CHAPTER 5

BUILDING THE LENS OF THE CUSTOMER: TRADITIONAL SERVICES

5.1 INTRODUCTION

The objective of the present research is to develop a service quality model that can be used as a framework for a measuring instrument to establish the perceptions that tax practitioners hold with regard to the services SARS renders. The previous chapter (Chapter 4) explained the research methodology that was followed in the present research to ensure that this objective is achieved. Chapter 4 also explained why the critical incident technique (CIT) is the most suitable method to build a "lens of the customer" in order to design a service quality model that can be used to develop a measuring instrument to assess the service quality of the services SARS provides. In this chapter the results of the research using the critical incident technique are presented in respect of the traditional services of SARS. This chapter shows how this technique was used to assist in identifying the comprehensive range of determinants that drive the quality of SARS's traditional services, as perceived by the participating tax practitioners. This "lens of the customer", based on the qualitative study, served as a blueprint for a service quality model and assisted in the identification of relevant service determinants, as well as the order in which they should be presented, as recommended by Johnson and Gustafsson (2000:70). The detailed conclusions with regard to each determinant and its components are set out in italics in text boxes throughout the chapter.

5.2 PROFILE OF THE RESPONDENTS

5.2.1 Geographical distribution

Section 2.3.2.4 established that, for the proposed service quality model to be reliable, the characteristic of heterogeneity implies that the service quality model should be representative for the total population of tax practitioners in South Africa. The geographical distribution of the respondents was therefore important.

There were two groups of respondents – those who completed the paper-based questionnaire (the distributed questionnaire) and those who completed the web-based questionnaire. Because the paper-based questionnaire was circulated only to a

convenience sample, all six respondents were located in Gauteng.

By contrast, the responses to the web-based questionnaire were received from all nine provinces. The largest group of respondents (46%) who replied did so from Gauteng, while the Northern Cape contributed only 1% of the responses. This appears to be in line with the demographics of SARS's tax practitioners' register, which suggests that the largest number of members is concentrated in Gauteng (52.54%), while the Northern Cape has the lowest representation (only 1.98%). The number of responses from all the other provinces was very much in line with the demographic distribution of tax practitioners throughout South Africa. No information with regard to the number of tax practitioners in the Limpopo province is available, but the 2.2% response rate from this province was in line with the 2.8% response rate received from Mpumalanga. For the purposes of the present research, it is assumed that the geographical distribution of the responses (see Table 5.1) broadly reflects the total population of tax practitioners in South Africa.

Table 5.1: Geographical distribution of tax practitioners

Province	Tax practitioners as listed in the tax practitioners' register Percentage (%)	Responses in this study (n = 811) Percentage (%)
Gauteng	52.54	46.40
Western Cape	22.09	25.00
Durban	12.87	10.70
Eastern Cape	3.21	5.20
Mpumalanga	2.66	2.80
Free State	2.58	3.60
North West	2.07	3.00
Limpopo	*	2.20
Northern Cape	1.98	1.10

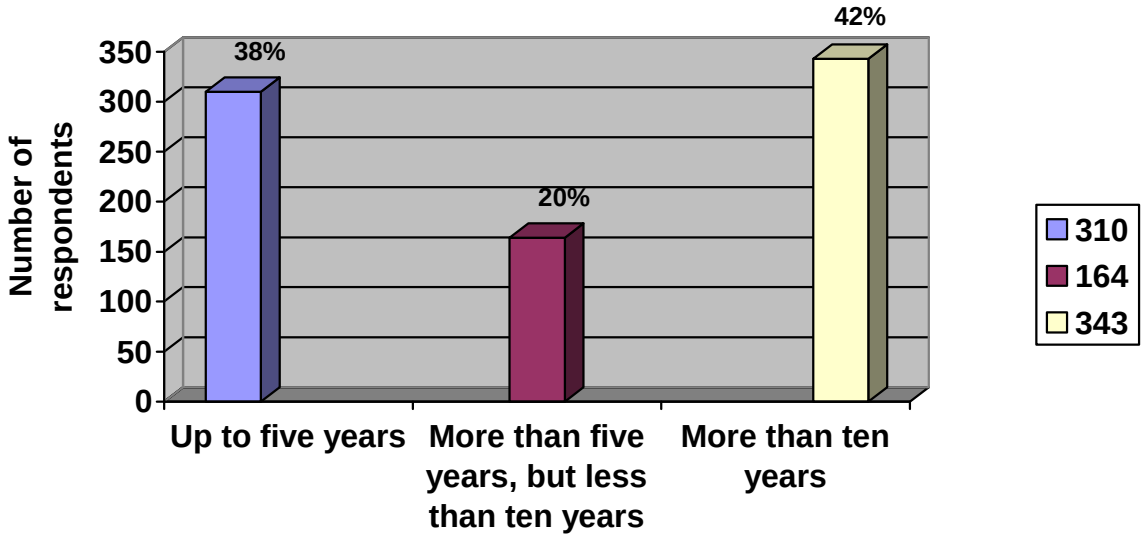
** No information was available on the total number of tax practitioners in Limpopo.*

5.2.2 Experience as a tax practitioner

With regard to the experience levels of the tax practitioners, it was found that at least 62% of the respondents (507 respondents out of a total of n = 817) had more than five years of experience in assisting clients with taxation matters. Indeed, 42% of the respondents (343 respondents, n = 817) had more than ten years of experience in this task.

Of the 38% of respondents (310 respondents, n = 817) who had up to five years of experience as tax practitioners, a number answered that they had experience "since the inception of the tax practitioner legislation" – according to section 67A of the Income tax Act, that date was 30 June 2005. This suggests that some respondents understood this question to refer to the date on which they were formally registered as tax practitioners with SARS, and not to the date on which they actually commenced their tax practitioners' activities, which was in fact the answer the question was meant to elicit. The percentage of 62% of respondents that had more than five years of experience may therefore be an underestimation. Thus, it would appear that the majority of the respondents are well established in their practices and it may therefore be assumed that their responses are of great value and add credibility to the results.

Figure 5.1: Number of years of experience as a tax practitioner



5.2.3 Interaction of tax practitioners with SARS

The frequency with which the responding tax practitioners interact with SARS also affects the credibility of their evaluation of SARS's services. Of the respondents, 91.7% (744 respondents, n = 811) indicated that they interact with SARS at least 12 times a year. The responses show that 9.1% (74 respondents, n = 811) interacted with SARS at least once a week (52 times a year) and 65.8% (534 respondents, n = 811) interacted with SARS at least 104 times a year (more than once a week, indicating interaction twice a week as the lowest number of interactions). As this question in the web-based questionnaire was not very clear and could have been interpreted as including only direct

interactions with SARS, and not indirect interactions, for example, through the postal service channel, the percentages here might also be underestimated. It can be assumed that the interaction between the respondents and SARS is sufficiently frequent for them to be able to draw valuable conclusions with regard to the services SARS renders.

Table 5.2: Frequency of tax practitioners' interactions with SARS

Frequency	Number of respondents (n = 811)	Percentage (%)
More than once a week	534	65.9
Once every two to three weeks	91	11.2
Once a week	74	9.1
Once a month	45	5.5
Every couple of months	45	5.5
Twice a year	11	1.4
Once a year	11	1.4

5.3 INCIDENCE OF TOTAL POSITIVE AND NEGATIVE RESPONSES

The fact that SARS may currently experience problems in delivering specific service offerings may have had an impact on the results. Therefore the distribution between positive and negative responses was important in ensuring that specific current problem areas are not overemphasized in the proposed service quality model.

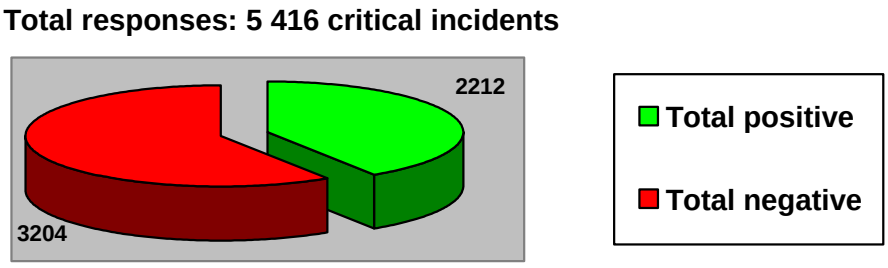
Odekerken-Schröder *et al*. (2000:110) are of the opinion that a positive critical incident may indicate that the desired level of service is exceeded. By contrast, a negative critical incident suggests that an acceptable level of service quality has not been reached. This implies that, when service quality is measured, the impact of negative critical incidents is likely to be more substantial than that of positive critical incidents. However, positive critical incidents should not be ignored and should also be well represented. They may be regarded as a measure of the minimum requirement that SARS has to meet, as suggested by Fisk and Young (1985, in Odekerken-Schröder *et al*. 2000:110).

Although the tax practitioners were guided in the questionnaires to first list the things they "appreciated" (thus positive responses), only 2 212 (40.84%, n = 5 416) of the total number

of critical incidents reported reflected positive responses. By contrast, 3 204 (59.16%, n = 5 416) related to negative responses. The fact that the number of negative incidents exceeded the number of positive incidents confirms what Johnson and Gustafsson (2000:158) found and this should not influence the usefulness of the results.

The incidence of the negative and positive responses may indicate that the full spectrum of critical incidents was identified, and not only incidents that were perceived to be service failures or current service problems. The results may therefore contribute to building a "lens of the customer" for the service quality model, with the positive responses forming the basis of a measure for the minimum requirement, and the negative critical incidents added to that to ensure that service quality as perceived by the responding tax practitioners is accurately measured.

Figure 5.2: Incidence of positive and negative critical incidents



5.4 TRADITIONAL VERSUS E-SERVICES

For the purposes of the present research, e-services were regarded as all services provided through the internet or SARS's e-filing. Traditional services were regarded as all the non-e-services.

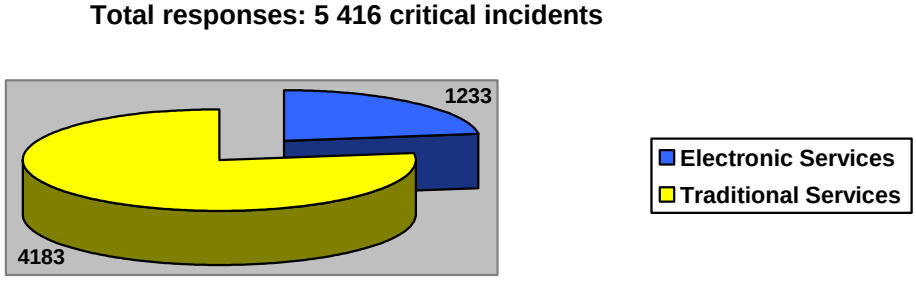
The research of Santos (2003), Zeithaml *et al*. (2002) and Zhu *et al*. (2002) suggests that the service determinants for the e-services differ from the determinants for the traditional services. Therefore, these two types of services were separated into their own classification schemes as far as possible. However, in interpreting the results of the content analysis, it was found that some service determinants relevant to the traditional services were also relevant to the e-services. These critical incidents were then included as part of the traditional services. It was therefore found that, in addition to the differences

in service determinants between these two modes of service delivery, there was also some overlap in the service determinants relevant to both the traditional services and the e-services. These critical incidents were then incorporated with the results of the traditional services. A clear example of an instance where the e-service also relies on a service determinant of the traditional service is the importance of the willingness of an employee to assist a tax practitioner by means of a call centre – this is relevant both for the normal call centre and for the call centre that assists with e-filing.

It was found that only the e-filing (and not the general website) had to be added as a service channel. For the purposes of the analysis of the traditional services, SARS's e-filing was therefore added as another service channel. Only the service determinants that are unique to the electronic environment were listed under and analysed with the e-services. The services on the general website (excluding e-filing) are relevant only to the e-services.

It was found that 1 233 (22.8%, n = 5 416) of the critical incidents related to the e-services. The remaining 4 183 (77.2%, n = 5 416) related to the traditional services. Included in the traditional service were 51 critical incidents (1.22%, n = 4 183) that related to the addition of e-filing as just another service channel, where the service determinant in the traditional services was found to be relevant to both service modes.

Figure 5.3: Distribution of critical incidents between e-services and traditional services



Completely distinct service quality determinants were used in the classification scheme for the traditional and the e-services. The 22.8% of the critical incidents allocated to the service determinants for the e-services clearly confirmed that, generally, the determinants for the e-services differed from the determinants for the traditional services. This finding is

in line with the findings of Parasuraman *et al*. (2005), Santos (2003), Wolfinbarger and Gilly (2003), Zeithaml *et al*. (2002) and Zhu *et al*. (2002). The overlap of some service determinants, however, indicated that for some service determinants, the e-services should be added as a service channel to ensure measuring of that particular service determinant for the full spectrum of the services SARS renders.

Conclusion 5.1:

In building the "lens of the customer", a distinction must be made between the traditional service modes and the e-service modes.

Conclusion 5.2:

To ensure that a particular traditional service determinant is measured for the full spectrum of services SARS renders, the e-services should be added as a service channel for identified service determinants within the traditional services.

The rest of this chapter focuses only on the results related to the traditional services. (The results for the e-services are presented in Chapter 6.) The traditional services represent all the services that are not rendered through the Internet, but also include some e-services, where e-filing is added as simply another service channel.

5.5 SERVICE CHANNELS AND BUSINESS PROCESSES WITHIN THE TRADITIONAL SERVICES

The services rendered by SARS that are relevant to the present research relate to the following business processes:

- tax registrations;
- tax returns (including the availability and submission of the returns);
- tax refunds;
- tax payments;
- applications for tax clearance;
- tax-related queries (including enquiries with regard to account balances or movement on taxpayer accounts, as well as other tax-related queries);
- updating tax-related information (for example, updating banking details or addresses);
- tax assessments (including the process from capturing the tax return up to issuing the final tax assessment);

- dispute resolution processes (including the alternative dispute resolution process (ADR)); and
- the tax amnesty process.

It must be noted that the tax amnesty process was a once-off process that is unlikely to be repeated in the future. Although critical incidents were allocated to it, it is recommended that it should be excluded from a service quality model for the future evaluation of the quality of SARS's services.

For the purposes of the present research, the term "service channels" refers to the contact points with SARS through which tax-related information is processed or the results of information already processed by the various business processes are channelled. The results of the above business processes of SARS are currently delivered through the following service channels:

- branch offices;
- call centres (the call centres include the general call centre, the designated call centre for tax practitioners and the e-filing call centre. Where a respondent indicated that he or she had contacted SARS by telephone, the responses were also included with the call centre responses, as, in most cases, it was not possible to identify whether the respondent referred to the general call centre or to telephonic contact with a specific branch office. When it was clear that the telephone contact was with a branch office, the response was allocated to the branch as the service channel. For the purposes of the present research, the term "call centre" therefore refers to most forms of telephonic contact with SARS);
- e-mail (including general e-mail, the designated e-mail for tax practitioners and e-filing e-mail);
- postal services;
- fax;
- the use (to a lesser extent) of bulk and individual text messages; and
- in some cases, e-filing (to the extent that a particular service determinant was relevant to both the traditional and the e-services).

Each of the above business processes could be conducted through one or more service channel(s). Table 5.3 summarises the service channels, confirmed by Nel (2008), through which the different business processes are usually conducted.

Table 5.3: Relevant service channel for each business process

Business process	Service channel
Tax registrations	• branches • postal services • fax
Tax returns	• branches • postal services • e-filing
Tax assessments	• postal services • fax • e-filing
Dispute resolution process	• branches • postal service • fax • e-filing
Tax refunds	• branches[1]
Tax payments	• branches • postal services • electronic payments • e-filing
Tax clearance process	• branches • postal services • fax • e-filing[2]
Tax-related queries	• branches • call centres • e-mail • postal services • fax
Updating of tax-related information	• branches • call centres[3] • e-mail • postal services • fax • e-filing

Notes:

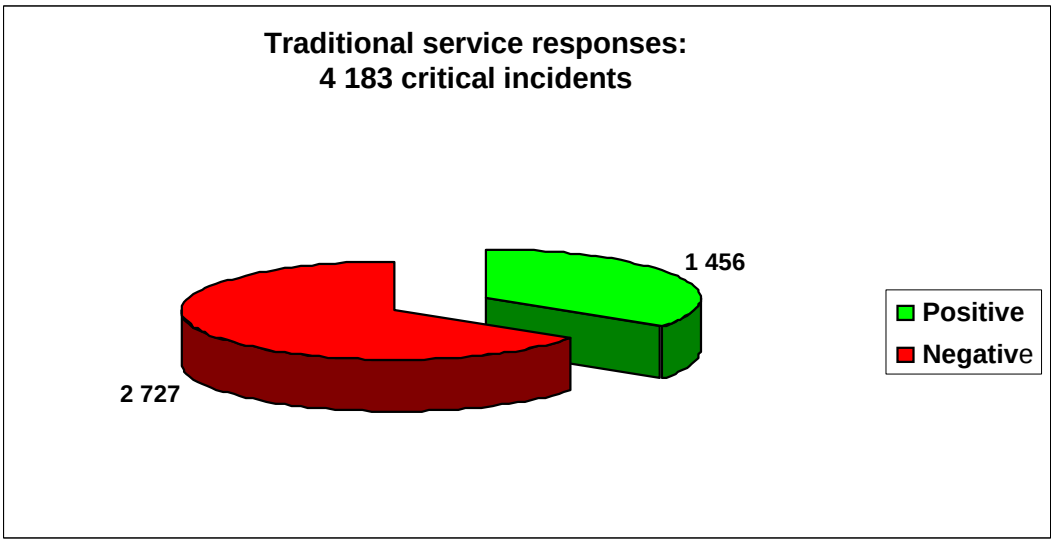
1. Limited, but it is still possible to collect cheques from some branches. Cheques are never posted to a tax practitioner (or taxpayer) and tax refunds are mostly paid directly into the bank account of the taxpayer concerned.
2. Currently, the tax clearance certificate is only available for e-filing if a certificate of good standing or a tax clearance certificate for a tender is required. The facility to apply for a tax clearance for foreign investment purposes is not yet an e-filing option.
3. Only some call centre consultants allow for the updating of information to be done telephonically. In other cases, a fax or e-mail with the request to change information is required by the call centre consultant.

The analysis of the qualitative data was based on the framework of different business processes with the relevant service channels, as set out in Table 5.3.

5.6 INCIDENCE OF POSITIVE AND NEGATIVE CRITICAL INCIDENTS FOR THE TRADITIONAL SERVICES

Of the total number of responses related to the traditional services, 1 456 (34.81%, n = 4 183) contained positive critical incidents. The remaning 2 727 (65.19%, n = 4 183) contained negative critical incidents. There were slightly more negative critical incidents relating to the traditional services than there were negative critical incidents relating to all the services. The distribution of the positive and negative critical incidents relating to the traditional services was still representative enough to be able to draw valid conclusions from them and to ensure that the full traditional service offering was evaluated.

Figure 5.4: Incidence of positive and negative critical incidents for the traditional services



5.7 SERVICE DETERMINANTS FOR THE TRADITIONAL SERVICES

The critical incidents relating to the traditional services were classified into five specific service determinants, namely responsiveness, empathy, assurance, reliability and tangibles. When a critical incident was not specific enough, it was classified under an additional “general” service determinant.

The number of incidents for the responsiveness, empathy and assurance determinants were very similar and much higher in number than the number of incidents for the tangibles determinant. The service determinant that received the most responses was the responsiveness determinant – 26.08% (1 091 critical incidents, n = 4 183) were allocated to it. In close second place was the empathy determinant, with 24.43% (1 022 critical incidents, n = 4 183) of the responses allocated to it. Assurance, with 971 critical incidents (23.22%, n = 4 183), appeared to be the third most important service determinant, although the results for the first three determinants were very similar, which suggests that all three are very important.

Reliability was placed fourth. It attracted 855 critical incidents (20.44%, n = 4 183), implying that it can also be regarded as a determinant that was well represented. The 221 critical incidents (5.28%, n = 4 183) that were classified under the general determinant were too general to be classified under any of the other determinants, but were still regarded as critical incidents, as they either indicated service aspects (for example, a particular business process) or a service channel that the responding tax practitioners regarded as important. The remaining determinant, tangibles, attracted less than 1% of the total number of responses. Tangibles attracted only 0.55% (23 critical incidents, n = 4 183). The distribution of the determinants already indicates the relative importance of the various determinants for the service quality model.

The critical incidents were classified using a classification scheme developed by the researcher (using, *inter alia*, existing service quality models that were adjusted). The final identified service determinants are exactly the same as the service determinants identified for the SERVQUAL service quality measuring instrument developed by Parasuraman *et al*. (1986, 1988) and Parasuraman *et al*. (1991a).

Table 5.4: Determinants for the traditional services

Determinant	Negative responses	Positive responses	Total	Percentage (%)
Responsiveness	625	466	1091	26.08
Empathy	726	296	1022	24.43
Assurance	619	352	971	23.22
Reliability	670	185	855	20.44
General	66	155	221	5.28
Tangibles	16	7	23	0.55

5.7.1 Relevance of identified service determinants for service quality model

Originally Berry *et al*. (1985:45) believed that the relative importance of the service determinants would vary from one service industry to the next, but Berry *et al.* (1988:37) later found that reliability emerged as the most important determinant of good quality service, irrespective of the type of service. Becker and Wellins (1990) focused only on customer services, but found that reliability (which they defined as “follow-up”) appeared to be very important (with an importance rating of 4.09 out of 5). In the customer service environment, reliability appears to come a very close second, in line with assurance (which they defined as “job knowledge”, and which had the highest importance rating). Brady and Cronin (2001:44) argue that reliability, responsiveness and empathy are all three important in providing a superior service. They confirmed some of the results of Berry *et al.*’s (1988) study, as they found that responsiveness was usually the second most important service determinant, with reliability still emerging as the most important. The assurance service determinant was, however (except in the banking environment), always found to be more important than empathy. Haywood-Farmer (1988) found that the relevance of the various determinants differs, depending on the degree of service contact, interaction and labour intensity.

In the present research, responsiveness was allocated the highest number of critical incidents, with empathy and assurance taking second and third place respectively. The fact that the reliability determinant in the present research attracted, firstly, the second lowest number of critical incidents, and, secondly, substantially lower responses than the highest three service determinants, could indicate that there may be a difference between the importance of determinants, either between different service sectors or between public and private institutions. Given that Berry *et al.* (1988:37) found reliability to be the most important determinant of quality, irrespective of the service type, the results of the present research may indicate that the service environment (whether it is in the public or private sector) may influence the relative importance of various service determinants. Further research should be conducted to confirm this finding.

The fact that the tangibles determinant attracted such a low number of responses should not necessarily lead to its exclusion from the service quality model. Becker and Wellins (1990) focused on only one part of the tangibles determinant (the appearance of the contact employees), but they found that, although the appearance of the contact

employees appeared to be important, this service determinant attracted relatively low importance ratings. Schneider and White (2004:36-38) found that while tangibles may often be rated as less important than other determinants in the SERVQUAL typology, it is by no means an insignificant component of service – it can affect the ways in which customers react to the service delivery process. Berry *et al.* (1988:37) and Becker and Wellins (1990) found that **all** the determinants were considered to be important. This implies that this includes the tangibles determinant, even though it was found to have the least importance, and though it attracted substantially lower ratings than the other service determinants in the present research.

Gummesson (1992) and Rust and Olivier (1994) emphasized the importance of tangibles. Both these studies included tangibles as a dimension and found it to be an even higher order construct than the service determinants. Brady and Cronin (2001:44) provided the first empirical evidence on Rust and Olivier's (1994) three-component model conceptualisation of service quality, in that they suggest that, even if consumers did not rate the service environment (tangibles) as the most important, it should not be a service determinant but a dimension on its own (hence the classification of tangibles as a higher order construct). Gaster and Squires's (2003) democratic service quality model also included the environment as a dimension on its own.

It is not clear whether tangibles should be classified as a higher order dimension or as a determinant, but for the purposes of the present research, the service quality model developed by Grönroos (1984, 1988) and empirically tested by Kang and James (2004) was followed. Grönroos's (1984, 1988) model includes tangibles only as a service determinant in the functional quality dimension. The low importance of the tangibles service determinant in the content analysis of the critical incidents also supports the conclusion, based on the literature review, that in the present research Grönroos's (1984, 1988) three-dimensional service quality model rather than Rust and Olivier's (1994) service quality model should underpin the development of the proposed service quality model.

The SARS Service Charter was also analysed. It was found that the Service Charter could be read as including 27 different service attributes. When these service attributes are divided into the five different service determinants, responsiveness and assurance each relate to nine of the service attributes. Four service attributes relate to both reliability and

empathy. Tangibles relates to only one service attribute. It was noted that the SARS Service Charter appears to attach the same degree of importance to the different service determinants identified in building the "lens of the customer". In both "the lens of the customer" and the SARS Service Charter, responsiveness was associated with the highest number of service attributes, but tangibles was associated with the lowest number. All five service determinants were also found to be relevant to the SARS Service Charter. The SARS Service Charter also assisted in validating the finding that reliability is not the most important service determinant when the quality of SARS's services is assessed.

Conclusion 5.3:

Responsiveness, assurance, empathy, reliability and tangibles are the service determinants that should be included in the service quality model.

Conclusion 5.4:

For the SARS service quality model, responsiveness, assurance and empathy are probably more important than reliability. Tangibles appears to be the least important of the five service determinants.

Conclusion 5.5:

The results of the present research confirm the original claims by Berry et al. *(1985:45) and the finding by Haywood-Farmer (1988) that the relative importance of the individual service determinants would vary from one service industry to the next .*

The details of the results for responsiveness (see Section 5.8), assurance (see Section 5.9), empathy (see Section 5.10), reliability (see Section 5.11), tangibles (see Section 5.12) and general (see Section 5.13) are analysed in Sections 5.8 to 5.13 below.

5.8 DETAILED ANALYSIS OF THE RESPONSIVENESS SERVICE DETERMINANT

Parasuraman *et al*. (1988:12) define the responsiveness determinant as the willingness of employees to provide a specific service. Becker and Wellins (1990:49) have identified several relevant service determinants. They call the one that is most closely related to responsiveness "energy" and they define it as remaining highly alert and attentive when dealing with customers. In analysing the results, it was found that respondents referred only to the willingness and attentiveness of the employees – no critical incidents referred to the energy of the employees or their alertness. This implies that although energy could

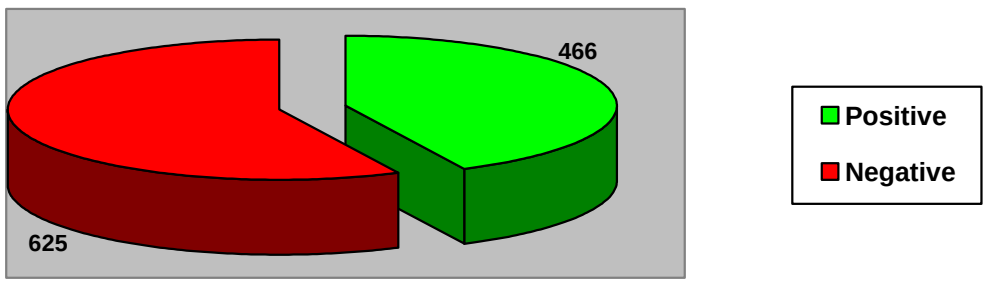
have an impact on the willingness of SARS's employees, it by no means ensures willingness.

Although the speed of performing the service is not specifically included in the current definitions of responsiveness, Parasuraman *et al*. (1991a:447) also included questions with regard to the timeliness of the services under the responsiveness determinant in their SERVQUAL measuring instrument. The content analysis in the present research revealed that several respondents not only referred to the willingness of the SARS employees, but also frequently commented on how quickly a service was performed.

For the purposes of the present research, responsiveness therefore represents the willingness (including the attentiveness) of employees, as well as the actual timeliness or speed of services performed. Both these service attributes relate to the functional quality of the service ("how" the service is performed).

In respect of all the determinants, 1 091 (26.08%, n = 4 183) of the responses related to responsiveness. This is the determinant associated with the highest number of critical incidents. These critical incidents included 466 positive responses (42.71%, n = 1 091) and 625 negative responses (57.29%, n = 1 091).

Figure 5.5: Incidence of positive and negative critical incidents for the responsiveness service determinant

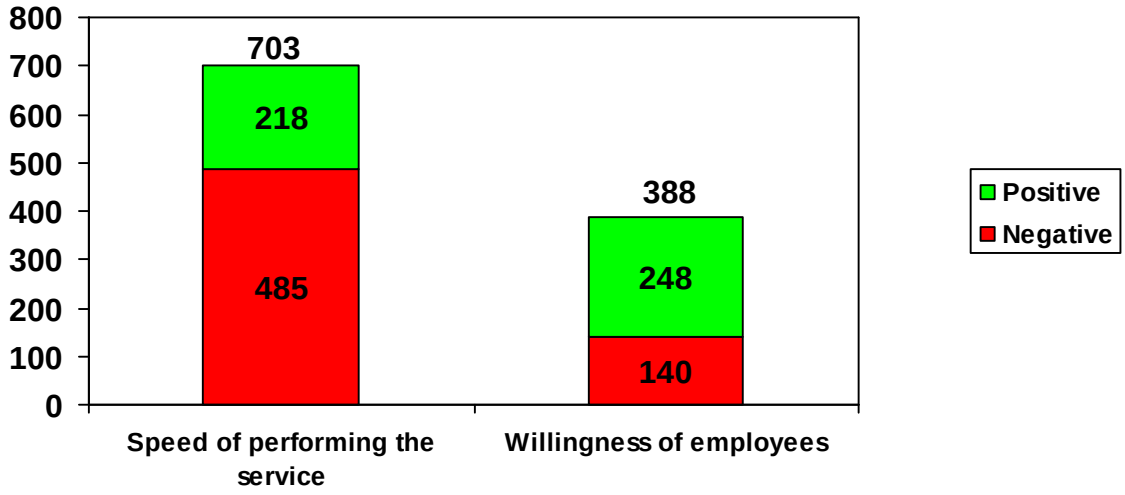


The critical incidents in the responsiveness determinant were allocated to the different service attributes in this determinant as follows:

- speed of performing the service, with 703 critical incidents (64.43%, n = 1 091), of which 218 were positive and 485 were negative; and

- willingness of employees, with 388 critical incidents (35.86%, n = 1 091), of which 248 were positive and 140 were negative.

Figure 5.6: Service attributes in the responsiveness service determinant



5.8.1 Speed of performing the service

The speed with which a service is performed refers to the perceptions of the responding tax practitioners of the turnaround time required for a particular service. It contributes to the functional quality of the service. The speed of the service should not include waiting time (waiting time is dealt with separately in Section 5.10.1, below), but it should include the time from when the tax practitioner is attended to (for example, at a branch) until the reason for his or her service requirement has been met or his or her problem has been resolved. For e-mails or faxes, the speed of the service is the time from when the e-mail or fax was sent by the tax practitioner up to the time when the request in for example the e-mail or fax has been dealt with adequately.

Responsiveness is the service determinant that was allocated the highest number of critical incidents. The service attribute relating to the speed of performing a service was allocated the highest number of critical incidents in the responsiveness service determinant (703 critical incidents, 64.43%, n = 1 091) and the second highest number of critical incidents for all the different service attributes (703 critical incidents, 16.80%, n = 4 183). It could thus be concluded that the speed of performing a service is regarded

as the second most important service attribute used by SARS clients in evaluating SARS's service quality.

The speed of performing services related predominantly to the business processes (as expected), but also to the service channels.

Except for the electronic payments facility, all the service channels (refer to Table 5.5) were relevant to the attribute of the speed of performing services. Services provided through e-mail were allocated the highest number of critical incidents – 52 (this included three responses that specifically referred to the designated e-mail for tax practitioners). Services delivered through the post as a service channel were allocated the second highest number of 18 critical incidents. Faxing as a service channel was allocated the third highest number – 13 critical incidents. The call centre services came very close to faxing, with 11 critical incidents (the designated call centre for tax practitioners was allocated four specific responses). The speed of services at branches was allocated only two critical incidents. Electronic payments were never mentioned in this service determinant, as SARS does not influence the speed of the performance of this service.

Responsiveness by text messaging was mentioned twice. One of these responses related to the fact that confirmation of a password was still awaited by text messaging. The second respondent only mentioned the fact that the communication from SARS by text messaging was very quick. The text messaging function is a one-way function (SARS can issue notifications by text messaging, but taxpayers and tax practitioners cannot communicate with SARS by means of text messaging). Text messaging is mostly relevant in respect of notifications relating to the e-filing system or *ad hoc* assistance messages sent by SARS. The findings suggest that the responsiveness of the text messaging function is very specific and that it is difficult to incorporate it into a general service quality model.

Table 5.5: Speed of performing the service per service channel

Service channel	Negative	Positive	Total
E-mail	27	25	52
General	12	21	33
Post	16	2	18
Fax	11	2	13
Call centre	3	8	11
Branch	1	1	2
Text messaging	1	1	2
Total	71	60	131

It was found that **all** the responses on almost all the service channels (except text messaging) related to responsiveness with regard to solving tax-related queries or business processes regarding the updating of information. It was therefore decided to combine the responses on the business processes relating to updating information and dealing with tax-related queries and also to combine these with the responses on the service channels. All the responses on the speed of performing the service, except for the two relating to the text messaging notifications (701 critical incidents), were therefore classified under the business processes. Included in the e-mail responses were six incidents that referred to the resolution of queries that related to e-filing.

The general business processes were allocated 130 critical incidents. The critical incident category relating to tax queries and updating information was allocated 245 critical incidents. The tax registration process category was allocated the second highest number of critical incidents (a total of 149). All the business processes were allocated critical incidents, with the tax amnesty process being allocated the second lowest number of only two critical incidents, and the deregistration process being allocated only one critical incident.

Table 5.6: Speed of performing the service per business process

Business process	Negative	Positive	Total
Queries and updating of information	156	89	245
Tax registration	126	23	149
General	70	60	130
Dispute resolution process	44	4	48
Tax assessment	31	14	45
Tax refund	25	16	41
Tax return	14	9	23
Tax clearance	11	0	11
Tax payment	4	2	6
Tax amnesty	2	0	2
Deregistration	1	0	1
Total	484	217	701

Respondents also referred to the business processes already implemented on e-filing. A total of 20 critical incidents related to the e-filing business processes. The participating tax practitioners could only comment on the current business processes available on e-filing (and SARS is consistently improving and expanding its services available on e-filing). It is therefore recommended, firstly, that all the available business processes available through the e-filing service channel should be included in a service quality model and, secondly, that the model should be adjusted continuously for new business processes as they become available on e-filing.

The different business processes are dealt with separately and in more detail in the sections below.

5.8.1.1 Resolving queries and updating details

The resolution of queries and updating of information business processes were allocated 245 critical incidents that related to the speed (responsiveness) with which a query was solved or information was updated. The queries can be lodged and the taxpayer information can be updated through the branches, through the call centres, e-mail, the postal services and fax. This service attribute was not relevant to the e-filing service channel.

The SARS Service Charter (SARS 2006f:4) stipulates that SARS will deal with a tax practitioner's enquiries as quickly as possible, but no specific time frame is specified.

However, SARS commits itself to responding within 21 working days to 80% of all correspondence (SARS 2006f:3). The response time of 21 working days probably excludes the time the postal company usually requires to deliver the documents.

Correspondence specifically includes written and electronic correspondence (SARS 2006f:3), but should not include formal visits to the branches, or queries and the updating of information dealt with through the call centre. E-mail, fax, post and hand-delivered letters to branches would probably all be classified as correspondence.

A detailed analysis of the responses suggests that the expectations of tax practitioners with regard to written correspondence are not the same as their expectations in respect of electronic correspondence. It is clear from the responses that tax practitioners expect SARS to respond much more quickly to an e-mail than they expect SARS to respond to posted or hand-delivered correspondence. A typical response was that “e-mailed items are only answered in a month's time”. In view of the fact that the service standard of 21 working days is actually met in this case, it appears that the tax practitioners perceive a need for SARS’s reaction to an e-mail to be quicker than SARS’s reactions through traditional correspondence channels, that they do not agree with the service standards set out in the SARS Service Charter, or that they are not aware that e-mail is also classified as correspondence (and therefore do not rank the speed of replies in e-mails according to the same criteria as those used for other channels, for example, the postal service).

The fact that expectations with regard to e-mail may differ from expectations with regard to the traditional service channels is confirmed by Grönning (2005:3), who found that interacting through e-mail makes it possible to use elements from the spoken register such as the expectation of rapid response. Grönning (2005:6) also found that the second most important advantage as ranked by e-mail users is the possibility of an immediate written response. In their research, Kalman and Rafaeli (2005:8) found that the purported asynchronicity of e-mail communication should be reassessed, as e-mails are also used in a synchronous manner. Usually, a significant percentage of replies are created very soon after receipt of the initiating message. Kalman and Rafaeli (2005:8) further found that the choice of medium is less a result of its level of synchronicity and more a function of variables such as availability, context, cost and security. They would therefore probably agree with SARS that e-mail correspondence could be pooled with any other correspondence. The fact that there are possibly different response expectations for the

different media, however, emphasises the necessity for including an evaluation for each service channel in the model, rather than for all correspondence in general.

It appears that there is no specific service standard (except for the promise that SARS will deal with matters as expeditiously as possible) for resolving queries or updating information using the call centre, or visiting branches (the non-correspondence channels).

Nine of the critical incidents that respondents mentioned in this group of responses related specifically to the speed of services performed by senior employees. It therefore appears that the tax practitioners distinguish specifically between services performed by senior employees and other employees. However, all nine of these critical incidents were positive, which may explain why senior employees appear to be preferred, namely because the speed with which other employees perform the service may be perceived not to be fast enough or not as fast as the speed with which senior employees perform the service. The need to refer to senior employees would possibly disappear if all the services were rendered at a speed that is acceptable to tax practitioners. A distinction between senior employees and other employees is therefore not necessarily advisable for the purposes of the service quality model.

Conclusion 5.6:

The service quality model should include a question that measures – only for the traditional services – the turnaround time (the number of working days) for resolving queries or updating required taxpayer information when corresponding with SARS by means of

- *fax;*
- *the post;*
- *e-mail (including tax practitioners' and e-filing e-mails); and/or*
- *correspondence that is hand-delivered at SARS branches.*

The service quality model should also include a question that measures the time (measured in minutes) that it takes to resolve a query or update information when a tax practitioner

- *visits a SARS branch; or*
- *telephones the call centre.*

5.8.1.2 Tax registration process

A possible reason why tax registrations were allocated a particularly high number of critical incidents (149 critical incidents) is that, in terms of the Income Tax Act, taxpayers have

certain obligations if they must register as taxpayers. Any delay in the tax registration process could be a hurdle in complying with these obligations, which could in turn result in penalties and in interest being levied.

When a tax practitioner (taxpayer) submits an application to register with SARS, SARS aims, in line with the SARS Service Charter (SARS 2006f:3), to process the registration accurately within ten working days. Although SARS does not distinguish between the time it takes for VAT registrations and the time it takes for other registrations (including, for example, income tax, PAYE, provisional tax registrations), among the 149 critical incidents that related to tax registration, there were 45 critical incidents that related specifically to the VAT registration process. It is therefore recommended that the measurement of the speed of the VAT registration process should be separated from the measurement of the speed of other tax registrations. As tax registrations are currently only available for the traditional services, no separate measurement for e-filing is required. The tax practitioners did not specifically distinguish between different speeds for the different traditional service channels, so only one measurement is required to measure the speed for all the traditional service channels.

Conclusion 5.7:

The service quality model should include a question that measures – only for the traditional services – the speed (number of working days) of

- *VAT registrations; and*
- *other tax registrations.*

5.8.1.3 Dispute resolution process and correction of errors

The dispute resolution process attracted 48 critical incidents. The dispute resolution process consists of two aspects. The first deals with situations where a tax practitioner disagrees with an assessment issued by SARS (therefore resulting in a situation in which that tax practitioner embarks on the dispute resolution process). The second deals with the process required to correct processing errors SARS has made.

(a) Dispute resolution process

Although the SARS Service Charter (SARS 2006f:4) stipulates that SARS will deal with a tax practitioner's objections as quickly as possible, no time frames are set for finalising the

dispute resolution process, as these time frames are legally imposed in terms of the Income Tax Act. When a tax practitioner disagrees with SARS on a tax assessment issued by SARS, the time frames allowed for the dispute resolution process are dealt with in sections 81 and 88A to 88H of the Income Tax Act, and the regulations issued in terms of section 107A of the Income Tax Act. After reasons for the assessment have been requested by the tax practitioner (within 30 working days of the date of assessment) and provided by SARS (another 60 working days after the request for reasons has been received), the tax practitioner has another 30 working days to object to an assessment. SARS should react to this objection within 90 working days (SARS 2005c:34). The dispute resolution process provides that, after the notice of the disallowance of an objection to a tax assessment has been sent, the tax practitioner can either use the alternative dispute resolution (ADR) process or should appeal directly to the Tax Board or the Tax Court or High Court. Although 90 working days has been set as the time frame for the finalisation of the ADR process, no such time frames are legally imposed when the appeal is made to either the Tax Board or the Tax Court or High Court.

The chairperson of the Tax Board is the Commissioner of SARS. The Tax Board is administered by a clerk of the Board who is a SARS officer (SARS 2005c:22). It is thus clear that the Tax Board is still under the control of the Commissioner of SARS. The responsiveness of the Tax Board may therefore be relevant to the service quality model used to measure SARS's service quality. However, the Tax Board was not specifically mentioned by any of the participating tax practitioners, so it was not included in the service quality model that is to be built from the "lens of the customer".

The Tax Court is presided over by a judge of the High Court. Therefore it is not completely under the control of SARS (SARS 2005c:23-24). The High Court and the Supreme Court of Appeal are completely independent of SARS. The responsiveness of these courts is therefore not relevant to the service quality model used to measure the quality of the services SARS delivers.

The fact that the participating tax practitioners mentioned that the speed of the dispute resolution process is relevant to them may therefore mean that

- they do not agree with the time frames set out in the Income Tax Act (the time frame in the Income Tax Act was not specifically mentioned by the respondents – they only referred to their perception that dispute resolution takes too long); or
- they are of the opinion that SARS does not adhere to the stipulated time frames (this was specifically mentioned by respondents).

SARS is only responsible for administering the Income Tax Act and not for the drafting of the Income Tax Act and was therefore not responsible for determining the time frames provided for in the dispute resolution process. Because the time frames are fixed, the suitability of the set time frames is not relevant to the service quality model. The extent to which SARS adheres to the set time frames is, however, relevant to the service quality model.

Rule 4.2 of the dispute resolution process (SARS 2005c:11) allows a tax practitioner (taxpayer) to lodge a complaint with the SSMO if SARS does not adhere to the set time frames for the dispute resolution process. In most cases of service failure, a tax practitioner (taxpayer) can report the service failure to the SSMO and rely on the SSMO to assist the complainant in solving the matter, but the other service aspects are not all as structured as the dispute resolution process. It is therefore more difficult for a tax practitioner to evaluate the reasonability, for example, of the responsiveness of SARS in reacting to other correspondence. Because a tax practitioner participating in the present research would probably also only be able to recall the total time that it took to resolve a dispute (rather than the exact length of time taken for the different steps (as listed) within the process) and because the remedy of reporting to the SSMO is available for a structured dispute resolution process, the relevance of the exact time frames of each process to the service quality model is limited. Hence, it is recommended that the responsiveness of the dispute resolution process should only be evaluated in general.

Conclusion 5.8:

It is recommended that the following question with regard to the speed of the services relating to the dispute resolution process be included in the service quality model: "In the case of a dispute on a tax assessment that does not arise because of a processing error by SARS, how long does it take from the date of the assessment up to the date that the letter of rejection or acceptance of the objection is received?"

(b) Correction of errors

The respondents specifically referred to the time required to correct errors by SARS in the data-capturing of returns. As most of the SARS tax returns are now either processed on e-filing or scanned, the relevance of this service attribute has decreased (it will decrease even more in future). The correction of errors as part of the responsiveness service determinant is not addressed in more detail here, because the burdensomeness of correcting mistakes made by SARS is addressed in the recovery service attribute under the reliability service determinant (see Section 5.11.1, below).

5.8.1.4 Tax assessment process

A total of 45 critical incidents related to the tax assessment process. The deliverables that relate to the speed at which SARS performs services, as listed in the SARS Service Charter (SARS 2006f:3), were grouped as follows:

- process and assess 80% of correctly completed and signed income tax returns within 90 working days during peak periods (July to February);
- process and assess 80% of correctly completed and signed income tax returns within 34 working days from the date of receipt in off-peak periods (March to June); and
- process VAT and PAYE returns within 20 working days of receipt.

The SARS Service Charter (SARS 2006f) reveals, firstly, that SARS distinguishes between the service standards for income tax returns as opposed to those for VAT and PAYE returns. VAT and PAYE returns are also partly dealt with through a self-assessment process and therefore the SARS Service Charter does indeed treat the processing of the VAT and PAYE returns differently from the processing and assessment of income tax returns. Given that two different processes are involved (partial self-assessment versus assessment by SARS) and that the respondents also distinguished between the different

types of taxes, the service quality model should measure the service quality of the speed of assessing and processing income tax returns separately from the speed of processing the PAYE and VAT returns.

Secondly, in order to measure the service levels with regard to income tax returns, SARS distinguishes between the speed of performing the services to meet the service standards envisaged during peak periods (that is from July to February) and the off-peak periods (that is from March to June). As the volumes that need to be processed during peak periods are much higher than the volumes that need to be processed during the off-peak periods, it is recommended that the service quality model with regard to income tax returns should also provide for separate measurements for the different periods. SARS makes no distinction between peak and off-peak periods for the processing of the VAT and PAYE returns. These returns are submitted at more regular intervals and therefore result in a service burden for SARS that is spread more evenly over the year.

Tax assessments could be received by the post or fax, but there is no special distinction between these two traditional service channels. However, the respondents distinguished between the tax assessments processed through the traditional channels and the tax assessments processed through the e-filing service channel. For the e-filing, the peak periods may differ, because the filing season for both 2007 and 2008 for individuals was mainly between September and January. As SARS has not yet adjusted its service standard, the different filing seasons may be only temporary, because of special circumstances. During 2007, the e-filing for individual tax returns was introduced, with the simplification of the tax return. This led to the later filing period. During 2008, the IRP 5 reconciliation process was adjusted, which also resulted in later filing periods. It is therefore recommended that the service quality model should provide for the periods as referred to in the SARS Service Charter, but care should be taken to ensure that these periods correspond with the actual periods for the year when the service quality survey is distributed.

Conclusion 5.9:

The service quality model should include questions that evaluate the speed with which tax returns are processed and the speed of the tax assessment process. Separate evaluations should be included for the VAT and PAYE returns, and the income tax returns. For each type of return, provision should be made for distinguishing between the speed of the traditional service channels and that of the e-filing service channel. For income tax returns, separate evaluations should be available for the peak periods (July to February) and the off-peak periods (March to June).

Recommended framework for questions:

The speed (number of working days) with which PAYE and VAT returns are processed

- *when e-filing is used; and*
- *when the returns are submitted manually.*

The speed (number of working days) with which income tax returns are processed and assessments issued during peak periods (July to February)

- *when e-filing is used; and*
- *when the returns are submitted manually.*

The speed (number of working days) with which income tax returns are processed and assessments issued during off-peak periods (March to June)

- *when e-filing is used; and*
- *when the returns are submitted manually.*

5.8.1.5 Tax refunds

The SARS Service Charter (SARS 2006f) stipulates that SARS aims to process

- VAT refunds within 21 working days of receipt; and
- income tax return refunds within 30 working days from the assessment date.

From the SARS Service Charter, it is therefore clear that tax refunds should be divided into VAT refunds and income tax refunds. In 41 responses, respondents commented on the speed of service related to tax refunds in general, and to the speed of service related, in particular, to VAT refunds on the one hand and to income tax refunds on the other.

Tax refunds are usually paid directly into a taxpayer's bank account, but in a limited number of cases, a cheque can be collected from a branch. The respondents did not distinguish between the different ways in which a refund could be collected and no distinction is therefore required in the service quality model in this regard.

Five respondents specifically referred to the speed of refunds when tax returns were submitted and assessments were processed by means of e-filing. However, it could not be established whether the speed was relevant to these respondents because the refund was related to an assessment produced through e-filing or whether the reason for the greater speed of the refund related to the fact that it is possible that processing of the tax assessments through e-filing was quicker and that this therefore meant that refunds were paid more quickly. Thus it is not certain whether the model should provide for both e-filing and non-e-filing as options. The fact that the outcome of the e-filing tax assessment is directly linked to the bank account of the taxpayer on the e-filing system may imply that e-filing should also be identified separately in the service quality model.

Conclusion 5.10:

The service quality model should include a question that evaluates separately the speed (in working days) of processing and paying refunds to clients with regard to

- *income tax refunds;*
  - *whether the tax return is submitted through e-filing; or*
  - *whether the tax return is not submitted through e-filing; and*
- *VAT refunds;*
  - *whether the tax return is submitted through e-filing; or*
  - *whether the tax return is not submitted through e-filing.*

5.8.1.6 Tax returns

The service attribute relating to the timeliness of the availability of the tax returns may relate to the empathy service determinant, but it appears to be more closely related to the responsiveness service determinant, because the responsiveness service determinant reflects on the speed of the processes at SARS that ensure that tax returns are available. If the timeliness of the availability of the tax returns had related only to a SARS policy to make the returns available on a certain date, it might have been more relevant to the empathy service determinant, but that is not the case.

The 23 critical incidents that related to the timeliness of returns specifically mentioned the timeliness of the availability of the tax returns (both through the traditional and through the e-filing service channels) in order to give tax practitioners enough time to comply with their obligations by completing and submitting the tax returns issued in time. Apart from the distinction between the traditional and e-filing service channels, the responding tax practitioners in the present research also referred separately to the timeliness of the

availability of the income tax returns for individuals versus the availability of the income tax returns for companies and trusts. No critical incident related to any tax return other than income tax returns.

Conclusion 5.11:

The service quality model should include questions that evaluate

- *the timeliness of the availability of the income tax returns for natural persons through both*
  - *the traditional service channels; and*
  - *the e-filing service channel; and*
- *the timeliness of the availability of the income tax returns for both companies and trusts through both*
  - *the traditional service channels; and*
  - *the e-filing service channel.*

5.8.1.7 Tax clearance

The speed of the tax clearance business process attracted 11 responses, all of which were negative. There was no distinction between tax clearances that were applied for and processed through the traditional service channels and those that could be applied for and processed through e-filing. The reason for this may be the fact that the e-filing system does not currently provide for all the different tax clearance certificate types people may require. At present, three different tax clearance certificate types can be issued. The first is a certificate of good standing. The second is a tax clearance certificate that can be used for tenders. The third is a tax clearance certificate as required for South Africans who want to make a foreign investment. The respondents only referred to tax clearance certificates – they did not distinguish between the different types. It is therefore recommended that the service quality model should also refer only to tax clearance certificates without any breakdown of the different types.

Conclusion 5.12:

The service quality model should include a question that evaluates the speed at which SARS (in working days) issues tax clearance certificates.

5.8.1.8 Tax payments

When a tax practitioner makes a payment to SARS, SARS aims to process the payment accurately within five working days of receipt (SARS 2006f:3). Six critical incidents

specifically related to the speed of processing payments. No distinction was made with regard to any specific service channel used to make payments, but it may be assumed that this would again not be relevant to the electronic payments or payments through e-filing, as the tax practitioners themselves determine when a payment is to be processed. There is also no distinction between the processing times for the different types of tax (as with tax refunds, respondents referred to payments in general).

Conclusion 5.13:

The service quality model should include a question that evaluates the speed at which SARS processed payments made to SARS.

5.8.1.9 Deregistration

Deregistration usually occurs when a taxpayer no longer has any legal tax obligations. The levying of interest and penalties is usually based on the amount of tax due. This implies that, in the case of deregistration, the levying of interest and penalties would probably not be relevant, because, in most of these cases, the amount of tax due would be zero. The taxpayers (and their tax practitioners) would therefore not be very concerned about how quickly deregistration documentation is processed. Although deregistration was allocated only one critical incident, there is no specific reason to exclude it from the service quality model. It is therefore recommended that it should be included. On the basis of the one critical incident that was reported, no distinction between the deregistration speed for the different types of tax or types of taxpayer could be recommended.

Conclusion 5.14:

The service quality model should include a question that evaluates the processing speed (number of working days) of deregistrations by SARS.

5.8.2 Willingness of employees

The willingness service attribute refers to the perceptions of the responding tax practitioners with regard to the willingness of the SARS employees to render a service. It also relates to the attentiveness of the employees (the personal contact perceived to have been received). In short, it relates to whether the tax practitioner feels that he or she is

simply a number or whether he or she feels that the services required are rendered on a personalised basis.

The willingness of employees (employees' attitude towards rendering the service) was allocated 388 critical incidents (9.28%, n = 4 183), of which 248 (63.92%, n = 388) were positive and 140 (36.08%, n = 388) were negative. The percentage of positive responses for this service attribute (63.92%) was very high in proportion to the total percentage of positive responses of 34.81% for the traditional services and 40.84% for the total services. This high positive response rate may indicate the objectivity of the respondents and also contributes to the reliability of the study.

Given that the willingness of employees to perform a service relates to the functional quality of the service, as expected, the responses only referred to the service channels where tax practitioners have direct contact with SARS employees. The willingness of employees to perform a service with regard to the different service channels in general (177 critical incidents), the willingness of employees at branches (111 critical incidents) and at call centres (98 critical incidents, of which one relates to the e-filing call centre and seven to the tax practitioners' call centre) were specifically referred to. Although contact through e-mail could be regarded as an indirect service channel, two critical incidents (one that relates to the e-filing e-mail) were also allocated to it. The willingness of employees to assist was thus also relevant to the e-filing e-mail and the e-filing call centre.

Table 5.7: Willingness of employees per service channel

Service channel	Negative	Positive	Total
General	56	121	177
Branch	40	71	111
Call centre	44	54	98
E-mail	0	2	2

Conclusion 5.15:

Under the responsiveness determinant, the service quality model should include a question addressing the degree of willingness of SARS employees to assist tax practitioners. This question should only be evaluated for the services rendered

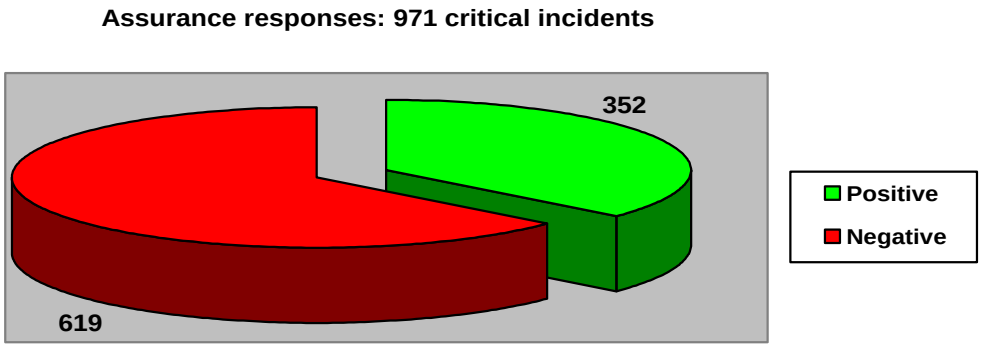
- *at the branches;*
- *through the call centre (normal, tax practitioners' and e-filing call centre); and*
- *e-mail (normal and e-filing e-mail).*

5.9 DETAILED ANALYSIS OF THE ASSURANCE SERVICE DETERMINANT

Parasuraman *et al*. (1986:14-15) define assurance as the "knowledge and courtesy of employees and their ability to convey trust and confidence". Grönroos (1988:13) adds to this definition that assurance is obtained from operational systems and physical resources. The focus of the operational systems in the assurance service determinant is the ability of the systems to convey trust and to solve problems. For the purposes of the present research, the assurance service determinant includes the knowledge and courtesy of employees and the ability of the operational systems and physical resources to convey trust.

Assurance was regarded as a very important service determinant: 971 critical incidents (23.22%, n = 4 183) were allocated to it. Of the total number of critical incidents relating to assurance, 36.25% (352 critical incidents, n = 971) were positive and 63.75% (619, n = 971) were negative.

Figure 5.7: Incidence of positive and negative critical incidents for the assurance determinant



Apart from the negative and positive distinction, all the critical incidents in the assurance determinant could be classified into six different service attributes:

- knowledge of the employees (technical quality) (513 critical incidents, 52.83%, n = 971);
- politeness and friendliness of employees (functional quality) (216 critical incidents, 22.25%, n = 971);
- consistency in performing the services (functional quality) (129 critical incidents, 13.29%, n = 971);

- specific operational systems identified by the respondents – administration of business processes (functional quality) (99 critical incidents, 10.20%, n = 971);
- confidentiality (functional quality) (12 critical incidents, 1.23%, n = 971); and
- physical safety (functional quality) (two critical incidents, 0.21%, n = 971).

Table 5.8: Service attributes in the assurance determinant

Description	Positive critical incidents	Negative critical incidents	Total critical incidents
Knowledge of employees	143	370	513
Politeness and friendliness of employees	155	61	216
Consistency	6	123	129
Administration of business processes	45	54	99
Confidentiality	2	10	12
Physical safety	1	1	2

5.9.1 Knowledge of employees

Parasuraman *et al*. (1988:23) include the knowledge employees have and their ability to inspire trust and confidence in the assurance determinant. Grönroos (1988:13) focuses on the knowledge of the employees to enable problem-solving. Becker and Wellins (1990:49) define what they call “job knowledge” as the “thorough understanding of the organization's products and services as well as customer policies and procedures”. The SARS Service Charter (SARS 2006f:3) stipulates that SARS will endeavour to provide a clear, accurate and helpful response. It appears that SARS acknowledges the importance of this service attribute, as SARS has recently requested various entities to submit tenders to formally evaluate the technical knowledge and skills of their employees.

For the purposes of the present research, the knowledge of the employees includes technical and procedural (organisational) knowledge which enables employees to assist in problem-solving and to inspire trust and confidence.

This service attribute relates to the technical quality of the service (service outcome). Although Kang and James (2004), Philip and Stewart (1999) and Richard and Allaway (1993:61) found that the SERVQUAL dimensions do not measure the technical quality, this service attribute was also included in SERVQUAL. From this, one may conclude that SERVQUAL also partly attempts to measure the technical quality of the service.

The knowledge of the employees of SARS is the most important service attribute of the assurance determinant. No fewer than 513 critical incidents (12.26%, n = 4 183) were allocated to this attribute. In all, 143 (27.88%, n = 971) were positive and 370 (72.12%, n = 971) were negative. The distribution between negative and positive responses stands in sharp contrast to the distribution of responses on the service attribute called willingness of the employees. The service attribute called knowledge of employees was allocated 12.26% of the total responses, whereas the willingness of employees only represented 9.28% of the total responses for the traditional services. It can therefore be concluded that the service attribute of the knowledge of the employees is slightly more important to the respondents. It was interesting to find such a high percentage of negative responses with regard to the knowledge of the employees, as opposed to the acknowledgement by the responding tax practitioners of the willingness of the employees (a very high positive response rate of 63.91% was recorded). Although the willingness of the employees could not necessarily compensate wholly for any lack in knowledge, these results confirm that the willingness of the employees influences the service encounter and therefore the service quality, independently of the knowledge of the employees. It is probably logical to assume that the knowledge (or lack thereof) of an employee could affect the perception of the willingness of the employee, but this assumption would have the effect that the positive responses for the willingness of the employee may be underestimated rather than overestimated.

The respondents clearly distinguished between the knowledge of the contact employees (front-office) (445 critical incidents), the knowledge of the operating employees (back-office) (20 critical incidents) and the knowledge of senior employees (13 critical incidents). Each service attribute was further classified into the different service channels or business processes. When there was not sufficient detail to allocate a critical incident to a particular service channel or business process, the service attribute was allocated to a general service channel or general business process category.

5.9.1.1 Knowledge of contact employees

The technical knowledge of the contact employees relates mainly to the service channels. Service channels in general attracted responses detailing 175 (18.02%, n = 971) critical incidents. Of the specified service channels, the call centre was allocated the highest number of critical incidents, namely 199 (20.49%, n = 971). The respondents also

specifically mentioned the call centre for e-filing-related queries. A total of 21 critical incidents were related to it. The call centre for the tax practitioners was also identified as a separate service channel – 18 of the total number of critical incidents connected to the call centre related to it. The branch as a service channel was allocated the second highest number of critical incidents, namely 67 (6.9%, n = 971), with regard to the technical skills of the contact employees. In respect of communication with SARS through e-mail, only four (0.42%, n = 971) critical incidents related to the technical skills and knowledge of contact employees (in this case, the person answering the e-mail). Two of these critical incidents related to the e-mail designated for tax practitioners. The e-filing e-mail was also specifically mentioned. Although the communication through e-mail could also be classified with the post, fax and text messaging communication as indirect service channels (as these involve no direct contact with SARS employees), the technical skills and knowledge of the person answering the e-mail were nevertheless found to be relevant.

Table 5.9: Knowledge of contact employees per service channel

Service channel	Positive	Negative	Total
Call centre	43	156	199
General	53	122	175
Branch	30	37	67
E-mail	3	1	4

Conclusion 5.16:

The service quality model should include a question that tests whether the tax practitioners perceive the knowledge and skills of the employees who provide services to the tax practitioners to be adequate to provide sufficiently clear, accurate and helpful responses

- *at the branches;*
- *through the call centres (the normal, tax practitioners' and e-filing call centre); and/or*
- *through e-mail (normal and e-filing e-mail).*

Another 35 of the critical incidents (3.25%, n = 971) in the assurance determinant specifically related to the "not accepting responsibility" aspect. One critical incident was positive and 34 were negative. Several specific aspects the tax practitioners mentioned were initially classified under a "not accepting responsibility" service attribute. The first relates to the fact that when a service failure arises, nobody at SARS appears to take

responsibility for the problem or the solution to the problem. Secondly, when SARS officials offer advice on a particular action, they also appear not to take responsibility for their own advice. Thirdly, according to the tax practitioners, when specific advice or a solution to a problem is required, officials at SARS dodge their responsibility and refer them first to one department and then to another. The service aspects the respondents mentioned could be regarded as very closely linked to the knowledge of the contact employees – for example, both the second and third aspects of this service attribute relate directly to the knowledge and skills of the contact employees. If the SARS officials were confident that they had provided the correct advice, then they would probably not mind taking responsibility for their advice. Also, if a particular problem is posed by a tax practitioner, then the technical knowledge of the employee and his or her knowledge of the operational procedures would influence the ability of the employee to answer the query or direct the tax practitioner to someone who can answer it.

These responses were linked directly to the knowledge and skills of the contact employees. They also underline the importance of the service attribute called knowledge of the contact employees and were therefore added to this service attribute. These responses were also very closely related to one of the aspects specifically mentioned in the SARS Service Charter, namely that, where first-time resolution is not possible, a tax practitioner can expect to be advised of the next step(s) by the call centre agent (SARS 2006f:3).

Conclusion 5.17:

Under the assurance determinant, the service quality model should include a question on whether, if first-time resolution is not possible when the call centre is contacted, the tax practitioner is always advised of the next step(s) he or she should take.

5.9.1.2 Knowledge of operating (back office) employees

The critical incidents relating to the technical knowledge of the operating employees (back-office) related to business processes. Apart from the reference to business processes in general (seven critical incidents), the dispute resolution process (three critical incidents), tax assessment (three critical incidents), tax payments (two critical incidents), tax refunds (two critical incidents) and tax and VAT registration (three critical incidents) processes were specifically identified by the participating tax practitioners.

It is not clear, however, how a tax practitioner would assess the technical knowledge of a person processing a payment. Some processes, for example, tax payments, only require computer skills and the skill to work accurately, but no technical tax knowledge or knowledge of processes. If a payment is wrongly allocated, it may reflect on the control processes or computer systems within SARS, rather than necessarily directly on the technical knowledge of the person allocating the payment. The fact that both the responses that related to the tax payments were positive may also be deemed to contribute to the conclusion that the tax practitioners can only evaluate the outcome and, based on that, arrive at certain conclusions. Although the knowledge of the back-office employees might have been relevant to tax assessments in prior years, the tax assessment process has changed to a computerised system and the relevance of the knowledge of the back-office employees will therefore decrease in future. However, of the business processes that were specifically mentioned, only the current dispute resolution process really requires the knowledge of the back-office employees as a pre-requisite for successful service delivery. The result of that knowledge is then documented and could thus be evaluated by tax practitioners. It is acknowledged that the service outcome for the other business processes may, in some cases, not be correct, but the reason for this could not necessarily be identified by the participating tax practitioners. If a tax practitioner evaluated knowledge based on the fact that he or she was in contact with the person performing the specific function for a business process, this contact was most probably through one of the service channels that have already been evaluated (see Section 5.9.1.1, above).

Table 5.10: Knowledge of operating employees per business process

Business process	Positive	Negative	Total
General	1	6	7
Dispute resolution process	0	3	3
Tax assessment	0	3	3
Tax registration	1	2	3
Tax payment	2	0	2
Tax refund	1	1	2

Conclusion 5.18:

The service quality model should include a question that tests whether the tax practitioners perceive the knowledge and skills of the employees of SARS who deal with the dispute resolution aspects (provision of reasons for assessments and replies to objections) to be adequate to provide clear, accurate and helpful responses.

5.9.1.3 Knowledge of senior employees

A total of 13 responses, of which eight were positive (61.54%, n = 13) and five were negative (38.46%, n = 13) specifically referred to the knowledge of senior employees. The technical skills and knowledge of senior employees were separated from the technical knowledge of the operating (front office) employees, mainly because of the differences in knowledge levels experienced by the tax practitioners. Some respondents contrasted the knowledge of the contact employees with the knowledge of the senior employees – they mostly perceived the senior employees to be more competent and able to assist them. Because senior employees would usually be expected to be more competent than junior employees, it is not clear whether or not the knowledge of senior employees should also be added as a service attribute in its own right for the purposes of the service quality model that is to be developed. As with the speed of performing the service attribute (see Section 5.8.1), it can be assumed that the knowledge of the senior personnel is only relevant because there is a perception that the knowledge of the junior personnel is not up to standard. The conclusion is based on the high proportion of negative responses (72.12%) on the knowledge of lower level employees, compared to the 61.54% of positive responses on the knowledge of senior employees.

Table 5.11: Knowledge of senior employees per service channel

Service channel	Positive	Negative	Total
Branch	5	4	9
General	2	1	3
Call centre	1	0	1

5.9.2 Politeness and friendliness of employees

The courtesy of employees (politeness and friendliness) is clearly part of the assurance determinant. The service attribute of politeness and friendliness of employees includes what Grönroos (1988:13) refers to as the sense that “the customers feel that the contact

persons are concerned about them and genuinely interested in solving their problems in a friendly and spontaneous way". For the purposes of the present research, the phrase "interested in solving their problems" in Grönroos's (1988) definition is more closely related to the willingness of the employees to assist tax practitioners than the politeness and friendliness of the employees. An employee could be polite and friendly, but unwilling to assist. These two service attributes are therefore totally distinct. Several of the responding tax practitioners also referred to the professional treatment they either received or wished to receive from the employees of SARS. Hence, professionalism was added to the above definition. The SARS Service Charter also states that tax practitioners are entitled to courteous and professional service at all times (SARS 2006f).

The politeness and friendliness service attribute is therefore defined, for the purposes of the present research, as tax practitioners' perceptions that the contact employees at SARS are concerned about their problems and assist them professionally in a polite and friendly way. This service attribute contributes to the functional service quality of SARS.

The service attribute of the politeness and friendliness of the SARS contact employees was allocated the second highest number of critical incidents (216) in the assurance determinant (22.25%, n = 971), of which 155 (71.76%, n = 216) were positive responses and 61 (28.24%, n = 216) were negative responses. The tax practitioners therefore considered it important that the employees of SARS be polite and friendly when assisting them. The high proportion of the positive responses again confirms that the politeness of the employees is evaluated independently in the service encounter, as the knowledge of the employees attracted 72.12% negative responses.

The politeness and friendliness of employees service attribute only relates to the service channels of SARS, because this is where direct contact with tax practitioners takes place. Apart from the general service channels, which were allocated the most responses (121 critical incidents, 56.02%, n = 216), the politeness and friendliness of employees at the branches (62 critical incidents) and the call centres (33 critical incidents, with three critical incidents specifically mentioning the designated call centre for tax practitioners) was listed separately by the tax practitioners.

Table 5.12: Politeness and friendliness of employees per service channel

Service channel	Positive	Negative	Total
General	88	33	121
Branch	18	44	62
Call centre	23	10	33

Conclusion 5.19:

The service quality model should include a question to determine whether the tax practitioners perceive the contact employees at SARS to be concerned about their problems and willing to assist them professionally in a polite and friendly way at

- *the branches; and*
- *the call centres.*

5.9.3 Administration of the operational process

The service attribute in the assurance determinant that was allocated the third highest number of critical incidents was the service attribute called administration of operational processes, with 99 responses (10.2%, n = 971), of which 45 were positive (45.46%, n = 99) and 54 were negative (54.54%, n = 99).

Included in the definition of the assurance service determinant is the ability of operational processes to convey trust and confidence. This should be distinguished from the user-friendliness of business processes, as the latter relates to the empathy service determinant, encompassing care or empathy for tax practitioners (see Section 5.10.4, below). From the tax practitioner's perspective, the user-friendliness of documentation and processes in no way enhances trust in the business processes, as completed user-friendly documents could be submitted but might not be dealt with appropriately after submission. Without, for example, an acknowledgement of receipt (a specific operational process), a tax practitioner may still not trust the operational process.

The critical incidents that were allocated to the administration of the operational process service attribute can be divided into two different categories. The first category relates to the acknowledgement of receipt of any correspondence submitted to or query lodged with SARS. The second category includes suggestions (or expressions of appreciation) that a specific reference number should be (or was) allocated for correspondence and queries,

increasing the possibility of following up on the progress status of a specific reference number. This category also reflected the fact that the respondents required an indication of when a service has been successfully completed, so that they did not have to follow up continuously on the progress in the rendering of the service.

The administration of operational processes service attribute can therefore be defined as the assurance received from SARS in the form of

- an acknowledgement of receipt of any correspondence received or query lodged;
- a reference number to ensure that the correspondence can be followed up on as it progresses through the different divisions of SARS; and
- an indication from SARS that the process has been completed.

This service attribute contributes to the functional quality of the services of SARS.

5.9.3.1 Acknowledgement of receipt

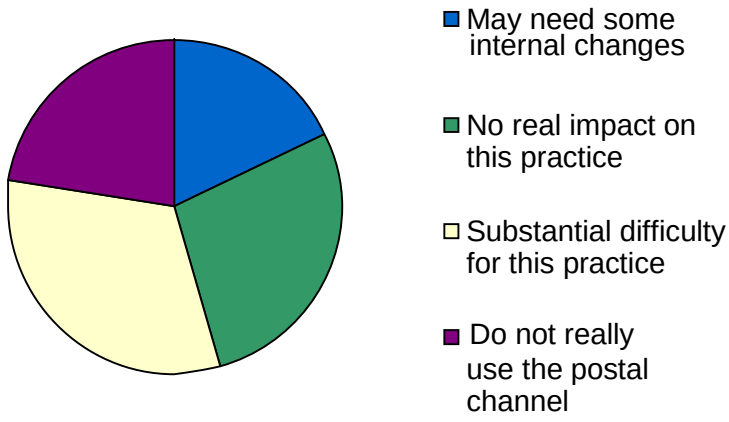
The acknowledgement of receipt service aspect in the administration of the operational processes service attribute refers to proof issued by SARS that it has received a particular document or that a particular query has been lodged with SARS. Respondents specifically mentioned that the stamping of documents at the SARS offices does not always constitute proper acknowledgement of receipt by SARS.

A total of 50 critical incidents related to acknowledgement of receipt as a service aspect. Ten of these critical incidents related to the loss of documentation submitted through the post for which no acknowledgement of receipt (or in this case proof of sending it through post) was obtained. As the services rendered by the South African Post Office are not under SARS's control, SARS could not be evaluated based only on this aspect, as different service channel alternatives are also provided. The South African Post Office provides the option of making use of registered mail, but, because this option poses an additional cost, tax practititioners seldom use this option.

In another question in the web-based questionnaire, the Tax Practitioners' unit at SARS enquired what the effect on a tax practitioner would be if the service channel through the post were not to be an option in future. The results (see Figure 5.8) show that 78.88% of the respondents (n = 811) currently still make use of postal services, with 31.7% indicating that the cessation of the postal service channel would create substantial difficulties for

them. It can therefore be assumed that this communication process will still be relevant to the immediate future. Problems taxpayers might experience with it could thus still be relevant to SARS's service quality model. However, caution should be exercised when the results related to this service channel are interpreted, because, although the South African postal service is partly under the control of the government, it is not under the control of SARS. It is therefore essential that SARS ensures that it has an operational process that acknowledges receipt of any postal communication so that taxpayers can be assured that SARS has actually received the relevant documents.

Figure 5.8: Problems created by the elimination of postal communication



Acknowledgement of receipt as a service aspect is also relevant to e-filing – seven critical incidents specifically related to the acknowledgement of receipt of documentation or information through the e-filing service channel.

The acknowledgement of receipt as a service aspect was relevant mainly for the various service channels, as this is the contact point with SARS through which documents are submitted. This service aspect was relevant to the branches, call centres, e-mail, fax, post and e-filing. The reason why the text messaging option was not included here is that the current use of the text messaging system only provides for SARS to prompt taxpayers. Taxpayers cannot submit information or enquiries by text messaging.

Conclusion 5.20:

Under the assurance determinant, the service quality model should include a question with regard to the acknowledgement of receipt of documents through the branches, e-mail, fax, post and e-filing service channels and the acknowledgement of a query lodged at the call centre.

5.9.3.2 Progress status service aspect

Included in the progress status service aspect were the critical incidents where tax practitioners considered it important that they receive feedback on where in the process a particular request or submission is. Thus, apart from the initial acknowledgement of receipt, additional feed-back procedures would also be appreciated. The reference to this service aspect included a suggestion that the progress of a document also needs to be traceable by means of some reference number (or some other method) and that an indication from SARS is required (or appreciated) when the process is completed. Of the critical incidents, 49 related to progress status as a service aspect and, although this aspect was listed under the traditional services, it was found to be equally relevant to e-filing.

The SARS Service Charter itself partly acknowledges the importance of communication with tax practitioners (taxpayers) with regard to the status of a particular service aspect. The SARS Service Charter indicates that when a tax practitioner (taxpayer) corresponds with SARS and a resolution is not possible within a reasonable time, SARS will inform the tax practitioner (taxpayer) why it is not possible and when the tax practitioner can expect a full reply (SARS 2006f:3). The SARS Service Charter also promises that, where a refund is subject to review, a tax practitioner will be notified within 30 working days (SARS 2006f:3).

The respondents mentioned both the service channels and the business processes, but, although some business processes are carried out through a specific service channel, it is the progress of the specific business process that is relevant to them, irrespective of what service channel was used for the particular business process.

Some business processes themselves provide for communication when a particular process is completed – for example, after the submission of a tax return, a tax assessment is issued when the tax assessment business process is completed. With other business processes, this may not be the case.

Conclusion 5.21:

Under the assurance determinant, the service quality model should include a question to evaluate whether tax practitioners always know at what stage in the process a particular request or submission is.

It is clear that when a tax practitioner knows where in the process a particular request or submission is, he or she will also know when a specific service is completed by SARS. A service could be regarded as having an entry into a SARS process ("acknowledgment of receipt"), its processing at SARS ("progress status while in process") and exit from the SARS process ("successful completion of service"). Therefore, it is recommended that all three aspects should be evaluated separately. Tax practitioners may always know when a service is completed, but they do not always know at what stage in a process a service was before the date of completion. This may affect the answer they would give for a service evaluation item based on Conclusion 5.21 and may make the interpretation of the survey results difficult and inconclusive.

Conclusion 5.22:

Under the assurance determinant, the service quality model should include a question to evaluate whether tax practitioners always know when a specific service that is to be performed by SARS has been completed.

5.9.4 Consistency

The literature also confirms that consistency should always be relevant to service quality measuring instruments, as it is an inherent characteristic of services that they are heterogeneous (Eiglier & Langeard 1977:33; Schneider & White 2004:8). As a result of the fact that services are heterogeneous, the majority of services are not automated and are only standardised up to a point. There may be great variations over time (Eiglier & Langeard 1977:42). The human element in the production and delivery of services also means that no two service experiences are identical, as people's performance fluctuates continuously (Czepiel *et al*. 1985:3; Schneider & White 2004:8). Service providers such as SARS should, however, be aware of this service characteristic and should try to minimise its effect.

The consistency service attribute is classified under the assurance determinant because it contributes to the certainty of tax practitioners about what is required of a particular

operational process or what is expected in a particular service encounter through a given service channel. If services are performed in a consistent manner, tax practitioners can be confident that if they act in a particular way, they will receive a particular response. This service attribute influenced mainly the functional quality of the services rendered by SARS. When services were not consistently performed correctly the first time, this may have reflected the technical quality of the services SARS renders, but these responses were classified under the reliability services determinant (see Section 5.11.1, below).

The consistency of SARS's service quality was allocated 129 responses (3.08%, n = 4 183), with six positive responses (4.65%, n = 129) and 123 negative responses (95.35%, n = 129). It is clear that the number of negative critical incidents was proportionally much higher than the number of positive critical incidents. When SARS prioritises its service strategy, this particular service attribute may be regarded as more important than another service attribute for which the same number of responses was received.

For the service channels, the same service was, for example, treated differently in different branches. There was also a perception that there was no consistency in the service quality at the same branch when two different individuals rendered the same service. In their responses, tax practitioners also included comments on their appreciation of the fact that one person had dealt with a particular service from the beginning to the end or on their need for this to happen.

The general service channels were allocated 46 critical incidents (35.66%, n = 129). Of the channels specifically identified by the tax practitioners, the call centre was allocated the most responses (42 critical incidents, 32.56%, n = 129). The call centre for the tax practitioners was again separately identified (six critical incidents). The branch service channel was allocated 18 critical incidents (13.95%, n = 129) and the e-mail was allocated two critical incidents (1.55%, n = 129). E-filing was not mentioned in the consistency service attribute, possibly because of the standardised electronic processes that apply in the electronic environment.

Table 5.13: Consistency per service channel

Service channel	Positive	Negative	Total
General	2	44	46
Call centre	2	40	42
Branch	1	17	18
E-mail	0	2	2

The tax practitioners also listed the business processes under the consistency service attribute. All the different business processes, except the dispute resolution process and tax related queries, were commented on. This is obvious, as the outcome of these two business processes cannot be consistent and would usually differ from taxpayer to taxpayer. The fact that no responses on this aspect were received can be regarded as an acknowledgement by the tax practitioners that these processes cannot be standardised. The consistency or lack thereof in the tax registration process (six critical incidents, 4.65%, n = 129) and the tax refund process (four critical incidents, 3.10%, n = 129) was allocated the highest number of critical incidents. One tax practitioner mentioned, for example, that his practice applies for a VAT registration at least five times every month and that in his experience the requirements regarding how the paperwork should be submitted are never the same.

Table 5.14: Consistency per business process

Business process	Positive	Negative	Total
Tax registration	0	6	6
Tax refund	0	4	4
General	1	3	4
Tax clearance	0	3	3
Tax assessment	0	2	2
Tax payment	0	1	1
Tax return	0	1	1

The responses for the service channels related mainly to inconsistent responses received from employees of SARS. They did not include responses on the inconsistency of the obligations that taxpayers must comply with. By contrast, the responses relating to the business processes also included inconsistency in the requirements for a particular business process, including inconsistency of taxpayer obligations. The SARS Service Charter does not address the issue of consistency and only attempts to solve the

assurance or certainty issue (that is to say, that taxpayers will know what is required of them). Nor does it specifically state that what is required from taxpayers will always be the same (SARS 2006f:3). It is assumed that SARS has the right to change its requirements for a specific business process and, provided that this is communicated properly to the tax practitioners, this should not pose any problems. The message that emerges from the responses is that there are some requirements that are legally imposed that are usually certain, but that the operational application of some of the business processes requires different practical applications. It should be noted that, although some responses referred to the inconsistent actions of employees and others referred to inconsistent business processes, legal requirements for business processes are enforced by employees and the perception of inconsistent business processes would thus actually also relate to inconsistent actions by employees.

Conclusion 5.23:

Under the assurance determinant, the service quality model should include a question to evaluate whether SARS's employees always deal consistently with the same service aspect.

5.9.5 Physical safety

For the purposes of the present research, the definition of assurance includes "the ability of the physical resources and operational processes to convey trust". The physical safety service attribute can be regarded as the trust that is conveyed by the physical resources. It should therefore be part of the assurance determinant. The physical safety service attribute is also included in the assurance determinant in the questions in the SERVQUAL model. There it refers to the extent that a tax practitioner will "feel safe in … dealings with" the service provider.

The physical safety service attribute contributes to the functional service quality of SARS. It only attracted two responses (0.05%, n = 4 183). One of the critical incidents was positive and the other was negative. Both related to personal security at branch offices: the positive response related to the new Garsfontein branch, while the negative response related to the Pretoria City branch. Given that the crime rate in South Africa is extremely high, the fact that these two critical incidents were mentioned by two separate respondents may indicate the relevance of this service attribute to the service quality model.

Conclusion 5.24:

Under the assurance determinant, the service quality model should include a question to determine whether tax practitioners feel physically safe during their interactions with SARS at the branches.

5.9.6 Confidentiality

The phrase "feel safe in its dealings" in the SERVQUAL model was divided into two separate service attributes in the present research. The first is the physical safety attribute (see Section 5.9.5, above). The second is the confidentiality service attribute.

Only 12 critical incidents, of which two (16.67%, n = 12) were positive and ten (83.33%, n = 12) were negative, were allocated to the service attribute that relates to the confidentiality or security of the personal information of a taxpayer. These were mostly negative critical incidents that related to the security checks by the call centre or e-filing consultants. It should be remembered that confidentiality would usually protect only the taxpayer. Although the taxpayer might appreciate security checks or measures to ensure confidentiality, the tax practitioner would possibly feel frustrated by these same measures. The SARS Service Charter (2006f:3) states that if a representative is dealing with a taxpayer's tax affairs, it is vital that the taxpayer ensure that SARS is informed of this fact. If SARS is therefore duly informed, SARS should have in place a user-friendly verification procedure for tax practitioners.

Conclusion 5.25:

Under the assurance determinant, the service quality model should include a question to determine whether tax practitioners are satisfied with the verification procedures required before taxpayer information is provided to the tax practitioners.

Another aspect specifically mentioned in the SARS Service Charter (2006f:4) is that discussions with SARS can be conducted in a private environment, where preferred. This service attribute was not specifically mentioned by the tax practitioners and should therefore be considered under the specific promises made by SARS about service attributes that are part of the reliability service determinant (see Section 5.11.4, below).

5.10 DETAILED ANALYSIS OF THE EMPATHY SERVICE DETERMINANT

The service determinant for which the second highest number of critical incidents was reported was the empathy determinant. Parasuraman *et al*. (1988:23) define empathy as the "caring, individualized attention the firm provides [to] its customers".

Schneider and White (2004:33) are of the opinion that the attitudes and behaviour service determinant of Grönroos (1988), which they partly define as the sense that "customers feel that the contact persons are concerned about them and are genuinely interested in solving their problems", reflects the same notion of caring for the customer. Another determinant, identified by Grönroos (1988:13) as the accessibility and flexibility determinant, also includes aspects relevant to the empathy determinant in the present research. He defines this determinant as the sense that customers have "that the service provider, its location, operating hours, employees and operational systems are designed and operate so that it is easy to gain access to the service and so that they are prepared to adjust to the demands and wishes of the customer in a flexible way" (process-related criteria). SARS also focuses on accessibility, stating in its Service Charter that tax practitioners can expect SARS to be accessible through its call centre and walk-in centres (SARS 2006f).

Becker and Wellins (1990:49) define various service determinants, of which the definitions of customer sensitivity (recognising and showing concern for customers), decisiveness (being willing to make decisions and take action aimed at addressing customer needs), flexibility (changing service style) and judgement (adopting suitable approaches to address customers' needs) appear to be relevant to the empathy service determinant.

When the different definitions relating to empathy are compared, not only with the empathy definition in SERVQUAL, but also with the questions included under the empathy section in SERVQUAL (refer to Table 5.15), then the definitions appear to be very similar, apart from two additional aspects that emerge from Grönroos's (1988) definitions. These two aspects are the convenience of the location and the user-friendliness of operational systems. Both these aspects relate closely to the caring principle of the empathy determinant.

Table 5.15: Summarised definitions of the empathy determinant

Grönroos (1988)	**Different aspects in SERVQUAL**	**Becker & Wellins (1990:49)**
Concern about customer (attitude and behaviour definition)	Caring (Parasuraman *et al*. 1988:23)	Recognise and show concern for customer (customer sensitivity definition)
Flexibility and adaptability to individual needs (accessibility and flexibility definition) Solving of individual problems (attitude and behaviour definition)	Individualised attention (Parasuraman *et al*. 1988:23). Personalised attention, having the customers' best interests at heart and understanding specific needs (Parasuraman *et al*. 1991a:447) Four specific questions in SERVQUAL – Questions E18, E20, E21, E22	Willing to make decisions and take action aimed at addressing customer needs (decisiveness definition) Changing own service style based on the customers' needs (flexibility definition) Develop effective approaches to address customers' needs (judgement definition)
Convenient operating hours	Convenient operating hours (Parasuraman *et al*. 1991a:447) Question E19 in SERVQUAL	Not mentioned by Becker & Wellins (1990)
Convenient location	Convenience of location not mentioned in SERVQUAL	Convenience of location not mentioned by Becker & Wellins (1990)
User-friendliness of operational systems	User-friendliness of operational systems not mentioned in SERVQUAL	User-friendliness of operational systems not mentioned by Becker & Wellins (1990)

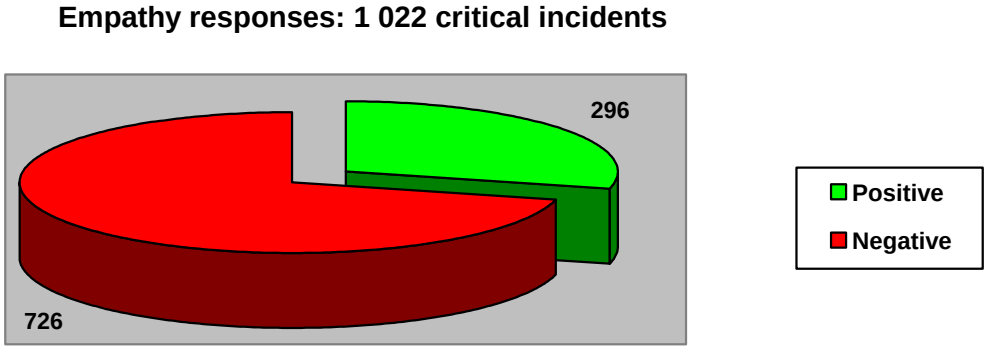
The definition of the empathy determinant for the present research is derived from the above definitions. It focuses on the caring and individualized attention SARS provides to the tax practitioners and includes tax practitioners' sense that SARS's

- location;
- operating hours; and
- employees and operational systems

are designed and operate so that it is easy to gain access to the service and that SARS is prepared to adjust to the demands and wishes of tax practitioners in a flexible way.

The empathy determinant attracted 1 022 responses (24.43%, n = 4 183), of which 296 (28.96%, n = 1 022) contained positive critical incidents and 726 (71.04%, n = 1 022) contained negative critical incidents.

Figure 5.9: Incidence of positive and negative critical incidents for the empathy determinant



The empathy determinant responses were allocated to the following service attributes:

- waiting time – 396 critical incidents (38.75%, n = 1 022);
- communication – 363 critical incidents (35.52%, n = 1 022);
- adaptability to taxpayers' needs – 96 critical incidents (9.39%, n = 1 022);
- user-friendliness – 87 critical incidents (8.51%, n = 1 022);
- assistance – 33 critical incidents (3.23%, n = 1 022);
- one-stop service – 32 critical incidents (3.13%, n = 1 022);
- convenience of location – ten critical incidents (0.98%, n = 1 022); and
- convenience of operating hours – five critical incidents (0.49%, n = 1 022).

Table 5.16: Service attributes for empathy service determinant

Service attribute	Negative	Positive	Total
Waiting time	311	85	396
Communication	233	130	363
Adaptability to taxpayers' needs	44	52	96
User-friendliness	77	10	87
Assistance	24	9	33
One-stop service	28	4	32
Convenience of location	6	4	10
Convenience of operating hours	3	2	5

5.10.1 Waiting time

The waiting time service attribute was originally classified under the access service determinant, which was one of the original ten service determinants identified by

Parasuraman *et al*. (1985:47). When Parasuraman *et al*. (1988) reduced the original ten determinants to only five determinants, the access determinant disappeared, but they did not specify into what determinant the access determinant was absorbed. However, Parasuraman *et al*. (1988:23) stated that the assurance and empathy determinants absorbed, *inter alia*, the original access determinant. As (reduced) waiting time clearly reflect caring for tax practitioners, it appears to be more logical to assume that the access determinant was absorbed by the empathy determinant rather than by the assurance determinant. Because caring for the customer is the main theme of the empathy service determinant, a service provider that cares for its customers respects their time constraints. While the speed of performing the service can be classified under the responsiveness service determinant (see Section 5.8.1, above), the waiting time before being attended to can be classified under the empathy service determinant. The waiting time service determinant relates to the functional quality of the services of SARS.

Apart from the inclusion of waiting time in the original ten service determinants noted by Parasuraman *et al*. (1985:47), waiting time was not specifically included in any other study. This suggests that the other studies possibly included waiting time in the responsiveness service determinant and did not split it into the speed of performing the service and the waiting time. The reason for this might be, for example, in the retail industry, that the total service is usually provided while the customer is present. However, this is not the case with SARS, where some services are performed when the tax practitioner is not present.

This waiting time service attribute refers to situations where the productive time of the tax practitioner is wasted while waiting for the service to be completed. It does not refer to situations where the tax practitioner waits for responses by SARS where the waiting time does not necessarily directly affect the tax practitioner's capacity to continue his or her work. Waiting in a queue at a branch limits the capacity to do other work, but waiting, for example, for a response through e-mail or a fax does not directly affect a tax practitioner's capacity to do other work. It is acknowledged that any waiting time will affect a tax practitioner's ability to be effective in performing his or her work, but only the actual unproductive time lost by a tax practitioner while waiting for service was allocated to this service attribute.

The waiting time service attribute is also addressed in the SARS Service Charter (SARS 2006f:3), where SARS commits itself publicly to

- answer 90% of calls by taxpayers within 20 seconds; and
- attend to 95% of visitors to a SARS branch office within 15 minutes of arrival (without an appointment).

The service attribute in the empathy service determinant of waiting time before being attended to attracted the most responses (396 responses, 38.75%, n = 1 022), of which 85 (21.46%, n = 396) contained positive critical incidents and 311 (78.54%, n = 396) contained negative critical incidents. The number of negative responses was much higher than the proportion of the average number of negative responses in the study as a whole.

In this service attribute, apart from the general service channel allocations (which attracted 94 responses for the reference to specific service channels), the branch office attracted the highest number of responses (153 critical incidents, 38.64%, n = 396), with the call centre in second place, with 149 critical incidents (37.63%, n = 396). The critical incidents related to the call centre included those related to the designated call centre for the tax practitioners (listed 22 times). The e-filing call centre was listed three times.

Table 5.17: Waiting time responses per service channel

Service channel	Negative	Positive	Total
Branch	134	19	153
Call centre	120	29	149
General	58	36	94

Conclusion 5.26:

Under the empathy determinant, the service quality model should include a question to determine the perceptions of tax practitioners with regard to waiting time before they are served at the

- *branches; and*
- *call centres (including the normal, tax practitioners' and e-filing call centres).*

Also included in the responses classified under the waiting time service attribute were 12 responses that specifically referred to appointments with SARS. Eight of these responses (three positive and five negative) referred to the need to make appointments with SARS or

expressed appreciation for the option of making appointments with SARS. Another five critical incidents (three positive and two negative) related to the punctuality of SARS officials when appointments were scheduled. The SARS Service Charter (2006f:3) states that SARS aims to be available at the scheduled time if a tax practitioner has made an appointment.

Conclusion 5.27:

Under the empathy determinant, the service quality model should include a question to determine whether SARS officials are available at the scheduled time when a tax practitioner has a scheduled appointment.

5.10.2 Communication

Becker and Wellins (1990:49) define communication as the ability to "clearly express [one]self (verbally or in written form) when communicating with customers". Parasuraman *et al*. (1985:47) define communication as "keeping customers informed in a language they can understand and listening to them. It may mean that the company has to adjust its language for different consumers – increasing the level of sophistication with a well-educated customer and speaking simply and plainly with a novice". For the purposes of the present research, the communication service attribute refers mainly to communication with tax practitioners in a language they can understand to keep them informed and to listen to their needs. The communication service attribute also includes a reference to particular communication processes within SARS. The communication service attribute attracted comments on 363 critical incidents, of which 130 (35.82%, n = 363) were positive and 233 (64.18%, n = 363) were negative. The communication service attribute contributes to the functional service quality of the services of SARS.

Initially, the communication service attribute was regarded as a separate service determinant in the classification scheme of the present research. Communication was identified as a separate service determinant in the original ten determinants of Parasuraman *et al*. (1985:47) and also in Becker and Wellins's (1990) model. However, in their refinement of the SERVQUAL instrument, Parasuraman *et al*. (1991a) did not identify communication as a separate service determinant. Instead, they indicated that the new assurance and empathy determinants contain elements of the original communication service determinant. The results of Kang and James's (2004:274) study confirmed the five-factor structure of the SERVQUAL instrument. It was therefore decided not to regard

communication as a separate service determinant for the purposes of the present research, but to include the results regarding communication in the relevant service determinant to which they are most closely related. The SERVQUAL model does not include any particular question that specifically relates to communication. However, SERVQUAL does include one general question that relates to the understanding of the taxpayers' needs and this question is classified as part of the empathy service determinant.

The critical incidents that were allocated to communication were also analysed and they indicated that communication could be classified as part of the empathy determinant, because it relates mainly to either communication with SARS (so that SARS can understand the specific needs of the tax practitioner concerned) or to the communication processes of SARS to ensure that the tax practitioner is informed when changes are made. The following service aspects were directly linked with communication and were therefore included in the empathy service determinant:

- communication process – 179 critical incidents (49.31%, n = 363);
- direct contact with operating employees – 128 critical incidents (35.26%, n = 363);
- communication skills of employees – 24 critical incidents (6.61%, n = 363);
- understandability of contact employees – 18 critical incidents (4.96%, n = 363);
- communication with wrong person – 12 critical incidents (3.31%, n = 363); and
- understandability of documentation – two critical incidents (0.55%, n = 363).

Table 5.18: Service aspects in the communication service attribute

Service aspect	Negative	Positive	Total
Communication process	94	85	179
Direct contact with operating employees	94	34	128
Communication skills of employees	15	9	24
Understandability of contact employees	16	2	18
Communication with wrong person	12	0	12
Understandability of documentation	2	0	2
Total	233	130	363

5.10.2.1 Communication process

The service aspect that attracted the highest number of critical incidents in the communication service attribute was “communication processes”. The communication process aspect of the communication service attribute focuses on the actual communication process. Of the responses in the communication service attribute, 179 (4.28%, n = 4 183) related to the communication process, of which 85 (47.49%, n = 179) were positive and 94 (52.51%, n = 179) were negative. These responses in the communication process could be divided into different aspects:

- the availability of different service channels – 67 critical incidents;
- designated service channels for tax practitioners – 40 critical incidents;
- interaction between SARS and tax practitioners – 68 critical incidents; and
- internal communication processes at SARS – four critical incidents.

(a) Availability of different service channels

Of the responses, 67 related to the willingness of SARS to use and to extend its various service channels (for example, the addition of the e-mail option, the addition of the service channel from SARS to the tax practitioner or taxpayer using the text messaging option and a greater willingness to send or receive faxes). This aspect of the communication process represents positive feedback with regard to the different communication media available. In order for SARS to be able to allocate its resources in such a way as to ensure that all these communication processes are effective, the service quality model might include a question that requests information on how frequently a particular tax practitioner uses the various service channels. The listed communication modes should include all the current service channels. The perceived effectiveness of each service channel should also be measured, as it may affect the use a tax practitioner makes of each channel. Although a practitioner may prefer a particular service channel, the perceived (in)effectiveness of that channel could result in the practitioner’s using that channel (or seeking alternative service channels that are more effective). It should be noted that reported frequencies of use do not necessarily reflect the importance of the service channel concerned.

Conclusion 5.28:

Under the empathy service determinant, the service quality model should include a question relating to the preference of the tax practitioner with regard to particular service channels. All the service channels should be listed and specific frequencies of use, as well as perceived effectiveness, should be measured.

(b) Designated service channels for tax practitioners

40 critical incidents related to the need for or appreciation of designated service channels for tax practitioners. This was relevant to the call centre, e-mail and the branches.

Conclusion 5.29:

Under the empathy service determinant, the service quality model should include a question to determine whether tax practitioners are provided with designated service channels (only for their use). This should be evaluated for the call centres (both the traditional and the e-filing call centres), e-mail and branches. The question might include the effectiveness of this strategy and whether the option should be available. (Although this service is already available, the fact that some respondents mentioned that it is required may indicate that the communication through the available channels is not as effective as it should be.)

(c) Interaction between SARS and tax practitioners

A total of 68 responses related to comments about a communication process that is not clear, or the perception is that it does not exist, does not work or is insufficient. Included in these responses were appreciation for and complaints about a lack of consultation when SARS makes changes with regard to any business process. These responses included 28 critical incidents that related to interactions that were required or appreciated between tax practitioners and SARS and SARS's willingness to assist tax practitioners through training or by attending meetings with them. The fact that tax practitioners perceived some communication processes not to be working or as not clear could be addressed by more interaction between the tax practitioners and SARS. All these responses can thus be regarded as relating to interaction between SARS and tax practitioners. These interactions flow in two directions, namely interaction by SARS with tax practitioners and interaction by tax practitioners with SARS, to ensure that the needs and problems of tax practitioners are understood and addressed.

Conclusion 5.30:

Under the empathy service determinant, the service quality model should include a question to determine whether communication or interaction with tax practitioners is sufficient to ensure that tax practitioners are always informed of any changes to the compliance procedures at SARS.

Conclusion 5.31:

Under the empathy service determinant, the service quality model should include a question to determine whether there are enough opportunities for tax practitioners to communicate any problems or needs to SARS.

(d) Internal communication processes at SARS

Four responses related to internal communication processes at SARS, for example, interaction and support between different departments or branches within SARS, or internal computer systems that are not linked to each other.

Conclusion 5.32:

Under the empathy service determinant, the service quality model should include a question to determine whether tax practitioners perceive SARS's internal communication processes to be effective.

5.10.2.2 Direct contact with operating employees

Another important aspect of the communication service attribute is the "direct contact with operating employees" (128 critical incidents, 3.06%, n = 4 183). Of these responses, 34 (26.56%, n = 128) were positive and 94 (73.44%, n = 128) were negative.

For the purposes of the present research, the term "operating employees" refers to employees who work in the business process divisions of SARS (the "back office") and not the contact employees (the "front office") staffing SARS's service channels. The term was also used by tax practitioners to include the more senior employees of SARS. Tax queries, for example, are usually channelled through the call centre, with no direct contact with the person dealing with that particular tax matter. This service aspect highlighted the needs or appreciation of tax practitioners with regard to direct contact with the SARS employees actually working on a particular tax file.

Although the purpose is not to analyse SARS's service quality at this point, it should be noted that there should be some investigation of why tax practitioners express a need for direct contact with operating employees. The fact that, in their responses, a lot of practitioners substituted the reference to an operating employee with "any senior member of staff who is knowledgeable and who could assist" may indicate that there is a perception that SARS fails to meet their service needs through the current service channels and that this contributes to their expressing this particular need. The deduction that they were not assisted through the other service channels was confirmed by the proportionally high number of negative responses received with regard to the knowledge of contact employees (see Section 5.9.1.1, above). The overall message received from the responses relating to this service aspect is that tax practitioners would prefer to have contact with a knowledgeable person who is able to assist them. To ensure that this service expectation is measured, the service quality model should initially also include a question about what tax practitioners prefer with regard to the specific employee at SARS who is allocated to assist them in their tax matters. It is, however, expected that the need for this question will decrease as the perception of the knowledge levels of the contact employees improves. If this is not the case, an unfavourable response to this service aspect may indicate a procedural problem within SARS.

The responses related to all the different business processes, but no preference was expressed with regard to a preferred service channel. Two responses that were allocated to this service aspect specifically indicated a desire for communication processes where the identity of the person with whom communication takes place is not concealed. This suggests that some tax practitioners do not like simply to communicate with SARS as an entity, but prefer to contact a specific person at SARS. This suggests that, apart from the fact that direct contact is required, the identity of the person with whom the contact takes place is also relevant. This was only relevant to the e-mail and postal service channels, but it may be assumed that it would also be relevant to faxes received from or sent to SARS.

Conclusion 5.33:

Under the empathy service determinant, the service quality model should include a question with regard to the acceptability of the particular person through whom communication with SARS is channelled. This question could be accompanied by a closed-ended question with two alternatives. The one alternative is the option to speak to the specific tax consultant dealing with the tax file of the client. The second option is to speak to any person who is knowledgeable and can assist the tax practitioner.

Conclusion 5.34:

Under the empathy service determinant, the service quality model should include a question to determine whether the identity of employees working with specific tax matters is disclosed.

5.10.2.3 Communication skills of employees

This aspect of the communication service attribute relates to the communication skills of employees. A total of 24 critical incidents (0.57%, n = 4 183), of which nine were positive and 15 were negative, were allocated to this service aspect. This service attribute included references (four critical incidents) to the communication skills of both the contact employees and senior employees. Both the service channels and the business processes were relevant to this service aspect, implying that both verbal communication skills (service channels) and written communication skills (business processes) are relevant.

Conclusion 5.35:

Under the empathy service determinant, the service quality model should include a question to determine the efficiency of both the verbal and the written communication skills of SARS employees. It is not advised that this should be split into the different service channels. The question should address communication skills in general.

5.10.2.4 Language ability of contact employees

This service aspect relates to the ability of the contact employees with regard to the language of communication. This service attribute therefore does not relate to the communication skills of contact employees, but to whether the communication is provided in the language of choice of the tax practitioners. This service aspect attracted responses reflecting 18 critical incidents (0.43%, n = 4 183), of which two (11.11%, n = 18) were positive and 16 (88.89%, n = 18) were negative. The language ability of contact employees was only relevant to the service channels at SARS and not for the business processes. South Africa currently has 11 official languages (excluding sign language) and it is therefore obvious that SARS would find it impossible to provide all its services fully in all these languages, but tax practitioners did express the need for specific languages of choice.

Conclusion 5.36:

Under the empathy service determinant, the service quality model should include a question to determine whether the contact employees at SARS communicate in a language that is fully understandable to the tax practitioners. The section dealing with demographic information should also include a question relating to the language of preference (or so-called home language) of the tax practitioner.

5.10.2.5 Communication with the wrong person

This aspect of the communication service attribute relates to the fact that SARS sometimes communicates with the wrong person, in the tax practitioners' views. A total of 12 critical incidents (0.29%, n = 4 183), all of which were negative, were allocated to this service aspect. For example, SARS occasionally telephones a taxpayer directly to request information with regard to a VAT registration application that was actually dealt with by the tax practitioner. Tax practitioners would prefer SARS to contact them directly if SARS requires anything with regard to their taxpayer clients. Because the objective of this qualitative study is to "build the lens of the customer", this aspect is important, even if SARS may have various reasons for preferring to contact the taxpayer directly under certain circumstances.

Conclusion 5.37:

Under the empathy service determinant, the service quality model should include a question to determine whether the communication by SARS is always with the appropriate person.

5.10.2.6 Understandability of documentation

Two critical incidents (0.05%, n = 4 183), both which were negative, related to the fact that tax practitioners would like to have the documents they receive from SARS in the language of their choice. Section 5.10.2.4 above relates to the understandability of contact employees (verbal communication), while this service aspect relates to the understandibility of documentation (written communication).

It appears that the language of choice is more important for synchronised communication (verbal communication) than for asynchronised communication (written communication). This is logical, as the meaning of the documents (asynchronised written communication) could be deduced with the use of a dictionary. This option is not available when a tax

practitioner speaks, for example, to a call centre consultant (synchronised verbal communication).

Conclusion 5.38:

Under the empathy service determinant, the service quality model should include a question to determine whether the written documentation or any tax form or return received from SARS is provided in a language fully understandable to the tax practitioners concerned.

5.10.3 Adaptability to taxpayers' needs

Two questions in the SERVQUAL model (Questions 21 and 22) that fall under the empathy service determinant relate to understanding the customers and to SARS's always having customers' best interests at heart while providing personal services. The adaptability to taxpayers' needs service attribute in the present research relates closely to these two questions. It assumes that, if it has the best interests of tax practitioners at heart, SARS will, as far as possible, try to adapt its services to the tax practitioners' needs. The SARS Service Charter (2006f:4) also specifically states that if a tax practitioner has special requirements, for example, as a result of a disability, SARS will endeavour to assist the practitioner as far as is reasonably possible. This service attribute contributes to SARS's functional quality.

The adaptability to taxpayers' needs service attribute attracted 96 responses (2.30%, n = 4 183), of which 52 (54.17%, n = 96) were positive and 44 (45.83%, n = 96) were negative. These critical incidents were again allocated to specific service aspects:

- continuous improvement of service offerings – 34 critical incidents;
- flexibility and compassion – 26 critical incidents;
- electronic payments – five critical incidents; and
- an alternative to a bank account – two critical incidents.

5.10.3.1 Continuous improvement of service offerings

The first category of critical incidents allocated to the adaptability to taxpayers' needs service attribute relates to aspects of services where tax practitioners perceived these services either to have improved or to require improvement. This category of response does not necessarily indicate that the service is performed at an acceptable level and

would not necessarily contribute to the development of specific questions for the service quality model, but it reveals that tax practitioners acknowledge that service quality improvement is a journey and that it is not achieved overnight. They are also of the opinion that SARS is progressing in the right direction and that tax practitioners note and appreciate service quality improvements. This service aspect could be assessed by evaluating whether the tax practitioners perceive SARS to be dynamic and continuously striving to improve its service offerings.

Conclusion 5.39:

Under the empathy service determinant, the service quality model should include a question to evaluate whether tax practitioners perceive SARS as dynamic and as continuously striving to improve its service offerings.

5.10.3.2 Flexibility and compassion

Apart from the general improvements, the specific aspect that was mentioned most frequently (26 critical incidents) related to the appreciation of or a need for flexibility and compassion. This service aspect relates to the ability to "think out of the box", to have a real understanding of business and to make exceptions when the situation at hand merits them. One respondent, for example, referred to the fact that the e-mail service channel could only deal with files smaller than two megabytes. The need for a temporary tax registration number was also mentioned by another respondent, because, as the responses clearly indicated, the turnaround time for tax (especially VAT) registrations was perceived to be unacceptably long.

Conclusion 5.40:

Under the empathy service determinant, the service quality model should include a question to determine whether SARS employees adapt to the particular individual needs of tax practitioners.

5.10.3.3 Electronic payments

The tax practitioners commented that only four banks can be used for EFT payments (two critical incidents). They pointed out that bank transfers are limited to only R500 000 (two critical incidents) and that it is problematic that the provisional tax payments on the EFT system have different codes, making it more difficult to allocate the different payments to the same beneficiary account.

Conclusion 5.41:

Under the empathy service determinant, the service quality model should include a question that tests the effectiveness of the EFT banking payment system.

5.10.3.4 Alternatives to a bank account

It is perceived to be problematic that every taxpayer must have a bank account (two critical incidents).

Conclusion 5.42:

Under the empathy service determinant, the service quality model should include a question that tests the practicality of the requirement that all taxpayers should have a bank account.

5.10.4 User-friendliness of documentation and business processes

A further aspect that was important to the responding tax practitioners is the user-friendliness service attribute (87 critical incidents, 8.51%, n = 1 022). The reference to SARS's operational systems in the context of the empathy determinant is to the processes involved in obtaining access to the service. The user-friendliness service attribute specifically relates to this, as it refers to the user-friendliness or burdensomeness of the processes that give access to SARS's services. It could also follow from the caring principle, which implies that the operational processes to be followed to gain access to the services of SARS should be as user-friendly as possible. The user-friendliness service attribute also includes the burdensomeness of processes or documentation which is perceived either to be a hindrance in the tax compliance process or to assist tax practitioners in performing their functions. However, this service attribute does not include the language in which communication (verbal or written) takes place. Although it is submitted that the language that is used could have an impact on user-friendliness, as perceived by a tax practitioner, this service aspect is included under the communication service attribute, which also falls under the empathy determinant (see Section 5.10.2, above).

The user-friendliness service attribute relates only to the different business processes and not to the service channels. Apart from references to the user-friendliness or lack thereof of general processes (26 responses), the tax registration process was listed as the most important aspect in relation to this service attribute. No fewer than 45 critical incidents

related to tax registrations. This includes 11 critical incidents that specifically related to the VAT registration process. The user-friendliness of tax returns (five critical incidents), the burdensomeness of account queries (four critical incidents), the dispute resolution process (three critical incidents), the updating or changing of information (three critical incidents), as well as tax assessments (one critical incident), were also listed separately by the respondents.

Table 5.19: User-friendliness responses per business process

Business process	Negative	Positive	Total
Tax registration	39	6	45
General	26	0	26
Tax return	4	1	5
Queries	3	1	4
Dispute resolution process	3	0	3
Updating of information	2	1	3
Tax assessment	0	1	1
Total	77	10	87

Conclusion 5.43:

Under the empathy service determinant, the service quality model should include a question that tests the user-friendliness or burdensomeness of the following SARS business processes:

- *tax registrations;*
- *tax returns;*
- *account queries;*
- *dispute resolution process;*
- *updating of information process; and*
- *tax assessments.*

5.10.5 One-stop service

The service attribute that relates to a one-stop service or the range of services offered through a particular service channel attracted 32 responses (3.13%, n = 1 022). The branches were the only service channel specifically mentioned under this service attribute. Specifically included in the responses were nine critical incidents that indicated that SARS's new business model has meant that tax practitioners were not able to resolve problems on a particular taxpayer's (client's) account through any of the SARS offices and

that tax practitioners sometimes had to go to the branch where the client resides or to the branch where the client is registered to address these problems. This also directly affected the perception of a need for a one-stop service so that all the queries could be resolved without having to visit several branches or use different service channels.

Conclusion 5.44:

Under the empathy service determinant, the service quality model should include a question that evaluates SARS's ability to provide a one-stop service at branches for all the services SARS renders.

With regard to the business processes, nine responses specifically referred to the fact that the same information must be supplied to SARS for the registration for various types of tax. SARS may therefore receive duplicate information for a particular taxpayer.

Conclusion 5.45:

Under the empathy service determinant, the service quality model should include a question that evaluates the degree of duplication of the information required to be submitted to various SARS divisions.

5.10.6 Assistance

The assistance service attribute attracted responses containing 33 critical incidents (3.23%, n = 1 022) in the classification scheme. This service attribute refers to assistance, prompts or requests from SARS to ensure or enhance successful service delivery. An example of this is when SARS sends a text message to remind a taxpayer to take the odometer reading of his or her vehicle for the purposes of claiming a travel allowance (14 critical incidents). Apart from these general text message responses, tax practitioners also identified a need for or highly appreciated the fact that they were contacted (either by means of a text message or a phone call) when something is or was missing on a registration form, rather than having to deal with a situation in which the whole form is rejected (18 critical incidents). One e-filing respondent experienced a problem with the e-filing – SARS requested a copy of the taxpayer's identity document and tax registration number to assist in solving the problems – a text message was sent to the taxpayer requesting the information. In addition, there was also a reference to frequently asked questions and the responses to them provided on the SARS website (one critical incident).

Conclusion 5.46:

Under the empathy service determinant, the service quality model should include a question that evaluates the degree of assistance received from SARS in ensuring successful service delivery.

5.10.7 Convenience of locations

In its Service Charter, SARS (2006f) states that tax practitioners can expect SARS to be accessible through its branches. Ten critical incidents (0.98%, n = 1 022) related to the (in)convenience of the location of SARS branches. Six of these responses were negative and four were positive.

Conclusion 5.47:

Under the empathy service determinant, the service quality model should include a question that evaluates the convenience of the location of the various SARS branches.

5.10.8 Convenience of operating hours

The last service attribute of the empathy determinant is the convenience of the operating hours at which services are rendered. This service attribute attracted five responses, three of which were positive and two of which were negative. One of the negative critical incidents related to the inconvenience of the operating hours of the branches. The other referred to the fact that a text message is sometimes sent to a tax practitioner at an inconvenient hour (in the middle of the night).

Conclusion 5.48:

Under the empathy service determinant, the service quality model should include a question that evaluates the convenience of SARS's operating hours.

5.11 DETAILED ANALYSIS OF THE RELIABILITY SERVICE DETERMINANT

Reliability relates to the ability to perform the **promised** service **dependably** and **accurately** (Parasuraman *et al*. 1986:14-15, 1988:23). Parasuraman, Zeithaml and Berry (1991b) use the word "dependably" in their definition of reliability. The *South African Concise Oxford Dictionary* (2005:311) defines "dependably" in such a way as to include trustworthiness. Berry *et al*. (1988:37) have a more refined definition and focus more on the ability to deliver services **as promised**.

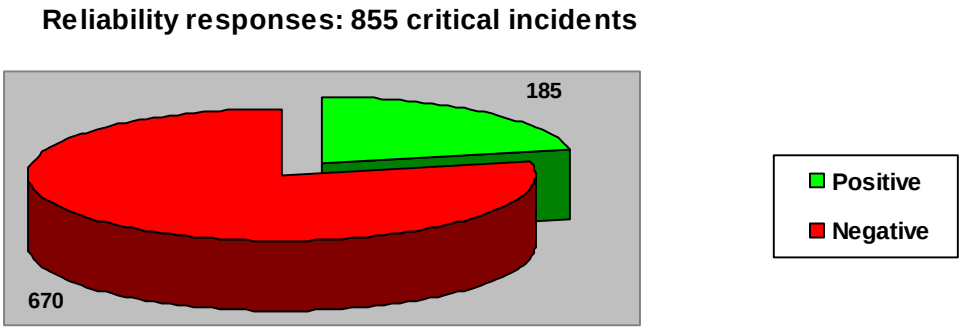
Grönroos (1988:13) defines what he refers to as reliability and trustworthiness as the fact that "the customers know that whatever takes place or has been agreed upon, they can rely on the service provider, its employees and **systems** to keep promises and perform with the best interest of the customers at heart (process-related criteria)" (own emphasis). Grönroos (1988) is more specific in his definition than Parasuraman and his co-researchers and also includes the reliability of the systems in ensuring successful service delivery.

For the purposes of the present research, the reliability determinant relates to the ability of SARS's employees and systems

- to perform services accurately; and
- to keep promises (trustworthiness).

The reliability determinant attracted responses containing the fourth highest number of critical incidents, namely 855 (20.44%, n = 4 183), of which 185 (21.64%, n = 855) were positive and 670 (78.36%, n = 855) were negative. The proportion of the positive responses was therefore very low for the reliability service determinant. The fact that some of the service attributes allocated under the reliability service determinant are by definition negative contributed to the high number of negative responses, but as the responses themselves also gave rise to the formulation of the definitions, more positive responses in relation to this service determinant would possibly have resulted in more neutral definitions for some of the service attributes.

Figure 5.10: Incidence of positive and negative critical incidents for the reliability determinant



The responses for the four different service attributes in the reliability service determinant were as follows:

- accurate service delivery – 766 critical incidents (89.59%, n = 855);
- adherence to specific promises made by SARS – 45 critical incidents (5.26%, n = 855);
- adherence to promises in general – 24 critical incidents (2.81%, n = 855); and
- software and systems – 20 critical incidents (2.34%, n = 855).

Table 5.20: Service attributes in the reliability determinant

Service attribute	Negative	Positive	Total
Accurate service delivery	603	163	766
Adherence to specific promises made by SARS	35	10	45
Adherence to promises in general	22	2	24
Software and systems	15	5	20

5.11.1 Accurate service delivery

The service attribute in the reliability determinant that attracted the highest number of critical incidents was accurate service delivery, namely 766 (18.31%, n = 4 183), of which 163 were positive (21.28%, n = 766) and 603 were negative (78.72%, n = 766). This service attribute attracted the highest number of critical incidents, not only in the reliability service determinant, but for all the different service attributes in all the service determinants identified in the present research. It could therefore be deduced that accurate service delivery is the most important service aspect for tax practitioners when

the quality of the service SARS renders is evaluated. This service attribute was subdivided into four different service aspects:

- accurate first-time service delivery;
- service recovery;
- service failures; and
- loss of documentation.

5.11.1.1 Accurate first-time service delivery

This service aspect related to SARS's ability to perform a service correctly the first time or to solve a query with the first enquiry. It attracted 355 critical incidents, of which 163 were positive (45.92%, n = 355) and 192 negative (54.08%, n = 355).

The initial SARS Service Charter (SARS 2005a:26) indicated that SARS aimed to reduce processing error rates to below 5% of the total volume. It specified the number of reductions in revised assessments (assessments not issued correctly the first time) and quantified the first-time query resolution of the call centre. It appears that the current SARS Service Charter (SARS 2006f) differs from the initial Service Charter (SARS 2005a) and that the current Charter provides for first-time resolution only in principle and does not quantify any goals in this regard. The current SARS Service Charter (SARS 2006f:4) stipulates that SARS aims to get every aspect of a tax practitioner's interaction with SARS right the first time by making the best possible use of all of the information available to SARS. The SARS Service Charter (SARS 2006f:3) also indicates that SARS aims to process taxpayer registrations accurately within ten working days and to process the payments accurately within five working days of receipt. These fixed time periods imply that the service should be performed correctly the first time, because the promise of the service delivery time frame does not provide for additional time for correcting errors.

It is submitted that this service attribute relates only to functional quality, as it reflects a characteristic of the service delivery process (the fact that the service is performed correctly is the technical outcome, but the focus of this service attribute is the fact that the service should be performed correctly on the first attempt). Grönroos (1988:13) also concluded that the reliability determinant contributes to the functional quality of service delivery.

The accurate first-time service delivery service attribute is relevant to both the business processes (162 critical incidents, 44.38% n = 365) and the service channels (203 critical incidents, 55.62% n= 365).

All the business processes were relevant to this service attribute. The business processes in general attracted comments containing the most critical incidents (80 critical incidents). With the business processes, it was considered to be important that SARS performed the service correctly the first time. For example, with tax assessments, it was vital to the responding tax practitioners that the return was captured correctly and that the tax assessment was correctly issued the first time (28 critical incidents). Among the responses on the tax assessment business process, three positive responses referred to the effectiveness of the tax assessment process when the practitioners concerned used e-filing. Comments on accurate registrations of taxpayers (22 critical incidents) included three critical incidents that specifically referred to the VAT registration process. Four critical incidents related to tax payments. The effectiveness and efficiency of payments made through e-filing were also mentioned.

The two critical incidents that were classified under the tax return business process related to the fact that SARS sometimes issues tax returns wrongly and to the fact the submission of tax returns using e-filing is working very well.

All the business processes should therefore be evaluated for their effectiveness. Specific service channels were seldom singled out as relevant to the accurate first-time service delivery of the mentioned business processes, but e-filing was relevant to the tax return, tax assessment and tax payment business processes. It was also found that the effectiveness of the VAT registrations should be evaluated separately from other types of tax registration.

Table 5.21: Accurate first-time service delivery per business process

Business processes	Negative	Positive	Total
General	54	26	80
Tax assessment	22	6	28
Tax registration	14	8	22
Dispute resolution process	5	9	14
Tax payment	4	2	6
Tax refund	3	2	5
Tax clearance	5	0	5
Tax return	1	1	2
Total	108	54	162

Conclusion 5.49:

Under the reliability service determinant, the service quality model should include a question that evaluates SARS's ability to perform a service correctly the first time. This should be tested for all the different business processes. The tax assessment and tax return business processes should also be evaluated for both the traditional and e-service modes. The service quality model should thus include a question that evaluates the ability of SARS to deliver accurate first-time service solutions in

- *processing tax registrations –*
  - *specifically evaluating VAT registrations; and*
  - *evaluating other registrations (excluding VAT registrations);*
- *issuing tax returns –*
  - *when tax practitioners use traditional service modes; and*
  - *when tax practitioners use the e-service mode;*
- *processing and issuing tax assessments –*
  - *when tax practitioners use traditional service modes; and*
  - *when tax practitioners use the e-service mode;*
- *processing tax payments –*
  - *when tax practitioners use traditional service modes; and*
  - *when tax practitioners use the e-service mode;*
- *processing and paying tax refunds;*
- *processing and issuing tax clearance certificates; and*
- *processing objections and issuing answers to the objections.*

For the assessment of service channels, it was important that queries and similar matters communicated through the service channels were resolved during the first contact. Not being assisted during the first contact could mean, for example, either that the tax practitioner calling the call centre was transferred several times before a problem was resolved, or that the tax practitioner had to phone more than once before a problem was

resolved. The focus in commenting on the service channels in this context was therefore mainly related to communication by the tax practitioner with SARS.

Because some of the business processes – for example, the answering of taxpayer-related queries (32 critical incidents) – are only delivered through one of the relevant service channels (contact employees) and because the updating of taxpayer information (17 critical incidents) is also mainly performed by the contact employees, these functions were classified in the service channel category, even though these respondents did not refer to any particular service channel.

All the service channels, except the text messaging and electronic tax payment options, were considered relevant to this service attribute. Again the text messaging was only a one-way communication from SARS to the taxpayer. There was no indication that the text messaging messages did not convey the correct messages when they were received. Electronic payments were also not relevant, as they are under the control of the tax practitioner concerned and his or her bank.

Apart from the service channels in general (55 critical incidents), the branch as a service channel was mentioned most frequently (42 critical incidents), followed closely by the call centre, with 41 critical incidents. Of the responses that related to the call centre, 11 specifically referred to the designated call centre for the tax practitioners. The 11 responses relating to accurate service delivery through e-mail also included specific reference to the e-filing e-mail. None of the responses specifically referred to the call centre for the e-services, but ten critical incidents included in the service failure service attribute (see Section 5.11.1.3, below) referred to the e-filing call centre. Because Conclusion 5.52 (see Section 5.11.1.3, below) recommends that the testing of the accurate service delivery and service failure should be combined, it is recommended that the evaluation of the e-filing call centre should also be included in the accurate service delivery service attribute.

Table 5.22: Accurate first-time service delivery per service channel

Service channels	Negative	Positive	Total
General	26	29	55
Branch	13	29	42
Queries	15	17	32
Call centre	20	21	41
Updating information	15	2	17
E-mail	3	8	11
Fax	2	3	5
Total	94	109	203

Conclusion 5.50:

Under the reliability service determinant, the service quality model should include a question that evaluates SARS's ability to perform a service correctly the first time. This should be tested for the following service channels:

- *branches;*
- *call centres (including the designated tax practitioners' and e-filing call centres);*
- *e-mail facilities (including the e-filing e-mail); and*
- *fax or posted letters.*

5.11.1.2 Service recovery

Included in the responses allocated to the accurate service delivery attribute were ten critical incidents that related to the fact that SARS is perceived not to perform the service correctly the first time and that it is then difficult to get any errors corrected. All ten critical incidents were negative.

Grönroos (1988:13) identified "recovery" as a service determinant on its own. Schneider and White (2004) are also of the opinion that service recovery is an important aspect of the service delivery process and that it perhaps deserves to be studied as its own determinant, as was suggested by Grönroos (1988). Grönroos (1988:13) classifies service recovery as part of the functional quality.

For the purposes of the present research, the recovery aspect was not dealt with as a service determinant of its own. However, because ten critical incidents related to this

aspect, it is recommended that a separate question should be included in the service quality model that specifically deals with SARS's capabilities in service recovery situations.

Conclusion 5.51:

Under the reliability service determinant, the service quality model should include a question that evaluates SARS's ability to put in place an effective system to ensure successful service recovery when SARS makes any errors.

5.11.1.3 Service failures

Service failures refers to a service aspect in the accurate service delivery service attribute. It received a very high number of critical incidents, namely 295 (7.05%, n = 4 183). Service failures could be distinguished from another service aspect discussed earlier (accurate first-time service delivery), because in that service aspect, the service is eventually performed, although it may not always be performed accurately on the first attempt. Most of the other service attributes were worded objectively, but this service aspect provided only for negative critical incidents. Hence, when there was no service failure, this was either not mentioned in these responses, or the fact that the service was or was not performed correctly the first time was allocated to the previous service aspect.

In total, 74 critical incidents specifically related to the service failures of business processes and therefore confirmed Conclusion 5.49 (above) that the accurate service delivery of the business processes should be evaluated.

Apart from the responses that related to business processes, the service channels appeared to be highly relevant to this service aspect. With regard to specific service channels, the responding tax practitioners perceived the call centre (85 critical incidents, 28.81%, n = 295) to be a waste of time, as they either could not get through or were cut off or were not helped even when they did get through. Included in the responses were ten critical incidents that mentioned that it is a waste of time to use the e-filing call centre. The designated call centre for the tax practitioners was again listed separately. Seven of the critical incidents were allocated to it. Apart from the aspects specifically mentioned for the call centre, another 106 critical incidents related to other service channels. An additional 30 critical incidents related to the fact that the respondents perceived SARS to be understaffed – this applied mainly to the branches. These responses therefore confirmed

Conclusion 5.50 (above), that accurate service delivery by specific service channels is important in the service quality model.

The results for this service aspect can therefore be combined with the "accurate first-time service delivery" service aspect. They may contribute to the importance of the accurate service delivery service determinant. The outcome of this service aspect – the fact that there was a perception that no service delivery took place – could be adjusted with additional attempts, as service delivery should eventually take place, even if it is years after the initial attempt. It can therefore be argued that the matter of "accurate first-time service delivery" and the service failures lie on a service delivery continuum, with these two service aspects constituting the two opposite ends on the continuum (service failures at the one end if no service was delivered and accurate first-time service delivery at the other end of the continuum when the service was rendered accurately the first time).

Conclusion 5.52:

The question that evaluates accurate first-time service delivery should provide for different scales in the measuring instrument. One end of the scale should reflect accurate first-time service delivery and the other end of the scale should reflect total service failure. This should be included for all the different business processes and service channels relevant to the accurate first-time service delivery service attribute, but should also include the e-filing call centre service channel.

It should again be noted that the service evaluations at this stage are not meant to reflect the service quality of SARS, but are only an attempt to identify important service determinants and service attributes to develop a service quality model. The responses on service failure are perceptions expressed by tax practitioners – it should be assumed that all the procedural requirements were met by the practitioners themselves in order for them to arrive at this conclusion. When the actual evaluation of the service quality is performed, care should be taken to ensure that the assumption that all the requirements were in fact met by the tax practitioners is true. Additional independent information in this regard should be obtained from SARS.

5.11.1.4 Loss of documents

Another service aspect that is listed separately on the classification schedule, but that is linked to the reliability service determinant, is the loss of documentation submitted with or without an acknowledgement of receipt of such documentation by SARS. The loss of

documentation directly affects SARS's ability to deliver a particular service accurately and was therefore classified under the accurate service delivery service attribute. The loss of documents service aspect was allocated 106 critical incidents (2.53%, n = 4 183), all of which were negative. Although the definition of this service aspect contributed to the fact that all the critical incidents that were classified under this service aspect were negative, none of the other responses mentioned that SARS did not lose documentation submitted to it. It may therefore be argued that tax practitioners operate on the expectation that documents should not be lost by SARS. The loss of documents service aspect contributes to the functional quality of the service in that it complicates the process to be followed by the tax practitioner to ensure successful service delivery.

The loss of documents service aspect was relevant to documents submitted through all the service channels, but the various business processes were also mentioned. Because documents can get lost either while they are in the service channel (for example, at the branch), or while processing is in progress (for example, during the VAT registration business process), a tax practitioner is usually not able to pinpoint where the documents were lost. It is therefore recommended that the loss of documentation should only be evaluated in general.

Although one negative response related specifically to e-filing, it can be argued that this critical incident may refer to a situation where there were problems with the submission of documents through e-filing, as an electronic filing system is regarded as one of the advantages of e-filing. It is therefore not clear how documents that are correctly submitted could be lost. Therefore, it is recommended that e-filing should not be included in the general question relating to the loss of documentation.

Conclusion 5.53:

Under the reliability service determinant, the service quality model should include a question to evaluate whether documents are lost by SARS after they have been submitted.

5.11.2 Adherence to specific promises made by SARS

The next service attribute in the reliability determinant is the extent to which SARS adheres to its own time requirements (dates) as promised. Currently, promises can either be legally imposed, as with the time limits set to respond in the alternative dispute

resolution process (ADR) or can be promises made by SARS itself. The SARS Service Charter lists the time frames and service standards SARS has specifically undertaken to adhere to. This service attribute illustrates how important such adherence to promised time frames is to tax practitioners.

Only 45 critical incidents (1.08%, n = 4 183), of which ten (22.22%, n = 45) were positive and 35 (77.78%, n = 45) were negative, were allocated to this service attribute. This could indicate that although the promised or legally imposed dates are relevant, they are not regarded as very important by tax practitioners.

Considering that responsiveness (see Section 5.8, above) is the service determinant that attracted the second highest number of critical incidents, the fact that adherence to specific promises made by SARS was allocated only 45 critical incidents might be a very important aspect in developing the service quality model. This issue may underline the fact that it cannot be assumed that the specific promises made by SARS are optimal for tax practitioners. It might thus happen that SARS delivers a service only after the promised date, but within a time frame that is acceptable to tax practitioners or that it delivers a service within a time frame as promised, but that this time frame may still be too long for tax practitioners.

The longer the Service Charter is in existence, the more the time frames in the Charter itself will probably shape the timeframes expected by tax practitioners. Therefore this issue may become more relevant in future. For this reason it should continue to be included in the service quality model.

The SARS Service Charter lists general and specific promises that SARS should adhere to by the date indicated. Adherence to some of these promises is already included in the service quality model developed in the present research, but some may not yet be included. Table 5.23 summarises all the specific and general promises in the SARS Service Charter and also indicates whether adherence to these promises is already included in the proposed service quality model. To ensure that SARS's adherence to its own promises is measured fully, the service quality model should include questions to evaluate adherence to all the promises made by SARS.

Table 5.23: Detailed list of aspects of the SARS Service Charter

SARS Service Charter	Determinant	Service attribute (how is it dealt with in the service quality model)
However you contact us, we will endeavour to:		
- provide a clear, accurate and helpful response	Assurance Responsiveness	Technical knowledge of personnel Willingness of employees
- make clear what action you need to take next and by what date	Empathy (but not listed by respondents)	General promises made by SARS
- be courteous and professional at all times	Assurance	Politeness and friendliness of personnel
Our standards of service comprise the following:		
If you telephone us we aim to:		
- answer 90% of calls within 20 seconds	Empathy	Waiting time
- provide first-time resolution	Reliability	Accurate service delivery
- where first-time resolution is not possible, you can expect to be advised of the next steps by the call centre agent	Assurance	Knowledge and skills of employees
If you visit our walk-in centre we aim to:		
- attend to 95% of personal callers within 15 minutes of arrival (without an appointment); or	Empathy	Waiting time
- be available at the scheduled time if you have made an appointment	Empathy	Waiting time
If you write to us we aim to:		
- respond to 80% of all correspondence (physical and electronic) received within 21 working days of receipt	Responsiveness	Speed of performing the service
- where a resolution is not possible within a reasonable time, to inform you why it is not possible and when you can expect a full reply	Assurance	Progress status
When you submit your returns we aim to:		
- process and assess 80% of correctly completed and signed income tax returns within 90 working days from date of receipt during peak periods (July to February) and within 34 working days of receipt in off-peak periods (March to June)	Responsiveness	Speed of performing the service
- process VAT and PAYE returns within 20 working days of receipt	Responsiveness	Speed of performing the service
- process 90% of all electronically submitted export and import returns within 4 hours of receipt and within 24 hours of receipt of manual submissions	Responsiveness	Speed of performing the service

Note:		
If a representative is dealing with your tax affairs, it is vital that you ensure that we are informed thereof. This is to protect you and to ensure that we do not compromise your privacy and confidentiality.	Assurance	Confidentiality
If a refund is due and owing to you, we aim to:		
- process VAT refunds within 21 working days of receipt	Responsiveness	Speed of performing the service
- process income tax refunds within 30 working days from the assessment date	Responsiveness	Speed of performing the service
- where a refund is subject to review, you will be notified within 30 working days	Assurance	Progress report
When you register or make any payment, we aim to:		
- process your registration accurately within 10 working days	Responsiveness Reliability	Speed of performing the service Accurate service delivery
- process the payment accurately within 5 working days of receipt	Responsiveness Reliability	Speed of performing the service Accurate service delivery
In addition we aim to:		
- get every aspect of your interaction with SARS right the first time by making the best use of all of the information that is available to us	Reliability	Accurate service delivery
- deal with your enquiries and objections as expediently as possible	Responsiveness	Speed of performing the service
2.3 Privacy and confidentiality		
In handling your affairs we will:		
- deal with them on a strictly confidential basis, within the law	Assurance	Confidentiality, but found not to be relevant
- respect your privacy	Assurance	Confidentiality, but found not to be relevant
- arrange to conduct discussions in a private environment, where this is preferred	Assurance (but this was never mentioned by respondents)	Confidentiality
2.4 Any special requirements		
If you have special requirements, such as a disability for example, we will endeavour to assist as far as is reasonably possible.	Empathy	Adaptability

From Table 5.23, it is clear that most aspects listed in the SARS Service Charter are already addressed in sections of the service quality model.

Some sections are, however, not elsewhere dealt with in the model. Specific questions addressing these issues should be included in the service quality model. The following sections are not dealt with in the service quality model:

- irrespective of the way in which SARS is contacted, SARS aims to make it clear what action a tax practitioner needs to take next and by what date; and
- under the privacy and confidentiality section in the SARS Service Charter, the aim is to arrange for tax practitioners to conduct discussions in a private environment, where this is preferred (the phrase "when it is preferred" may indicate that the privacy must be requested – it should thus be assumed that the tax practitioner is aware of the possibility).

The above items should also be evaluated in separate questions.

Conclusion 5.54:

Under the assurance service determinant, the service quality model should provide for a question to determine whether tax practitioners are always informed of the required actions and due dates in order for them to fulfil their tax obligations.

Conclusion 5.55:

Under the assurance service determinant, and more specifically under the confidentiality service attribute, the service quality model should include a question to evaluate the availability of a private environment for a tax practitioner's interactions with SARS, when such an environment is preferred and requested.

5.11.3 Adherence to promises in general

The service attribute of adherence to promises in general differs from the previous service attribute, as it does not refer to time frames, but more to the general code of conduct of SARS. It also includes the actions required because of individual promises made by SARS employees. This service attribute attracted responses containing 24 critical incidents (0.57%, n = 4 183), of which two were positive (8.33%, n = 24) and 22 were negative (91.67%, n = 24). The positive responses for this service attribute were proportionally very low, compared with the results of the study as a whole.

The first part of this service attribute relates to promises as stipulated in SARS's general code of conduct. The source of these promises is, firstly, the code of conduct as published on SARS's website (www.sars.gov.za). For the present research, the promises that SARS makes in its published mission, vision and value statements represent such promises in general (SARS 2006a, 2006b). So, for example, as a value statement on its website, SARS states that it is committed "to providing excellent service to the public". This statement is repeated in SARS's strategic goals. Another aspect that is specifically included in SARS's value statement is that its "relationships, business processes and conduct are based on mutual trust and respect" – one respondent mentioned that the way SARS officials treat tax practitioners at branches does not correspond with the SARS Service Charter. Some of SARS's values were published in the SARS Service Charter, which therefore serves as a source the public could use to benchmark the general promises. The advertisements that SARS places in the media also convey a particular message to tax practitioners. The recorded message of "honesty, commitment, partnership" that practitioners hear while they are on hold when they telephoned a SARS call centre was also mentioned by some tax practitioners.

Originally, in the classification scheme, inequity was identified as a determinant on its own, but after closer analysis, the responses relating to inequity were classified under the reliability determinant's promises in the general service attribute. A total of nine responses were classified under inequity, four of which related to the perception that there is inequity between the payment and refund business processes at SARS. The other five responses related to inequity in the treatment of different taxpayers. The reason for incorporating these responses with the promises in general is that the values of SARS as published on the website state that SARS's "relationships, business processes and conduct are based on … equity and fairness …".

Conclusion 5.56:

Under the reliability determinant, the service quality model should include a question to determine whether tax practitioners perceive SARS to be abiding by its own code of conduct. The first part of the question should be a closed-ended question with the different levels of agreement as answer options. To assist SARS to identify problem areas, it may be useful to include an open-ended question eliciting a reason why a tax practitioner answered in the negative. An alternative would be to list the values referred to and to ask to what degree SARS adheres to them. In the latter case, a qualitative question can be avoided, but the questionnaire would be longer.

The second part of this service attribute relates to promises made by SARS employees. Becker and Wellins (1990:49) define what they refer to as “follow up” as delivering “in a timely and responsive manner on promises and commitments made to customers”. Several tax practitioners referred to the fact that they had been promised that someone would come back to them or perform a specific action, but that this had never happened. Apart from the general responses, this was specifically mentioned for the call centre attendants (six critical incidents) and the employees at the branches (two critical incidents).

Conclusion 5.57:

Under the reliability determinant, the service quality model should include a question to determine whether the employees of SARS at both the call centres and the branches always do something if they have promised to do so.

No items referring to the code of conduct are specifically included in the SERVQUAL scale. This item in the proposed model can be regarded as closely related to what Grönroos (1988:13) refers to as the reputation and credibility service determinant, which is image-related. Grönroos (1988:13) is of the opinion that the reputation and credibility service determinant fulfils a filtering function. To evaluate adherence to the code of conduct can be regarded as partly evaluating the reputation and credibility of SARS. This is the only item in the proposed service quality model that relates to the image dimension of the service quality.

5.11.4 Software

The term “software” relates to the programmes, procedures and any associated documentation pertaining to the operations of a data processing system (Gummesson 1992:192). Gummesson (1992:193) identifies software as a dimension on its own. For the purposes of the present research, consideration was given to specifically including a separate service determinant for software. However, the results of the content analysis indicated that the software aspects of the service could not always be separated from the outcome or other characteristics of the service. Respondents only mentioned that the tax assessments were not accurate, for example. They did not refer to the reasons for this. It therefore appears that, although software might be important for an evaluation of the service quality of an institution, the evaluation by the customers reflected that they

were more concerned with the outcomes of the service than with the processes (manual or electronic) that SARS followed to deliver those outcomes. The software dimension described by Gummesson (1992) may also be very closely related to what is now referred to as “e-services”, which are dealt with in more detail in Chapter 6.

The software service determinant was allocated 20 critical incidents (0.48%, n = 4 183), of which five (25%, n = 20) were positive and 15 (75%, n = 20) were negative.

The responses for the software service attribute related mainly to the business processes at SARS. Examples of two of the responses are:

- “Belastingaanslae het van jaar na jaar stelselfoute. Dit is weliswaar elke jaar ‘n ander fout, maar daar is elke jaar stelselfoute.” [“Year after year, tax assessments contain system errors. Admittedly, every year the errors are different ones, but there are system errors every year.”]
- “Due to SARS’ problems with their system we suffer the consequences of time delays etc.”

The responses were only allocated to the software service attribute if a respondent specifically mentioned the software or systems of SARS. The responses for the software service attribute could actually also be allocated to other service attributes. This may indicate that tax practitioners (clients) cannot really evaluate software in itself. This confirms that software should not be a dimension on its own. The critical incident with regard to the tax assessments that have system errors would, for example, result in inaccurate service delivery in respect of tax assessments, which could be classified under the service attribute of accurate service delivery. The time delays would probably be reflected in the turnaround time (responsiveness) of certain processes.

Although tax practitioners could provide a possible reason for their perception why the service outcome is influenced in a certain way, they can actually only evaluate the service outcome. SARS could then use these evaluations to identify and address any possible software shortcomings or errors.

Conclusion 5.58:

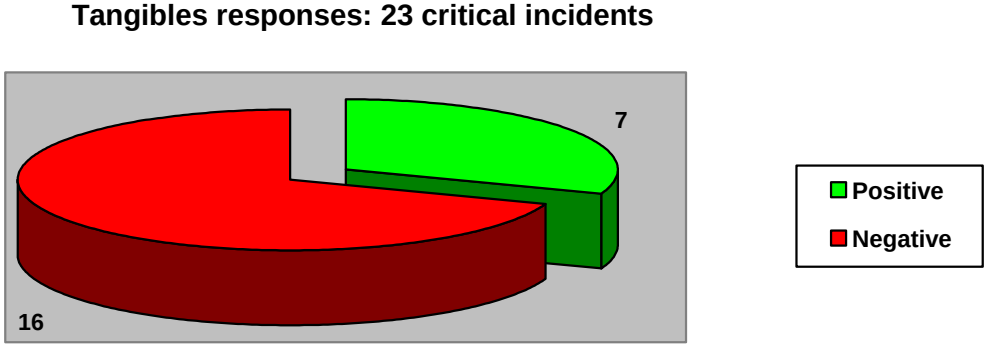
The service quality model for the traditional services should not include any evaluation of the software or systems SARS uses.

5.12 DETAILED ANALYSIS OF THE TANGIBLES SERVICE DETERMINANT

"Tangibles" is defined by Parasuraman *et al*. (1986:6-7) as the "appearance of physical facilities and employees". Only 23 critical incidents (0.55%, n = 4 183), of which seven were positive and 16 were negative, were classified as relating to the tangibles determinant.

The tangibles determinant attracted the lowest number of comments containing relevant critical incidents – a considerably lower number than the other determinants. The fact that tangibles as a determinant was allocated the lowest number of critical incidents is in line with the findings of Berry *et al*. (1988:37), who researched the importance of particular service determinants across various service settings. Both service attributes in the tangibles determinant contribute to the functional quality of a service encounter.

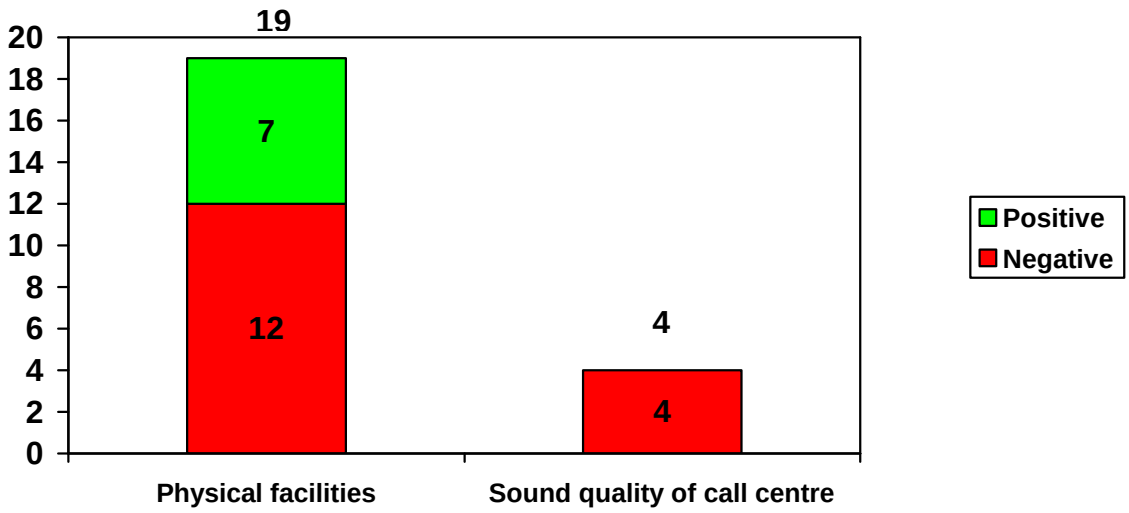
Figure 5.11: Incidence of positive and negative critical incidents for the tangibles determinant



The tangibles determinant was subdivided into two different service attributes:

- physical facilities – 19 critical incidents (82.61%, n = 23); and
- the sound quality of the call centre – four critical incidents (17.39%, n = 23).

Figure 5.12: Service attributes in the tangibles service determinant



5.12.1 Physical facilities

All 19 responses (0.45%, n = 4 183) allocated to the physical facilities related to the comfort, size, visual appeal and parking facilities of SARS branch offices. Two critical incidents also specifically related to the fact that there are drive-through facilities at some branches. One critical incident related to the level of comfort at the branches when one has to wait in a queue. Seven responses (36.84%, n = 19) were positive and 12 responses (63.16%, n = 19) were negative.

Conclusion 5.59:

Under the tangibles determinant, the service quality model should include a question to evaluate the comfort, size and visual appeal of the physical facilities at SARS branches.

5.12.2 Sound quality of the call centre

The sound quality of the call centre can also be classified as a service attribute in the tangibles determinant. Four critical incidents (0.1%, n = 4 183) related to the sound quality of the call centre. All four responses were negative. Two specifically related to the call centre for the tax practitioners. Although the e-filing call centre was not specifically mentioned by the respondents, there is no reason not to include all the different call centres of SARS when the sound quality of the call centres is evaluated.

Conclusion 5.60:

Under the tangibles determinant, the service quality model should include a question to evaluate the sound quality of the various call centres.

5.13 DETAILED ANALYSIS OF THE GENERAL SERVICE DETERMINANT

No specific service attribute was identified for the critical incidents that were classified under the general service determinant – they were classified as a general statement about the service quality of either a specific service channel or a specific business process.

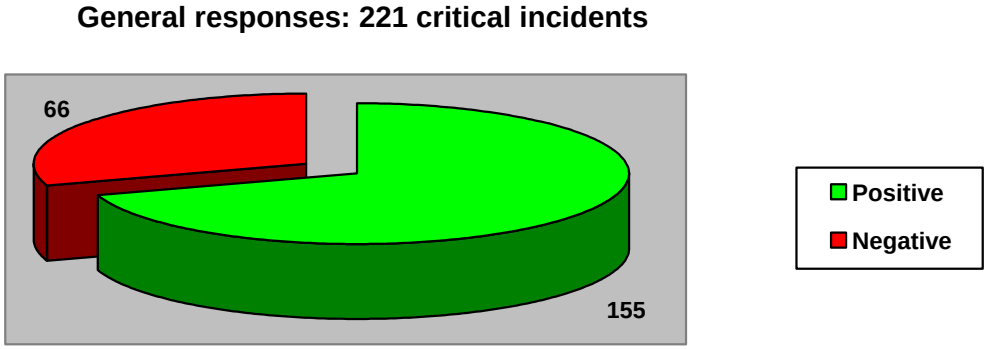
An example of one of the critical incidents in the general service attribute is “the call centre is very good”. The respondent did not indicate what about the call centre he or she regarded as very good. The interpretation could, for example, be that

- the service is fast (responsiveness);
- the call centre operator satisfied the individual needs of the tax practitioner (empathy);
- the service was delivered dependably and accurately (reliability);
- the call centre operator was polite and friendly (assurance determinant); or
- the sound quality of the call centre was very good (tangibles).

The only message that can be extracted from the above critical incident is that the call centre is working well for that particular tax practitioner, but it is not clear what the specific preferences for that specific tax practitioner are. As this critical incident was not specific enough to identify the correct service determinant for the classification, it was classified under general.

A total of 221 critical incidents (5.28%, n = 4 183) were classified under a general service determinant. Of the critical incidents, 155 (70.14%, n = 221) were positive and 66 (29.86%, n = 221) were negative.

Figure 5.13: Incidence of positive and negative critical incidents for the general traditional services



It is interesting to note that more positive responses were classified under the general service determinant than negative responses. This category also differed considerably in terms of the ratio of positive and negative responses for the overall traditional services, which was approximately 40% positive and 60% negative. This finding may indicate that the respondents commented more generally when they were happy with the quality of services, but that they were more specific in their comments when they experienced service quality problems.

Table 5.24: General responses per service channel

Service channel	Negative	Positive	Total
Call centre	11	32	43
Branch	12	25	37
Call centre (tax practitioners)	0	28	28
General	6	9	15
E-mail	0	8	8
E-mail (tax practitioners)	0	3	3
Fax	3	3	6
Post	1	3	4
Text messaging	1	0	1

Table 5.25: General responses per business process

Business processes	Negative	Positive	Total
General	21	10	31
Dispute resolution process	2	7	9
Tax return	1	6	7
Tax registration	2	5	7
Updating of information	2	4	6
Queries	2	4	6
Tax assessment	2	1	3
Tax payment	0	3	3
Tax refund	0	3	3
VAT registration	0	1	1

At this point, it is recommended that either global service attributes or detailed business processes and service channels should be measured in the proposed service quality model. The general determinant confirms the relevance of measuring the separate service channels and business processes. It even substantiates the measuring of the various alternatives within a specific service channel, for example, the specific call centre for tax practitioners. The various service determinants only received a few critical incidents for this specific service channel, but the fact that 28 respondents considered the call centre for tax practitioners to be very good (all 28 responses were positive) highlighted the importance of this service channel and supported the argument that this service channel should be evaluated separately from the normal call centre. The general service determinant therefore contributes by ensuring that all the relevant service channels or business processes that were regarded as working or not working are included in the service quality model under another service quality determinant.

Apart from measuring the detailed service determinants, Dabholkar *et al*. (2000) found that in addition to measuring the different components of a service, an additional global judgement is also required and should be added to the measuring instrument. The fact that the 46 critical incidents that were too general to be classified under a specific service determinant referred to either the general service channels (15 critical incidents) or the general business processes (31 critical incidents) supports the conclusion by Dabholkar *et al*. (2000) that a global evaluation of services should also be incorporated into a service quality model. The fact that the respondents' general comments were divided into the service channels and the business processes was mainly a consequence of the data instrument – it was divided into different questions that dealt with these two aspects separately (Questions 1 and 2 dealt with service channels and Questions 3 and 4 dealt

with the business processes) – and does not necessarily indicate that the global service quality evaluation should measure these two aspects separately.

An additional global assessment is therefore also recommended for the service quality model.

Conclusion 5.61:

Apart from the detailed aspects recommended for inclusion in the service quality model, an additional global judgement should also be incorporated.

5.14 SUMMARY

In this chapter, the results of the data gathered by means of a questionnaire and analysed using the critical incident technique were set out. A comprehensive range of service determinants and service attributes relevant to the service quality model were identified in relation to the traditional services, excluding the bulk of the e-services.

The traditional services represent only some of SARS's service offerings. The total service SARS offers also includes e-services. To be able to develop a service quality model that will evaluate all the services SARS offers to tax practitioners, the next chapter presents the results for the e-services.