desk top. This suggests that more customers can be served as compared to service using manual means, thus leading to less time spent on a customer thus improved service quality and this is an improvement in the area of availing staff with tools to serve customers better.

Physical engagements between URA officials and the taxpaying community assumed to result from having no alternative effective communication. On whether physical engagements have reduced as the result of usage of internet facility, the majority of the respondents 43 percent agreed, 33 percent disagreed and 24 percent were not sure. This implies that majority of the respondents that is 57 percent did not see any improvement in service quality at URA resulting from online boost. A bigger percentage of respondents still engage with URA staff physically. Interviews with clients suggested that online transactions are helpful to some

customers. As noted by one of the clients;

.... I can now transact business any where any time without visiting URA service centre, this is quite possible due to the online facility available 24 hours service with service centres open this is a big improved registered by URA.. Asserted one client.

The web portal facility was assumed to be reducing turnaround by way of movements to and from URA. Indeed the majority of the respondents (53 percent) agreed that there is reduced turnaround, 19 percent disagreed and 28 percent were not sure if it is the case. Web portals are usually used by external clients to transact business or obtain information. Although customers seem to interact with URA staff physically, the times with which they interact with staff are few. This is because the channels of obtaining information about URA services are increasingly getting clear. On whether the access channels are clear, 61 percent answered in affirmation, 26 percent disagreed and 13 percent were not sure of the situation prevalent. This means that URA staff members spend less time interacting with a customer with a likelihood of serving several customers than before. This may suggest that there is more time for staff spends. The interviews further indicated that web portal services are already being utilised by the customers especially for electronic filing and payment. This has led to reduced turn around by the clients hence an improved service quality. This is because the system can verify every transaction, accuracy, correctness before the system accepting receipt of a transaction thus leading to efficiency and timely service delivery.

Regarding the knowledge on various services available on line, findings were 75 percent agreements, 18 percent disagreements and 8 percent not sure. These findings indicate that the majority of the respondents are knowledgeable about online boost. In addition data about online submissions resulting from on line boost indicated majority 83 percent agreements, 8 percent disagreements and 10 percent not sure. The results show that the majority are able to

perceive that the facility is user friendly. This means online boost has made the service quality very effective and efficient at URA. More so trade facilitation in customs has further been boosted by the initiation of a working relationship between customs of Kenya and Uganda in what has been termed as Radex systems (Simba + Asycuda); this has enabled traders to clear goods much faster.

The researcher solicited views on some transactions on line. For instance on payments online and how effective and user friendly it is, the findings show that 77 percent agreed that these are effective and user friendly, 12 percent disagreed and 11 percent not sure. User-friendliness of the online facilities is vital to the external customers in order to reduce delays in service delivery. The views from the respondents on whether they are able to obtain their account balances online without visiting URA show that, 76 percent (majority) agreed that they easily obtained their tax balances online, 15 percent disagreed and 10 percent not sure. Interviews with clients further revealed, that on line boost improves efficiency in service delivery. There are no longer delays and crowding at the counters as most of the clients now transact business from their premises online. This has led to improvement in the speed of serving customers as compared to the time when clients had to crowd at the counters waiting to be served. More so, the researcher tested on line services by applying on line for a tax identification number which she was able to obtain online without moving to and fro which was the case before the online boost by efficiency and accessibility to service has increased due to implementation of the e-tax at most of the Kampala based offices. This implies that the quality of service has to a great extent improved.

Various respondents highlighted these achievements as a transformation move as the URANET has been critical key in registered improvement as noted by one of the

respondents,

.....”There is always online dialogue on various challenges faced at individual level and the Uganda Revenue Authority staff avail practical solutions and possible interventions that usually work....as such the staffs are able to share and inquire amongst themselves online through the use of the URANET”

The visible improvement in the area of online boost can be attributed to its strategic importance in the corporate plan with the goal of modernising URA’s systems and processes through its people aims at transforming URA into a modern and client focused tax administration.

The descriptive distribution of results showed that the relationship between URANET and quality of service is based on comparison of the respondent’s perception towards a number of variables. That the implementation of the URANET has greatly led to improvement in the quality of service. The above statistics indicate that on average from, 69 percent of respondents agree that online boost facilitates service quality, 21 percent disagrees and 13 percent were not sure. This suggests that the use of URANET reduces on the number of times the clients would visit URA counters hence the staff can now concentrate on their work thus serving more clients leading to efficiency and reliability of services at URA. The above findings are in line with the documentary review findings stipulated in an internal memorandum (March, 2010) the Assistant Commissioner Returns Processing and Payment in Domestic Taxes Department emphasizes that

“....following the launch of the e-tax returns module, the e-payments functionality has been activated, under the e-tax payments process, a taxpayer does not need a Tax Identification number to pay tax. This implies that any taxpayer located anywhere can pay tax using the web portal, irrespective of whether the office of jurisdiction has e-tax. He continued

to assert that the e-payment has been formally rolled out to Kampala East, Medium Tax Office and Large Tax Office. Clients can register the payment either at any Domestic Taxes office irrespective of the office of jurisdiction, or directly through an internet access anywhere outside URA premises.....”

This was further confirmed during the interview when internal customers (staff), had a general consensus that the organization has implemented a number of automation reforms specifically boosting the online facility since 2004, a number of computers have been installed leading to quick and timely service to customers and this has enhanced the service quality.

Relationship between Online Boost and Service Quality

In order to ascertain the effect of online boost on service quality, the researcher further used the Pearson Product Moment correlation coefficient and the results are presented in table 10 below;

Table 10: The relationship between online boost and service quality

		Online Boost	Quality Service
Online boost	Pearson Correlation	1	.420**
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	74.010	33.845
	Covariance	.644	.294
Service quality	Pearson Correlation	.420**	1
	Sig. (2-tailed)	.000	
	Sum of Squares and Cross-products	33.845	87.870
	Covariance	.294	.764
**. Correlation is significant at the 0.01 level (2-tailed).			

The results in table 10 shows that the correlation between online boost and service quality is highly significant and $p=0.000$, meaning there is a high significant positive correlation between online boost and service quality. This implies that with an improvement in online boost, there is likely to be a corresponding effect in service quality. The R of with .420**

Regression analysis was also used to ascertain the significance of the relationship between online boost and service quality and the findings are presented in table 11.

Table 11 Regression results for online boost and service quality

Model	R	R Square	Adjusted R Square	Std.Error of the Estimate	R Square Change	F Change	Sig. F Change
1	.420 ^a	.176	.169	.79688	.176	24.374	.000
a. Predictors: (Constant), Online Boost							
b. Dependent Variable: Service Quality							

To explain this further, the researcher computed the coefficient of determination (R^2), so as to compute the effect of the independent variable on the dependent variable. This was computed as; $0.420^2 = 0.1764$, implying that online boost accounts for 18 percent of the variations in the dependent variable, service quality.

Online boost had R squared (R^2) of 0.176 (R^2 tells how a set of independent variables explains variations of a dependent variable). This means that the independent variable online boost accounts for 18 percent of the variations in service quality. The findings suggest that the independent variable is positively related to the dependent variable by 18 percent. This is further substantiated by the analysis of variance. The analysis of variance "F" as shown in table13 is 24.374 with a significance of 0.000. This shows that "F" is statistically significant

and implies that online boost has a statistically significant effect on service quality.

TABLE 12: Analysis of variance (ANOVA) Distribution

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	15.478	1	15.478	24.374	.000 ^a
	Residual	72.392	114	.635		
	Total	87.870	115			

a. Predictors: (Constant), Online Boost

b. Dependent Variable: Service Quality

The ANOVA results obtained in table 12 above regarding online boost and dependent variable service quality showed a probability of 0.000 as was earlier on indicated in the Pearson's Product Moment Correlation Coefficient. Using the Probability approach a probability lower than 0.01 shows a strong significance. Therefore the results in table 14 above showed a probability of 0.000 which indicates that the relationship is strong and highly significant when compared with 0.01 level of significance. The multiple regression results confirmed a positive effect of online boost on service quality thus, the hypothesis that there is significant positive relationship between online boost and service quality in URA has been substantiated

4.9.2 Information dissemination (communication) and service quality

The researcher sought views of respondents on the effects of information dissemination (communication) on service quality of URA. The findings regarding this element of the study are reported in table 13

Table 13: Summary Information dissemination (communication) and service quality

SN	Items	Agree (percentages)		percentages NS	Disagree (percentages)	
		SA	A		D	SD
1	There is continuous flow of information from URA to taxpayers	26	45	8	16	6
2	Information required by the taxpayers is availability on the net.	27	39	17	11	6
3	Tax payers give feedback to URA about the communication they receive.	29	45	10	13	3
4	Tax payers can obtaining tax information on the web portals	35	45	12	4	4
5	Materials displayed on the web portal are understandable by taxpayers.	16	28	22	23	10
6	Tax materials can be easily accessible on the web portal.	28	40	14	12	6
7	Tax information is easily availed to the taxpayers.	19	36	22	18	5
8	Flow of information to taxpayers from URA is common.	17	41	16	21	4
9	URA communicates to taxpayers any changes that have taken place.	15	33	30	18	4
10	Taxpayers are able to access tax information very easily.	29	45	16	10	3
	MEAN	21	40	17	14	5
	MEAN	61			19	

Key: SD = Strongly Disagree; DA = Disagree; NS = Not Sure; A = Agree; SA = Strongly Agree.

Regarding whether the information reaches the intended audience in time, 85 percent agreed, 11 percent strongly disagreed and (4 percent) were not sure; the results hence indicate there is an improvement in service quality at URA. The findings further indicated that 73 percent of the respondents agree that as a result of automation information is easily obtainable.

The researcher cross tabulated the views of internal (staff) customers in comparison with the external (taxpayers) customers to ascertain convergence or divergence of views between the two groups and the results are presented in table 14 below.

Table 14: Cross tabulation of responses of internal and external customer in relation to communication.

Item	Internal customers(Staff)					External Customers(Taxpayers)				
	Agree (percent)		Not sure N	Disagree (percent)		Agree (percent)		NS	Disagree (percent)	
	SA	A		D	SD	SA	A		D	SD
There is continuous flow of information from URA to taxpayers	24	29	3	4	3	16	15	2	2	2
Information required by the taxpayers is availability on the net.	16	31	4	9	4	10	14	3	7	2
Tax payers give feedback to URA about the communication they receive.	17	32	13	8	3	9	20	4	3	3
Tax payers can obtaining tax information on the web portals	7	33	7	7	2	14	12	3	6	1
Materials displayed on the web portal are understandable by taxpayers.	22	31	6	2	3	12	14	6	3	2
Tax materials can be easily accessible on the web portal.	17	26	6	9	5	11	14	8	3	1
Tax information is easily availed to the taxpayers.	17	28	12	6	1	12	18	3	1	2
Mean	17	30	7	6	3	12	15	4	3	2
Mean	47			9		27			5	

The results in table 14 above indicate that Forty seven (47) percent of the respondents who agreed that information dissemination improved the service quality were internal customer as compared to twenty seven (27) percent agreement by external customer. Those who disagreed were nine (9) percent internal compared to five (5) percent external customers. Seven (7) percent of the internal customers were not sure as compared to four (4) percent of the external customers who were not sure. This indicates that the internal communication has improved more compared to external communication. Does it mean then that the available communication channels are more appropriate to internal customers than external customers?

Results from the interviews insisted that there exist clear and designated communication channels both internally and externally. In addition to this there exists a communication policy to guide the standards expected to be exhibited by the internal customers. A number of respondents expressed the view that information dissemination by the corporate services, which is headed by the Assistant commissioner corporate services. The section also conducts taxpayer education to ensure that the clients get the information they require. This has enhanced customer care and improved the relationship between URA and her clients. One client asserted that;

“... Various tax information is distributed to the clients at their premises and information can easily be obtained at the website any time. There is availability of useful taxpayer guidelines and procedures both in print and electronically accessible...This has led to limited fines and penalties due to lack of information regarding tax matters...”

Relationship between information dissemination and service quality

After establishing the views on information dissemination the researcher proceeded to establish whether there was significant positive relationship between information dissemination and service quality. In order to ascertain the effect of online boost on service quality, the researcher used the Pearson product moment correlation coefficient and the results are presented in table 15

Table 15: Relationship between information dissemination and Service Quality

		Information Dissemination	Service Quality
Information dissemination	Pearson Correlation	1	.417**
	Sig. (2-tailed)		.000
	Sum of Squares	79.674	33.012
	Covariance	.693	.287
Service quality			
**. Correlation is significant at the 0.01 level (2-tailed).			

Regression analysis was also used to ascertain the significance of the relationship between information dissemination and service quality. The findings are reported

Table 16 Regression results for information Dissemination and Service Quality

Model	R	R Square ^b	Adjusted Square	R Std. Error of the Estimate	R Square Change	F Change
1	.417 ^c	.174	.167	.75967	.174	24.059

a. Predictors:(Constant),Information dissemination(Communication)

b. Dependent Variable : Service Quality

From the model summary, communication had R squared (R^2) of 0.174. This means that the independent variables; communication reforms account for 17 percent of the variations in service quality. The findings suggest that the independent variable is positively related to the dependent variable by 17 percent. This is further substantiated by the analysis of variance whose "F" as shown in table 17 is 24.059 with a significance of 0.000. This shows that "F" is statistically significant and implies that communication has a statistically significant effect on

service quality.

Table 17: Analysis of variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.885	1	13.885	24.059	.000 ^a
	Residual	65.790	114	.577		
	Total	79.674	115			

a. Predictors: (Constant), information dissemination (communication)

b. Dependent Variable: Service Quality

The Hypothesis that there is significant positive relationship between information dissemination (communication) and service quality has been supported.

4.5.3 Business processes and service quality

The business process reengineering has resulted in the introduction of simplified processes facility. The results reported in table 18 revealed that an average of 66 percent of the respondents agree that the business process reforms have resulted into improved service quality while 21 percent perceive that these have not resulted into improved service and a few of the respondents accounting for 4 percent were not sure. This indicates that business process improvements results into service quality improvement as seen in the document review... it is believed that if the required attention is given to quality service through process modernization URA should be able to collect at least 16 percent of GDP by the end of 2010. This is due to the simplified tax processes through business process re-engineering..... (URA corporate plan 2006-2010)

Table 18: Responses on business processes and service quality

S/N	Percentage distribution Items	Agree			Disagree		
		SA	A	NS	DA	SD	
1	The payment process supports service quality	42	21	23	10	3	
2	The audit processes by URA is simplified	37	25	16	17	4	
3	Recovery of un paid taxes is friendly to customers.	38	26	11	17	8	
4	Refund of taxes is done on time	35	28	10	22	4	
5	Objection processes is handled promptly.	42	25	10	19	3	
6	Appeals processes has been rectified by URA to suit customer requests	40	26	14	16	4	
7	The processes are integrated at one point.	51	22	12	11	3	
Mean		41	25	14	16	5	
Mean		66			21		

Key: SD = Strongly Disagree; DA = Disagree; NS = Not Sure; A = Agree; SA = Strongly Agree.

When the researcher inquired from the staff during the interviews, most of them revealed that all the business processes which did not add value to customers were revamped and new and simplified processes have been Instituted to enhance service quality in URA. As all the interviewed management staff reflected that

“...service quality to both internal and external customers is now assured this standard quality assurance is ensured through continuous reviews and realignment of processes to suit customer requests and demands. The main strategies used are staff engagements through departmental trainings, use of senior and competent staff to train new ones and exchanging ideas through e-mails.

In the interview held it was generally enumerated that a phase wise approach to integrated Tax Administration System (ITAS) implementation was progressing satisfactorily according to plan. The interactive website output under the public and taxpayer education project implemented under domestic taxes Modernisation project had yielded good results. A number

of processes were developed, tested and accepted by test committee and management. These were implemented successfully in various stations in Kampala ...”

Relationship between Business Processes and Service Quality

After establishing the views on business processes and service quality, the researcher proceeded to establish whether there was significant relationship between business processes and service quality

Table 19: Relationship between Business Processes and Service Quality

		Business processes	Quality Service
Business processes	Pearson Correlation	1	.260**
	Sig. (2-tailed)		.005
	N	116	116
Quality Service	Pearson Correlation	.260**	1
	Sig. (2-tailed)	.005	
	N	116	116
**. Correlation is significant at the 0.01 level (2-tailed).			

The results showed in Table 19 indicate that there was significant relationship between Business Process and Service Quality. The correlation coefficient between business process and service quality is small (.260**) though highly significant meaning there is a positive correlation between business process and service quality. This means that business process has a moderate and significant positive relationship with service quality. This implies that with

an improvement in the business processes, there is likely to be a corresponding effect in Service Quality. To explain this further, the coefficient of determination (R^2), so as to compute the effect of the independent variable on the dependent variable. This was computed as; $0.260^2 = 0.068$, implying that business process accounts for 7 percent of the variations in the dependent variable, service quality.

Table 20: Regression results for business processes and service quality

Model	R	R Square ^b	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change
3	.260 ^b	.068	.059	.90999	.068	8.268

a. Predictors: (Constant), Business Processes

b. Dependent Variable: Service Quality

From the table above, business process reforms had R squared (R^2) of 0.068. This means that the independent variables; business process reforms account for seven (7) percent of the variations in service quality. The findings suggest that the independent variable is positively related to the dependent variable by seven (7) percent. This is further substantiated by the analysis of variance. (Table 21 below whose "F" is 8.268 with a significance of 0.05. This shows that "F" is statistically significant and implies that business process has a statistically significant effect on service quality.

Table 21 :Analysis of variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.846	1	6.846	8.268	.005 ^a
	Residual	94.401	114	.828		
	Total	101.247	115			

a. Predictors: (Constant), Business Processes

b. Dependent Variable: Service Quality

Pearson's product moment correlation coefficient. Using the probability approach a probability higher than 0.01 shows a mild significance. Therefore the results in table 21 above showed a probability of 0.05 which indicates that the relationship is significant when compared with 0.01 level of significance. Thus, the Hypothesis that business processes significantly service quality in URA has been substantiated.

4.5.4 Corporate image and service quality

To understand the effect of corporate image on service quality, the study focused on the perception of the respondents on the representation of the organization by the way staff serve customers, compliance to customer care standards, professionalism and the ambience of the premises and whether this affects service quality. This is a pertinent issue because the way the external clients view an organization can lead to its failure or success given the negative or positive publicity of clients. From table 22 the majority of the respondents (that is 92 percent) agree that the corporate image of URA has greatly improved. This change of attitude towards the organization may be attributed to the improved customer care accorded by the staff, the courteousness of staff and the improved ambience which has greatly changed from negative to positive this may have emerged from improved quality of service. The minority

of the respondents seven (7) percent disagreed with this conclusion, however two (2) percent not sure.

Table 22 showing summary results of corporate image and service quality

	Percentage distribution	Agree		Not sure	Disagree	
SN	Items	SA	A	NS	D	SD
1	Staff loyalty to service	47	41	2	7	4
2	Staff exhibit courteousness	48	40	1	3	8
3	staff are consistent in offering service	54	39	3	1	3
4	The ambience of the offices has been improved upon.	49	49	3	1	3
MEAN		50	42	2	3	4
MEAN		92			7	

Key: SD = Strongly Disagree; DA = Disagree; NS = Not Sure; A = Agree; SA = Strongly Agree.

The researcher observed that the offices have been renovated and the working environment is conducive with the implementation of what is called the new office concept which is to support service quality improvement. There is generally the same kind of furniture in all the offices visited and there is expressed net working both internally in station to improve on service quality to clients. The new offices are quite customer friendly with drinking water available at various points. There are television facilities to entertain clients as they wait to be served.

Majority of the clients interviewed were of the view that the working environment has been improved upon in the last five years and is now conducive. This was echoed by all the respondents

...Effort and resources geared to improve the working environment has been directed in the aspect of ensuring that all the premises are according the prescribed new office concept standards...hence all the offices are expected to have a similar setting and furniture in all the premises occupied by Uganda Revenue Authority.

Relationship between corporate image and service quality

After establishing the views on corporate image and service quality, the researcher proceeded to establish whether there was significant relationship between the two variables.

The results are presented in table 23.

Table 23: Relationship between corporate image and service quality

		Service quality	Corporate image
Service quality	Pearson Correlation	1	.612**
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	101.247	50.671
Corporate image	Covariance	.880	.441

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

The above results show that there was significant relationship between corporate image improvement and service quality.

The correlation coefficient between corporate image and service quality is .612** meaning there is a strong positive correlation between corporate image and service quality. The significance is .000 (2-tailed), P-value corresponding to this is 0.000 since it is less than 0.01, and then the correction between the two variables is statistically significant. From the results,

it is important to strengthen corporate image in terms of working environment and client customer relations.

Furthermore, established that corporate images were significantly related to service quality, we proceeded to test if Corporate Image affects Service Quality. The $R^2 = 37.45$, implying that Corporate Image accounts for 37 percent of the variations in Service Quality this means that proportionate changes in corporate image will result in a proportionate change in service quality.

Table 24: Regression results for Corporate Image and Service Quality

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Sig. Change	F
1	.612 ^a	.374	.369	.74554	.374	.000	

a. Predictors: (Constant), Corporate Image

b. Dependent Variable: Service Quality

From the model summary, corporate image reforms had an R squared (R^2) of 0.374. This means that the independent variables capturing corporate image reforms account for 37 percent of the variation in service quality. This means that when URA focuses on corporate image enhancement it will lead to similar changes in the improvement of the service quality. The findings suggest that the independent variable (corporate image reform) is positively related to the dependent variable (service quality) by 37 percent. There is need to focus more on this variable as it ranked highest among the four variables. More effort and resources should be put in enhancing the corporate image. The modal used can be generalised to the population is good since the shrinkage is small. This is further substantiated by the analysis of variance. The analysis of variance "F" as shown in table 22 is 68.154 with a significance of

0.000. This shows that "F" is statistically significant and implies that corporate image have a statistically significant effect on service quality. This therefore implies that there is a strong positive relationship between corporate image and service quality and thus, the hypothesis that Corporate Image significantly affects Service Quality in URA has been substantiated

The table below shows the results on variance analysis on corporate image and service quality at URA.

Table 25 :Analysis of variance (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37.882	1	37.882	68.154	.000 ^a
	Residual	63.365	114	.556		
	Total	101.247	115			

predictors: (constant), corporate image

dependent variable: service quality

In table 26 below a summary results of the findings during the testing of hypotheses done in this chapter is presented:

The table 26: Summary of hypotheses results

Hypotheses	Supported or not supported
There is a statistical significant effect between Online Boost and Service Quality	Supported
Information Communication significantly affect Service Quality	Supported
There is a statistical significant effect Business processes and Service Quality	Supported
Corporate Image significantly affect Service Quality	Supported

It can be concluded that institutional reform and service quality in Uganda Revenue Authority is positively correlated. With corporate image reforms rating highest followed by online boost, information dissemination, business process in this order.

CHAPTER FIVE

SUMMARY, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter gives the summary of the findings, discussions, conclusions and recommendations based on the findings. The discussion is arranged objective by objective from which conclusions and recommendations are formulated.

5.2 SUMMARY OF THE MAIN FINDINGS OF THE STUDY

The study set out to examine how institutional reforms measured by online boost; communications, business processes, and corporate image reforms affect service quality. The study was guided by the four objectives which were.

- i. To establish the effect of online boost on service quality in Uganda Revenue Authority.
- ii. To examine the effect of communication reforms on service quality of Uganda Revenue Authority.
- iii. To explore the effect of business process reforms on service quality of Uganda Revenue Authority.
- iv. To examine the effect of corporate image on the service quality of Uganda Revenue Authority.

From the study, it was revealed that there was a relationship between institutional reforms and service quality at URA. The results indicated three variables (corporate image reforms, online boost, and information dissemination (communication) having a strong positive relationship with service quality.

The study also revealed that business process reforms have a positive significant relationship with service quality. Comparing the two variables (corporate image and business process reforms), corporate image reforms is rated more important in predicting service quality. This therefore means that much attention and resources should be directed towards improvement of the corporate image of URA rather than improving the business processes.

However, this does not mean that business processes should be completely ignored. Business process reforms in the long run contribute to service quality improvement because the processes will result in efficient and effective service delivery hence enhancing service quality.

5.3 Discussion of findings regarding hypotheses

5.3.1 Hypothesis One (I): Online boost significantly affects service quality in URA

The study hypothesised that on line boost affects service quality in Uganda Revenue Authority. This hypothesis was verified by establishing a strong correlation of online boost and service quality in Uganda Revenue Authority. The results were verified using Pearson's product moment coefficient. Online boost had R squared (R^2) of 0.176 Indicating that the independent variable; online boost account for 18 percent of the variation in service quality. This finding suggests that the independent variable is positively related to the dependent variable by 18 percent. This was further substantiated by the analysis of variance. Whose "F" as shown in table13 was 24.374 with a significance of 0.000. This shows that "F" is statistically significant and implies that online boost has a statistically significant effect on service.

The significance of the impact of online boost on service quality was further assessed using regression model and the result indicated that online boost was a predictor of service quality. These findings are in line with (Parasuraman 2000), who observed that, “the increasing use of website technology is altering the expectations of customers on the availability of services and the nature of services”

This is supported by Kim and Lee (2006) who found that ICT application was significant to Service Quality. This is further supported by Li-Hu (2009) who argues that information com According to Lin (2007), ICT can be used to facilitate the rapid search, access and retrieval of information and support communication and collaboration among individuals in the firm. This was also supported by Egbu (2004) who contended that ICT is an important enabler as “it enables the process, people and the knowledge content”. Communication technology has been a subject of considerable interest to many groups, such as government policy makers, international funding agencies, and business executives because of the close relationship between ICT and service quality.

Julia et al. (2004) recognised in the organisations they studied recognised that future developments in network communications will increase the opportunities for remote work, and that this would increase the reach and speed of customer communication, increase flexibility in service operations. This is comparable to the findings of this study in URA as the online boost has led to effectiveness and reliability of service.

From the current study it was revealed that clients are now able to transact business away from the premises of URA which is in line with the literature above. In conclusion therefore

as noted from the literature and the study online boost is very vital in service quality and meeting the expectations of clients. Therefore management should not under look the continuous improvement needed in this area. The results highlight the important role played by online boost (in terms of responsiveness, effectiveness, and credibility) in improving service quality. This finding supports previous research in suggesting that an online boost has significant short-term and long-term implications for URA's effectiveness and responsiveness of service quality.

5.3.2 Hypothesis two (2): Information Dissemination (Communication) significantly affects service quality in URA.

The study showed a positive relationship between information dissemination (communication) and service quality. The results imply that investment in the right resources in terms of information dissemination (communication) to subsequent accessibility to information is to occur. Information dissemination (communication) accounting for 17 percent of the variations.

The results indicate that in the presence of a well developed information dissemination system it would be easy to quickly store and retrieve knowledge so that it can quickly be accessed and used by everybody in the organization.

Furthermore, in public institutions, the use of information is likely to make the internal and external collaboration faster and more efficient in terms of information dissemination (communication) thus improved service quality. Hence the study revealed that information dissemination has an important role in the area of service quality

The second objective aimed at examining the relationship between communication reforms and service quality of Uganda Revenue Authority. The study showed a positive relationship between Information dissemination (communication) and service quality results imply that investment in the right resources in terms of information dissemination (communication) to subsequent accessibility to information is to occur. Information dissemination (communication) accounting for 17 percent of the variations in service quality.

The results indicate that in the presence of a well developed Information dissemination system it would be easy to quickly store and retrieve knowledge so that it can quickly be accessed and used by everybody in the organization.

Furthermore, in public sector the use of Information is likely to make the internal and external collaboration faster and more efficient service delivery. The study is in agreement with various studies conducted indicating a relationship between communication and service quality (Julia et al., 2004).

There was general agreement that customer service professional (CSPs) will need to be efficient in the use of new communication modes, including e-mail. This aspect of future service was especially a matter of concern to companies in financial services, telecommunications, public utilities and distribution. The dominant modes of communication at the present are telephone and e-mail messages. CSPs need to handle both modes of communication competently and sometimes simultaneously. It was anticipated that in future the variety of communication modes will expand and this will require quick adaptability. This has been widely undertaken in URA which has led to timely service delivery.

Cheeseman and Wood, (2003/2004) says internal communication is about working together

with colleagues, providing good services so that as a team, the organisation can achieve its goals. In addition, Milkovich and Boudreau (2003:36) established that the variety of communication approaches range from annual written reports to abstracts and seminars whereby employees design programs to inform employees about their benefits. Communication is seen as a check point and a sign of personal assessment among employees towards service quality. The study established how communication with external customers improves the quality of service.

5.3.3 Hypothesis three (3): There is significant positive relationship between business processes and service quality in URA

The study indicated a moderate relationship between business process and service quality. Business processes have a mild relationship predicting 7 percent in service quality variations. This implies that the processes are not much of an issue as regards customer expectations. What the customer requires in timely service irrespective of the process. According to available literature, reforms in URA were embarked upon in all the departments, this was by revamping and re-engineering all business processes, (URA Modernization, Newsletter, 2007). But from the findings of the study processes the processes. The re-engineered processes provide coherent and transparent systems across the organization (Modernization, 2009)

5.3.4 Hypothesis Four (4): There is significant positive relationship between corporate image and service quality in URA

The study indicated a significant positive relationship between corporate image and Service Quality. Corporate image predicts 37 percent of the variations in service quality. This is in agreement with the observations by the researcher regarding the tremendous improvement in

the general appearance, the staff courteousness and the general working conditions,

The fourth objective was to find out how corporate image reform contributes to the service quality of Uganda Revenue Authority. This was the best predictor of service quality accounting for 37 percent in the variations in service quality. The image of URA has been enhanced through people and the ambience of the premises where the offices are operating. The corporate image reforms were geared towards total transformation of the organization using the people and the new office concept. This is in conformity with Chandan (2003) argues that training is a short term process of utilizing systematic and organized procedure by which non managerial personnel learn technical knowledge and skills for a definite purpose. It is a planned effort to facilitate learning job related behaviours in order to improve employee performance.

Employees in Malaysia feel a greater sense of obligation to remain in their organisations and supportive to training (Ahmad and Backer (2003), Dyk *et al* (2001) stated that South Africa is faced with challenges of developing its people in order to allow them make meaningful contributions.

Organizational success is made through endeavours of individual employee and if the skills that they bring to their work do not keep pace with changes required within and without Organisation. The results highlight the important role played by employees (in terms of responsiveness, courtesy, and credibility) in improving customer satisfaction and service Performance. This finding supports previous research in suggesting that an employee's attitude to customers has significant short-term and long-term implications for the organisation concerned. The literature indicates that employee courtesy generates more

favourable perceptions of service quality and satisfaction among customers (Dabholkar et al., 2000). Employees who are attentive, courteous, cooperative, and keen to listen are more likely to enhance customers' perceptions of service than those who are rude, inattentive, and unapproachable. It is apparent that service quality should be an integral component of the management strategy of the URA service.

The objectives of the private sector (such as reducing costs and improving the responsiveness, quality and service aspects of their operations in an effort to provide a more efficient and effective service) are increasingly aligning with those of the public sector (Yasin et al., 2001). Public sector management can therefore learn from the experiences of the private sector, specifically in relation to customer orientation and the subsequent role and importance of the service provider in delivering and maintaining quality standards. A customer-oriented approach to public service management is essential given that the public compares public service performance with that

5.4 Conclusions

The following conclusions are drawn from the findings of the study.

The study has shown that there is significant positive relationship between on line boosts and service quality in URA. As indicated by the responses on internet facility and web portals making service reliable and efficient which indicate marked improvement in service effectiveness and timeliness. Furthermore, from these results many lessons have been learnt, notably that it's important to use a participatory approach in organizations as this facilitates service quality.

The study indicated a significant positive relationship between Information Dissemination (Communication) and service quality. The results indicate that in the presence of a well developed Information Dissemination (Communication) system it would be easy to quickly store and retrieve information so that it can quickly be accessed and used by everybody in the organization. Furthermore, in URA, the use of ICT is likely to make the internal and external collaboration faster and more efficient in terms of information sharing. Hence the study revealed that Information Dissemination (Communication) has an important role in the area of service quality.

The study showed a weak positive relationship between business process reforms and service quality. These results imply that investment in the right resources in terms of business process reengineering is essential to subsequent service improvement

The study showed a strong positive relationship between corporate image reforms and service quality. These results imply that investment in the right resources in terms of improvement of the corporate image should be emphasised in order to enhance the corporate image of the organization is required to enable the customers view the services in the same line

5.5 Recommendations to address the service quality in URA.

The recommendations are given according to the study objectives.

From the findings of the study, the following recommendations are made to the authorities Management.

In order to ensure that quality services are provided to staff and clients, individual departments have to make sure that they have mechanisms in place to acquire on line services. This is because revenue service is a crucial component of the economy it is the

blood line of all government services as efforts have to be ensured to win the public approval hence enabling revenue collection.

Information is a powerful tool in affecting organizational goals and objectives. Therefore, it is hereby recommended that organizational designs which enhance horizontal communication and has few hierarchical barriers to communication are in place. However from the findings in cross tabulated results between internal clients and external clients it was found out that internal communication has improved more than external communication. Therefore, the organization has to ensure that external communication is improved to enable a balanced approach to encouraging the sharing of information both internally and externally in the organization. And convey of information through structured processes such as sharing best revenue practices, having quality circles in place to enable dialogue between internal and external stakeholders.

The business processes in an organization are major factors; this implies that for an organization to perform more effectively the Business processes should be simple and easily understandable by the clients. There should always be continuous evaluation of the various Key Processes to ensure that non- value adding Processes are eliminated to ensure effectiveness and efficiency service.

Image of organizations contributes a great deal to the success or failure of corporate bodies. It is therefore paramount to address issues to facilitate service quality. Great organizations in good to great by Jimmy Collins in what he calls the fry wheel continued doing the same thing over and over again through which continuous improvement was achieved after some time and thus moving from good to great.

The importance of operating environment should be expressed, with both internal and external customers as an aspect of revenue administration. A cumulative effort to the modal and emphasise appropriate operational environment characteristics can best influence customers to embrace compliance, which is a critical factor to the authority. Through deliberate efforts to have dialogue about the phenomenon staff and clients, with the context of all subject matter addressed in policy formulation excellent revenue service can be achieved. The approach here should be of continuous improvement drawing from the Japanese kaizen approach.

5.6 Contribution of study

The study has contributed to establishing factors that affect service quality arising from the exploratory factor analysis conducted giving rise to the renamed factors of online boost, information dissemination, business processes and corporate image improvement. Thus coming up with a modified conceptual frame-work arising from factor analysis is one of the major contributions of this study.

The study has contributed to the general body of knowledge concerning institutional reforms and service quality by establishing that corporate image reforms significantly affected service quality at URA. It was also ascertained that the internal customer's views concerning information dissemination varied from the views of the external clients, which is an area of priority in order to improve on the quality of service to the external clients.

5.7 Likely areas of further research

The research findings and research limitations have also contributed to the identification of

several areas for future research. First, the perceptions of multiple sources of feedback on the services quality would provide a more holistic view of the extent to which service quality permeates the organisation.

Secondly, the study covered Kampala stations a survey would be conducted to compare Kampala based stations with up country.

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APPENDIX A: QUESTIONNAIRE

Dear Respondent

I am a Master of Management Studies Project Planning and Management student at Uganda Management Institute, as part of the programme am conducting a study: Topic: Institutional Reforms and Service Quality in the Public sector of Uganda. A case study of the Uganda Revenue Authority Modernization Programme. The study seeks to examine the effects of institutional reforms on the quality of service. As one of the target respondents your opinions are very important to this study. The information provided will only be used for academic purpose and will therefore be treated with ultimate confidentiality.

Kindly spare sometime and answer the questions by writing in the space provided or ticking in your answer of your appropriate choice.

Section A; Demographic Characteristics

1. Gender: 1. Male () 2. Female () (Please tick the right sex)
 2. Age 1. Below 30 years () 2. 31-40 () 3. 41-50 () 4. Above 50 ()
 3. Designation 1. . Manager () 2. Supervisor () 3. Officers () 4. Taxpayer ()
 4. Number of years served in the organization 1. 1- 5 () 2. 6 -10 () 3. 11- 15 () 4. 16 and above ()
- Using the scale of 1-5, 1 being strongly disagree 2, disagree, 3 not sure, 4, agree and 5strongly agree

Please circle as most appropriate

Section B: Online Boost and service quality

SN	Items	Scale				
		1	2	3	4	5
1	URANET has greatly improved the quality of service	1	2	3	4	5
2	URANET facilitates inquiry by customers handling.	1	2	3	4	5
3	URANET facilitation of networking among customers.	1	2	3	4	5
4	Customer engagements on the Web Portals have reduced on movements to and from URA.	1	2	3	4	5

5	Web Portal Usage Has Led To reduction in Turnaround time	1	2	3	4	5
6	Access channels are clear	1	2	3	4	5
7	Knowledge of online usage.	1	2	3	4	5
8	Online submissions of returns being eased.	1	2	3	4	5
9	Online payments being possible.	1	2	3	4	5
10	There is Online accessibility in all stations of URA.	1	2	3	4	5

Section C: Information Dissemination and Service Quality

1	Flow of information from URA to taxpayers is appropriately done	1	2	3	4	5
2	Information availability to customers from URA.	1	2	3	4	5
3	Customers always give client service Feedback to URA	1	2	3	4	5
4	Obtaining tax information on the web portals is possible by customers.	1	2	3	4	5
5	Materials displayed on the web portals are simplified for customer understanding	1	2	3	4	5
6	Materials can be easily obtainable from service canters of URA by customers.	1	2	3	4	5
7	Tax information is distributed to customers by URA.	1	2	3	4	5
8	Flow of information among stakeholders is enhanced by URA.	1	2	3	4	5
9	There are various Feedback instruments designed by URA	1	2	3	4	5
10	Taxpayers are able to access tax information very easily.	1	2	3	4	5

SECTION D: Business process Reforms and Service Quality

1	On-line payment process is very fast.	1	2	3	4	5
2	Audit processes by URA are simplified.	1	2	3	4	5
3	Recovery of un paid taxes is effectively done by URA.	1	2	3	4	5
4	Refund of taxes is effected to customers	1	2	3	4	5

	on time					
5	Objection processes is effective to the customers.	1	2	3	4	5
6	Appeals processes is speedy	1	2	3	4	5
7	The business processes on are whole have been simplified.	1	2	3	4	5

Section E: Corporate image and service quality

1	Staff loyalty to service delivery.	1	2	3	4	5
2	Staff courteousness to customers.	1	2	3	4	5
3	Staff availability to customers on demand.	1	2	3	4	5
4	The physical working conditions are satisfactory.	1	2	3	4	5

Section F: Service Quality

1	Reception is very good.	1.	2.	3.	4	5
2	The service reliability	1	2	3	4	5
3	The Responsiveness to delivery of services	1	2	3	4	5
4	The bringing together of services.	1	2	3	4	5
5	I am served on time at URA counter.	1	2	3	4	5
6	The services are easy to get to at various counter.					

Tick whichever is applicable

.Please provide any other information you consider useful to the study

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Thank you very much for finding time to assist this study

Appendix B Interview guide

Service Responsiveness

1. Do you think the organisation keeps its promises to the customers? Yes () No ()

If your answer is no, explain (Interviewer probes further)

2. Do you think the organisation provides adequate explanations whenever there is network disconnections/failures. Yes () No ()

If your answer is no explain (Probes further)

3. Are the staffs prompt in delivering services within the agreed time? Yes () No ()

If no explain (interviewer probes further)

4. Does this organisation communicate effectively when there is a problem? Yes () No () Explain your answer.

Service Reliability

1. Are the queries answered right the first time? Yes () No (). Explain further
2. Does this organisation consistently meet customer expectations? Yes () No (). Give more explanation
3. Are the services easily accessible?

Customer satisfaction

1. Computer accessibility is has led to customers satisfaction.
2. The communications channels have increased on customer satisfaction.
3. Do you think the structural reforms have let to customers satisfaction of quality of your service?

Management quality

4. What controls are in place to ensure conformity to the services?
5. How have these led to management quality?

Appendix C: Observation guide

The service centres how crowded.

Appearance of the offices.

Courtesy of staff

Computerization.

Appendix D: Document checklist

Automation Reforms vs. service quality in URA

Effect of structural reforms on service quality

Retooling reforms in URA and their effects on service quality