

Effect of Staff Training on Service Delivery at Kenya Revenue Authority in North Rift Region

Betty Cherop Kiboss^{1*}, Dr. Geoffrey Kiptum Kimutai, Ph.D²

¹Master of Business Administration Degree (Strategic Management Option), Kenya

²Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya

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*Corresponding author: Betty Cherop Kiboss

Abstract

Original Research Article

Currently, taxpayers have been struggling to file their tax returns, make payments, process refunds and be tax compliant. This has seen more traders coming up with new ways to evade paying taxes, and the tax gap in Kenya has been estimated at over 40%. The study's main purpose is to determine the effect of staff training on service delivery at Kenya Revenue Authority in the North Rift Region. The guiding objective of the study is to determine the effect of staff training on service delivery at Kenya Revenue Authority. This study adopted the Theory of Reinforcement relevant to staff training on service delivery at the Kenya Revenue Authority. This study adopted a cross-sectional research design. The target population for this study was the Kenya Revenue Authority. The accessible population was 430 comprising of customer service advisers, tier officers, chief managers, IT officers, customs officers, and clients from the 3 KRA stations selected from North Rift Region (Eldoret, Lodwar, and Kitale) because the researcher can get the study information's concerning the effect of staff training on service delivery at Kenya Revenue Authority. The sample size of the study was 207 respondents. The study used a structured questionnaire to collect the required information from the respondents. A pilot test was carried out in KRA stations in South Rift Region. The analysis estimated the coefficients of this predictive linear equation involving more than one of the independent variables. The variable must pass the tolerance criteria at a significance level of 0.05. The study findings were used to make conclusions and recommendations on staff training on service delivery at the Kenya Revenue Authority. The study findings revealed a staff training positively and significantly affects service delivery at the Kenya Revenue Authority ($\beta=0.460$, $p=0.000$). The study concluded that frequent staff training has reduced tax error problems because employees understand better operational terms, which has improved service delivery. The study recommends that the Kenya Revenue Authority focus on training personnel to operate on the efficiently I tax systems.

Keywords: Staff training, service delivery, Kenya revenue authority, effect, north rift region.

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BACKGROUND TO THE STUDY

The continuous improvement model relies greatly on employees, not only top management, to identify opportunities for improvement. This bottom-up improvement is effective because employees are closest to the problems, and thus better equipped to solve them. Staff training is the process of training the current staff of the organization for enhancing the performance of the staff as well as the productivity of the organization. One important aspect of the business is training the staffs as they are one of the valuable assets. It is mandatory to train the staffs with the skill and knowledge required to meet the business objectives [1].

It is the process of keeping the employees aligned with the organization's values and work ethics and to actively getting them involved to achieve

organizational goals and objectives. Involving the employees usually gives them more autonomy for better performances and thereby, helping them to reach their full potential. Achieving full potential was meant that your employees would eventually love to work for you [2]. Client's feedback is the information, insights, issues, and input shared by your community about their experiences with your company, product, or services. This feedback guides improvements of the customer experience and can empower positive change in any business even (and especially) when it's negative. Customer feedback is important because it serves as a guiding resource for the growth of your company [3].

Despite the importance of public services delivery, there are large differences in delivery across the world. On this issue, the World Development Report [4] has most prominently highlighted the large

variation in both quality and quantity across a wide range of developing countries, pointing to challenges policy makers and frontline providers face. The report painted a grim picture of the state of public services, stating that “social services fail for the poor. This was done paying particular attention to evidence and lessons for Asia revenue collection authority.

Statement of Problem

An effective and efficient program of taxpayer service activities is a critical objective of all revenue bodies [5]. The general complexity of tax laws coupled with the relatively large populations of taxpayers to be administered mean that all revenue bodies must rely substantially on taxpayers' voluntary compliance to achieve the outcomes expected of them. It is axiomatic that to achieve high levels of voluntary compliance, taxpayers and their representatives must have a good standard of services to help them determine their obligations under the laws and to complete the steps required to acquit those obligations [5]. The physical appearance of equipment, facilities and layout should facilitate taxpayers' services [6]. However, currently taxpayers have encountered challenges in pursuing tax compliance that had led to more traders and businesses are coming up with new ways to evade paying taxes and tax gap in Kenya has been estimated at over 40% [7]. This has been largely hampered by possible delays and poor service delivery. Currently, taxpayers in north rift region and Kenya at large have to wait for payment receipts for almost a month to ascertain that their payment was received by the KRA. Also, there is a large informal sector in Kenya that is not within the tax net, yet all must contribute to raising the resources to finance government expenditure and thus ensure equity in taxation. The members of public also have poor awareness of the tax laws [8]. The indirect taxes imposed by the KRA on the public negatively influence the economic growth in Kenya in the short run. It implies that indirect taxes increase consumption and reduce savings in Kenya. In long run the poor service delivery at KRA has raised the investment cost and accordingly lowering the return on investment with regard to taxation of the invested activity whereby income taxes create a deterrent to earning taxable income. As they exchange activities with lower taxation rate with the ones having higher taxation rate, the tax payers eventually focused in less productive activity within an economy [9]. The research that existed focused on services delivery in tax collection authorities in Africa and especially Kenya. Additionally, few studies have explored staff training as a predictor of service delivery.

Research Objective

The study was guided by the following research objective:

To determine the effect of staff training on service delivery at Kenya Revenue Authority in north rift region.

Research Hypotheses

H₀₁: Staff Training does not have a statistically significant effect on service delivery at Kenya Revenue Authority in north rift region.

LITERATURE REVIEW

This section covers theoretical review, empirical review and conceptual framework.

Theory of Reinforcement

Reinforcement Theory was proposed by Skinner [10]. It is based on the concept of “Law of Effect”, for examples, the behavior of individual towards positive consequences tends to repeat, but the behavior of individual towards negative consequences tends not to repeat. This theory emphasizes on the learning behavior of a person and suggests that the learner repeated that behavior which is attached with a positive outcome or result. Skinner an economist of behaviorist school of thought proposed the theory of reinforcement and suggested that the training and development programs should be aligned with the organizational objectives and a positive outcome should be expected with such training and development programs.

The main assumption that guides this theory is that people do not like to be wrong and often feel uncomfortable when their beliefs are challenged. Reinforcement theory is relevant to the study because it is evident that managers need to motivate employees to obtain the desirable results for the organization. There is consensus about the facts that motivation is an individual phenomenon. It is described as being intentional and multifaceted and that the purpose of Reinforcement theories is to predict behavior. Irrespective of the industry within which an organization operates, the concept of motivation cannot be looked down upon [11]. Reinforcement Theory is relevant to the study as its aims at achieving the desired level of motivation among the employees by means of reinforcement through staff training. Reinforcement approach, which can be both positive and negative, is used to reinforce the desired behavior.

Staff Training and Service Delivery

A study in Canada by Levine [12] showed that training is a necessity in the workplace. Without it, employees don't have a firm grasp on their responsibilities or duties. Employee training refers to programs that provide workers with information, new skills, or professional development opportunities. Effective training and development programs are aimed at improving the employees' performance. Training could be given through different methods such as on the coaching and mentoring, peers cooperation and participation by the subordinates. This team work enables employees to actively participate on the job and produces better performance, hence improving organizational performance. Nevertheless, the study

was done in Canada and other study need be done in Kenya.

Bryson [13] deduced that training programs not only develops employees but also help an organization to make best use of their humane resources in favor of gaining competitive advantage. Therefore, it seems mandatory that firms should plan for such training programs for its employees to enhance their abilities and competencies according to the demands of the workplace. Training develops the capabilities of the employee but sharpen their thinking ability and creativity in order to take better decision in time and in more productive manner. Training develops self-efficacy and results in superior performance on job, by replacing the traditional weak practices by efficient and effective work-related practices. Nevertheless, the study focused on training employee but also make best use of human resource as compared to my study it majored on training employee on service delivery.

Oviawe [14], suggest that training may also be an efficient tool for improving one's job satisfaction, as employee better performance leads to appreciation by the top management, hence an employee feels more adjusted with his job. Trained employees are more able to satisfy the customers and, employees who learn as a result of training program shows a greater level of job satisfaction along with superior performance. Training refers to a planned intervention aimed at enhancing the elements of individual job performance". But collecting customer feedback is just the first step to ensuring a successful customer experience. It's what the institution does with the feedback that truly matters. Nevertheless, the study majored training on improving job satisfaction as compared to my study objective training on service delivery.

Conceptual Framework

The study was based on a conceptual framework showing the relationship between the independent and dependent variables.

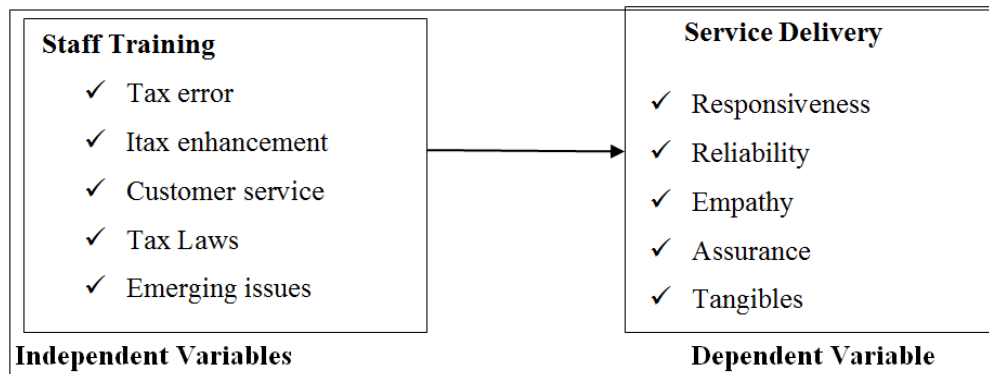


Fig-1: Conceptual Framework

RESEARCH METHODOLOGY

This area covered research design, target population, sample size and sampling procedures, research instrument, pilot study, data analysis and presentation.

Research Design

This study adopted a cross-sectional research design. In this study the design helped in examining the effect of staff training on service delivery at Kenya Revenue Authority as they exist in a defined population at a single point in time and over a short period of time [15].

Target Population

The target population for this study was Kenya Revenue Authority. The accessible population was 430 comprising of customer service advisers, tier 1 officers, chief managers, IT officers, custom officers and clients from the 3 KRA stations selected from North Rift Region (Eldoret, Lodwar and Kitale) because currently, taxpayers in north rift region are complaining of delays in payment receipts for almost a month to ascertain that their payment was received by the KRA.

Sample Size and Sampling Procedures

The researcher adopted stratified and proportionate sampling technique to select respondent to take part in the study.

The researcher obtained sample size using Yamane formulae [16].

$$n = \frac{N}{1 + N(e)^2}$$

.....Equation 1

Where,

n is the sample size required
N is the population size =430
e is the level of precision =0.05
 $n = 430 / (1 + 430 * 0.05^2)$
n =207 respondents

Therefore, the sample size for the study was 207 and respondent was proportionally distributed

Research Instruments

The study used structured questionnaire to collect the required information from the respondents. Questionnaires are preferred because they are easy to administer and are cost and time effective. The questions were structured in a five –point likert scale. These questions allowed participants to rank their agreement as: strongly agree, agree undecided, disagree and strongly disagree.

Pilot Test

Pilot test was carried out in KRA stations in South Rift Region that was not be involved in the main study, in order to ascertain validity and reliability of the research instruments. The researcher was administering 21 questionnaires to respondents representing 10% of sample size [17].

Data Processing and Analysis

The study applied descriptive and inferential statistics to analyze collected data with the aid of SPSS software. Descriptive statistics included frequency, means, variance and standard deviation. Inferential statistics was correlation and multiple regressions. All variables must pass the tolerance criteria at a significance level of 0.05. The following multiple regression models shall be adopted.

$$Y = \beta_0 + \beta_1 X_1 + \epsilon \dots \dots \dots \text{Equation 2}$$

Where:

- Y Represents service delivery at Kenya Revenue Authority
- β_0 Represents constant
- X_1 Represents staff training

ϵ Represents Error Term

β_1 , represent régression coefficients of the Independent variables.

RESEARCH FINDINGS AND DISCUSSIONS

This section presents data analysis results, interpretations and discussions.

Response Rate

The researcher administered 207 questionnaires to employees at Kenya Revenue Authority North Rift Region. The response rate results are presented in Table-1.

Table-1: Response Rate

Response Rate	Populatio	Percentag
Questionnaire distributed	207	100
Correctly filled and	181	87.4
Non response	26	12.6

Table-1 revealed that out of 207 distributed questionnaires, 181 were correctly filled and returned representing 87.4% response rate. This high response rate of 87.4% was attributed by the researchers follow up on filling of questionnaires and explaining to the respondents where they couldn't understand.

Effect of Staff Training on Service Delivery

The second objective of the study was to determine effect of staff training on service delivery at Kenya Revenue Authority in north rift region. The study findings are presented in Table-2.

Table-2: Staff Training and Service Delivery

Statements		SA	A	UD	D	SD	Mean	Std. Dev
1. Frequent training of personnel by Kenya Revenue Authority has reduced tax error problems because employees understand better operational terms.	F	66	84	22	5	4	4.12	0.89
	%	36.5	46.4	12.2	2.8	2.2		
2. Itax system is efficiently operated because personnel have been trained on how to use it for the purpose of efficiency.	F	64	34	65	14	4	3.77	1.08
	%	35.4	18.8	35.9	7.7	2.2		
3. There is improved customer service due to employees training sessions on customers experience	F	76	64	28	1	12	4.06	1.09
	%	42	35.4	15.5	0.6	6.6		
4. All the workers understand the tax laws and emerging issues within the organization thus improving delivery of services.	F	46	85	19	22	9	3.76	1.11
	%	25.4	47	10.5	12.2	5		
Valid N	181							

The study findings in Table-2 revealed that 150(82.9%) of the respondents agreed with the statement that frequent training of personnel by Kenya Revenue Authority has reduced tax error problems because employees understand better operational terms. Also, 9(5%) of the respondents disagreed with the statement that frequent training of personnel by Kenya Revenue Authority has reduced tax error problems because employees understand better operational terms. In terms of mean and standard deviation majority of the

respondents agreed with the statement that frequent training of personnel by Kenya Revenue Authority has reduced tax error problems because employees understand better operational terms (mean= 4.12, standard deviation=0.89). Also 98(54.2%) of the respondents agreed with the statement that Itax system is efficiently operated because personnel have been trained on how to use it for the purpose of efficiency. Further, 18(9.9%) of the respondents disagreed with the statement that itax system is efficiently operated

because personnel have been trained on how to use it for the purpose of efficiency.

In terms of mean and standard deviation majority of the respondents agreed with the state that Itax system is efficiently operated because personnel have been trained on how to use it for the purpose of efficiency (mean=3.77, standard deviation=1.08). Further, 140(77.4%) of the respondents agreed with the statement that there is improved customer service due to employees training sessions on customer's experience. Also, 13(7.2%) of the respondents disagreed with the statement that there is improved customer service due to employees training sessions on customer's experience. In terms of mean and standard deviation majority of the respondents agreed with the statement that there is improved customer service due to employees training sessions on customer's experience (mean=4.06, standard deviation=1.09)

Lastly, 181(72.4%) of the respondents agreed with the statement that all the workers understand the tax laws and emerging issues within the organization thus improving delivery of services. Further, 31(17.2%) of the respondents disagreed with the statement that all the workers understand the tax laws and emerging issues within the organization thus improving delivery of services. In terms of mean and standard deviation majority of the respondents agreed with the statement that all the workers understand the tax laws and emerging issues within the organization thus improving delivery of services (mean=3.76, standard deviation=1.11).

Correlation Analysis

Pearson correlation analysis was carried out to show the strength and direction of the association between total quality management and service delivery at Kenya Revenue Authority in North Rift Region. Table-3 present the results.

Table-3: Correlation Analysis

Variables		Service delivery		Staff training
Service delivery	Pearson Correlation	1		
	Sig.			
Staff training	Pearson Correlation	.892**	.439**	1
	Sig.	.000	.000	

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

The study findings in Table-3 indicated a strong, positive and statistically significant correlation between staff training and service delivery ($r=0.892$; $p<0.01$).

Results for Multiple Regression Analysis

Multiple regression analysis was run to establish the effect of staff training on service delivery at Kenya Revenue Authority in North Rift Region.

Table-4: Regression Model Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.352	.130		2.703	.008
Staff training	.460	.086	.471	5.352	.000
R ²	.833				
F-statistic	218.82***				

The R² indicates that explanatory power of the independent variables was 0.833. This implied that about 83.3% of the variation in service delivery at Kenya Revenue Authority is explained by the regression model. Table-4 showed that the employee's F-statistics produced ($F=218.8$) which was significant at $p=0.000$ thus confirming the fitness of the model. This implies that the multiple regression model was good fit for the data. Hence staff training affects service delivery at Kenya Revenue Authority in North Rift Region. The F value indicates that all the variables in the equation are important hence the overall regression is significant.

The study results in Table-4 revealed that staff training has a positive and significant effect on service delivery at Kenya Revenue Authority ($\beta=.460$, $p=0.000$). This implies that an increase in staff training

leads to increase in service delivery at Kenya Revenue Authority by 0.460 units. Thus, the regression equation becomes;

$$Y = 0.352 + 0.460X_1 \dots\dots\dots \text{Equation 3}$$

Hypotheses Testing

The regression results indicated that staff training have a statistically significant effect on service delivery at Kenya Revenue Authority in north rift region ($\beta_2=.460$, $p<0.05$). Therefore, the study rejected the null hypothesis H_{01} : that staff training does not have a statistically significant effect on service delivery at Kenya Revenue Authority in north rift region and concluded that staff training statistically has significant effect on service delivery.

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This section summarizes the findings and makes conclusions and recommendations.

Summary of the Findings

The second study objective sought to determine the effect of staff training on service delivery. The study found out that the respondents agreed on all of the all aspects of staff training. The study rejected the null hypothesis that staff training does not have a statistically significant effect on service delivery at Kenya Revenue Authority in north rift region. They agreed that frequent training of personnel has reduced tax error problems because employees understand better operational terms, Itax system is efficiently operated because personnel have been trained on how to use it for the purpose of efficiency, there is improved customer service due to employees training sessions on customers experience and all the workers understand the tax laws and emerging issues within the organization thus improving delivery of services.

Conclusions of the Study

The study also concluded that staff training has a positive influence on service delivery at Kenya Revenue Authority in north rift region. The findings of the study indicate a strong, positive and statistically significant correlation between staff training and service delivery the study also, Frequent training of personnel has reduced tax error problems because employees understand better operational terms and this has improved on service delivery. There is improved customer service due to employees training sessions on customers experience.

Recommendations of the Study

The study recommends that Kenya Revenue Authority should focus on training personnel to efficiently operate on the I tax systems.

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