

Service quality framework for the South African Revenue Service from the perspective of the tax practitioner

Madeleine Stiglingh

Professor and Head of Department

EMS 4-9

Economic and Management Science Building

Department of Taxation

University of Pretoria

Pretoria

South Africa

E-mail address: Madeleine.Stiglingh@up.ac.za

Tel: +27 12 420 3346

Highlights:

- Critical incidence technique applied in revenue agency setting
- Service quality determinants identified as perceived by tax practitioners
- Revenue agency service quality framework in South African context
- Qualitative validation of SERVQUAL in revenue agency setting

The objective of the present research was to propose a service quality framework regarding the service quality of the South African Revenue Service (SARS) from the perspective of the tax practitioner. In order to develop the specific “lens of the tax practitioner” regarding the service quality of SARS, an in-depth, qualitative approach was required to identify a comprehensive range of determinants that potentially drive service quality in the revenue service industry and setting. One such qualitative method is the critical incident technique, which relies on a set of procedures to collect comments on service experiences, to perform a content analysis and to classify the observations of service experiences. A process of natural language argument was used to convert the data analysis results and the relevant elements of the theory from the literature survey into the service determinants. This “lens of the tax practitioner” can be used as a basis

for developing a service quality measuring instrument that could measure the service quality of SARS from the perspective of the tax practitioner.

Keywords: Critical incidence technique, revenue agency, service quality, tax practitioner.

1. INTRODUCTION

Calls for businesses to pay attention to the quality of the service(s) they deliver to their customers have increased in the last few decades (Schneider & White, 2004; Zeithaml, Bitner & Gremler, 2012). As the community's expectations regarding the service(s) received from private sector organisations have grown, there has been a corresponding increase in people's expectations regarding the service(s) provided by the public sector (Dhillon & Bouwer, 2005). Since the start of the 21st century, revenue agencies worldwide have typically been the first public sector institutions to redefine the relationship between the government and the community (Stoke, Regan & Stauffer, 2005). Revenue agencies began to concentrate on improving external aspects – their relationship with clients and the service they provide to clients (Dhillon & Bouwer, 2005; Rettie, 2005; Stoke *et al.*, 2005). The Organisation for Economic Co-operation and Development (OECD) with 34 member countries that span the globe recently confirmed this move of revenue agencies to focus on client service. The OECD (2010a; 2011a; 2011b) stated that they are committed to improve taxpayer services and have reiterated their wish to see continuous improvement of these services in all their member countries.

The vision for the improvement of taxpayer services is also extended to tax practitioners as the OECD (2008) believes that more constructive relationships between revenue bodies and tax practitioners are the best way revenue agencies could respond to non-compliance encouragement activities of tax intermediaries. A revenue authority may also gain significant leverage in its compliance activities by building and sustaining relationships with tax practitioners (OECD, 2004; 2008; 2010b). Alliances with trusted intermediaries (for example tax practitioners) may be crucial to challenging community

attitudes and influencing taxpayer behavior and might allow for an integrated approach to addressing compliance issues and mutual support which greatly increase the chances of success of any given strategy (OECD, 2004). South Africa has been offered enhanced engagement with the OECD, but improved taxpayer (including tax practitioners) services would be one of the OECD standards that would be evaluated to determine whether South Africa would be eligible for future membership (OECD, 2011b).

As the new democracy birthed in 1994 in South Africa matured, the South African government adopted the “Batho Pele” principle (“Batho Pele” is the Sesotho term for “putting people first”). The South African Revenue Service (SARS) pioneered this shift toward a service ethic by adopting an enterprise-wide customer relationship management vision, the bastion of the reorganisation effort toward improving service delivery (Areff & Mabaso, 2005; Ensor & Temkin, 2002; Gordon, 2003).

In line with its new customer relationship management vision, SARS launched a specialised tax practitioners’ unit during 2006 that specifically focuses on increased service delivery to one of their customer groups, namely tax practitioners. SARS (2007) also indicated that it wants to form a strategic alliance with advisors and tax practitioners to ensure that they are provided with a differentiated service. Magashula (2010), the Commissioner of SARS also emphasised the importance of service quality in SARS interactions with tax practitioners and that SARS and the tax practitioners should be able to understand the world from each other’s perspective.

Although SARS embarked on a service quality journey, it admits in its annual report (SARS, 2011; 2005) that detailed and reliable tracking methodologies to determine service standards of SARS still require a lot of refinement. Two individual interviews with employees at the SARS head office in Pretoria, Mr Edward Kieswetter, the then General Manager: Operations (2006) and Ms Tasneem Carrim, Head: Communications (2006), revealed that SARS is still only in the planning phase of developing a strategy to measure its actual service levels.

The objective of this study was to propose a service quality framework of the **traditional services** rendered by SARS from the perspective of the tax practitioner. When SARS knows the service quality framework relevant to the tax practitioners, it becomes possible to identify how to manage service quality and how to influence it in a desired direction (Gaster & Squires, 2003; Grönroos, 1988; Palfrey, Phillips, Thomas & Edwards, 1992; Philip & Hazlett, 1997; Seth, Deshmukh & Vrat, 2005).

To derive at the objective a review of relevant service quality literature is provided first (section 2). Thereafter the research methodology followed in this study is explained (section 3). Section 4 proposes the service quality framework from the perspective of the tax practitioner and the last section concludes this study.

2. LITERATURE REVIEW

It is widely agreed that service quality depends on two variables: expected (desired) service and perceived service (Zeithaml *et al.*, 2012). Perceived service quality is the outcome of an evaluation process where the expected service is compared with the service received. Parasuraman, Zeithaml and Berry (1985) proposed a gaps model for service quality and identified five “gaps” within the organisation, namely the consumer expectation and management perception gap, the management perception and service quality specification gap, the service quality specifications and service delivery gap, the service delivery and external communications gap, and the expected service and perceived service gap. Speller and Ghobadian (1993) identified two additional internal gaps that might be relevant to the public sector, viz., the internal communication gap (the lack of empowerment and training of staff in delivering the service) and the contact staff perceptions gap (the failure to listen to contact staff about what the customers think of the service that has been delivered). The five gaps from Parasuraman *et al.*'s (1985) gaps model were refined by Zeithaml *et al.* (2012) as a customer gap and a provider gap. The customer gap is the difference between customer expectations and perceptions. To close the important customer gap Zeithaml *et al.*'s (2012) gaps model suggests that four other gaps – the provider gaps – needs to be closed. This article focuses on defining the customer gap – that is the gap between what tax practitioners

expect from the services rendered by SARS and their perception of the services actually rendered.

Service quality was defined mainly by means of service quality models. Two schools of thought emerged in the definition of service quality, namely the Scandinavian and American schools. In comparing service quality models, it was found that several of the models are equally suitable for different service settings, both in the private and public sectors.

The Scandinavian school defined service quality using categorical terms and divided the construct into different dimensions. Originally Grönroos (1984) identified three dimensions: the technical dimension (“what”), the functional dimension (“how”) and the corporate image. Gummesson (1992) listed software as a separate dimension, but for Grönroos (1984) software forms part of the technical, or even the functional dimension, depending on whether the software assists in performing the service (the technical dimension), or whether the software assists in delivering the service (the functional dimension). The importance of the use of software should not be ignored in defining or measuring service quality, but the user of a service who evaluates the technical dimension may not always be familiar with the methods used in deriving the end product of a service, whether these methods are manual or whether they involve the use of software applied in performing such a service – the result of the service is all that is visible to the user.

Rust and Olivier (1994) split the functional dimension into the service delivery (the sequence of events) and the service environment (the physical ambience of the service setting or tangibles). Brady and Cronin (2001) found empirical evidence in support of Rust and Olivier’s (1994) service quality dimensions. Kang and James (2004) found empirical evidence for Grönroos’s (1984; 1988) service quality dimensions. Philip and Hazlett (1997) split the functional dimension into the core and peripheral attributes, where the peripheral attributes are the extras designed to make the whole experience a delight for the consumer. Gaster and Squires (2003) defined service quality within the

public sector, and added a democratic dimension to Rust and Olivier's (1994) three-dimensional model.

The American school defined service quality using more descriptive terms and divided the construct into different determinants¹ (Parasuraman *et al.*, 1985; 1986; 1988; Parasuraman, Berry & Zeithaml, 1991). The determinants identified by Parasuraman *et al.* (1985, 1986; 1988) and Parasuraman *et al.* (1991) are tangibility, reliability, responsiveness, assurance and empathy. Reliability emerged as the most important and tangibility as the least important of these determinants. Haywood-Farmer (1988) found that the relevance of the various determinants differs, depending on the degree of service contact, interaction and labour intensity. Physical facilities (tangibles) are far more important with services that are low in labour intensity and service contact. Where the labour intensity (thus the service contact) increases, it is more important for the staff to behave appropriately and tangibility thus becomes less important.

A more recent development is the hierarchical approach to service quality. This approach integrates the previous two schools of thought in that it acknowledges that these schools do not only define service quality differently, but that the two schools in fact define different aspects of the service quality construct. Grönroos (1988) first classified six service determinants into his three-dimensional service quality model. Gummesson (1992) then listed service quality determinants for each of his service quality dimensions. He concluded that one determinant is valid for more than one dimension, but that the definition of a specific determinant might differ, depending on which dimension it is defined for. Brady and Cronin (2001) found both qualitative and empirical evidence that service quality is a multidimensional, hierarchical construct, as customers form their service quality perceptions on the basis of an evaluation of performance at multiple levels, and ultimately combine these evaluations to arrive at the overall service quality perception. Kang and James (2004) empirically tested Grönroos' (1984; 1988) service quality model and they agreed with Gummesson (1992) that all the SERVQUAL determinants are represented by a second-order latent quality. They

¹ The American school also divides the service quality construct into different dimensions. To be able to distinguish between the two different schools, the dimensions of the American school is renamed for the purposes of the article as being "determinants".

therefore also acknowledge the hierarchical approach. Zeithaml *et al.* (2012) are of the view that the Scandinavian school (or by some referred to as the Nordic school) focuses on “what” customers evaluate where the American school specifically look at the components of service that customers rely on in forming their judgements.

It was also found that the quality dimensions are interrelated. Grönroos (1984) argues that a bare minimum technical quality is always required, but that functional quality is the most important. He claimed that it could even compensate for temporary problems with the technical quality. According to Klaus (1985), congruence (initial social interaction) is the first condition of good service quality. Technical quality (which he refers to as task achievement) is the second condition to be met for achieving service quality. The final level is the psychological aspects (functional quality, excluding initial social interaction).

A service quality scale (SERVQUAL) based on their gaps model was developed by Parasuraman *et al.* (1985; 1986; 1988) and Parasuraman *et al.* (1991) and it suggests that when customers evaluate service quality they rely on experience properties – that is, all the determinants (excluding tangibles) that can be classified as part of the functional quality. The SERVQUAL scale is based on the assumption that reliability (the most important determinant they identified) depends largely on human performance.

Philip and Stewart (1999) found that the technical quality (referred to as the pivotal attribute or output of the service) is as important (or even more important) than the functional quality of the service. Kang and James (2004) are of the opinion that the importance of functional quality varies depending on the type of service. It was also found that the SERVQUAL scale’s determinants do not measure the technical quality of a service, but only its functional quality (Kang & James, 2004; Philip & Stewart, 1999). Philip and Stewart (1999) found that both the technical and the functional quality should be measured to be able to fully capture the service quality construct.

Services can also be divided into traditional services and electronic services. The difference between traditional and electronic services refers only to the method of service delivery and not to the service itself. **Traditional services** refer to all non-

internet or non-electronic customer interactions and experiences with suppliers (Parasuraman, Zeithaml & Malhotra, 2005). Santos (2003) developed an electronic service quality model that was never empirically tested. The model may, however, be relevant in that it acknowledges that electronic service quality is influenced by determinants that differ from traditional service quality. This study only focuses on the service quality of SARS as perceived by tax practitioners for the traditional services rendered by SARS and attempts to develop a service quality framework.

3. RESEARCH METHODOLOGY

In order to develop service quality frameworks or models, it is important to understand what customers are really looking for and what they evaluate (Grönroos, 1988). What is needed is a framework that describes how the quality of the services SARS provides is perceived by customers (tax practitioners) (Grönroos, 1984; Palfrey *et al.*, 1992; Philip & Hazlett, 1997). When the service provider (SARS) understands how the services will be evaluated by the tax practitioners, it will also be possible to identify how to manage these evaluations and how to influence them in the desired direction (Gaster & Squires, 2003; Grönroos, 1988; Seth *et al.*, 2005).

In order to develop the service quality framework needed to evaluate the traditional services SARS renders, an in-depth, qualitative approach was used to identify a comprehensive range of determinants that potentially drive service quality in the revenue service industry and setting, as suggested by Johnson and Gustafsson (2000). One such qualitative method is the critical incident technique (CIT). The critical incident technique relies on a set of procedures to collect comments on service experiences, to perform a content analysis and to classify the observations of service experiences. Several authors have tried to define the critical incident technique – they are generally of the opinion that this method does not consist of a single rigid set of rules governing data collection. They appear to agree that the method should rather be thought of as a flexible set of principles which should be modified and adapted to meet the specific situation at hand (Flanagan, 1954; Urquhart, Light, Thomas, Barker, Yeoman, Cooper, Armstrong, Fenton, Lonsdale & Spink, 2003).

The critical incident technique was chosen as the method to be used for building the service quality framework or “lens of the tax practitioner”² for the evaluation of the tax practitioner’s (customer) evaluation of the service quality of SARS. One of the advantages of the critical incident technique is that the context is developed entirely from the tax practitioner’s perspective and in his or her own words, and that the responses are not restricted to a limited set of variables or activities (Bitner, Booms & Tetreault, 1990; Gremler, 2004; Odekerken-Schröder, Van Birgelen, Lemmink, De Ruyter & Wetzels, 2000). An additional advantage is that critical incidents provide concrete areas for improvement from a tax practitioner’s point of view (Odekerken-Schröder *et al.*, 2000). It is further contended that the critical incident technique is not particularly culturally-bound and that there is no prior determination of what will be important (Gremler, 2004). Finally, the classification of critical incidents also allows for the identification of customer-defined service determinants, allowing more freedom in measuring service quality and preventing researchers’ “blind spots” (Odekerken-Schröder *et al.*, 2000). The critical incident technique is thus exactly what is required for building the “lens of the tax practitioner”. Bitner *et al.* (1990), Johnson and Gustafsson (2000) and Zeithaml *et al.* (2012) regard this technique as particularly well suited for this purpose.

The method itself appears to be a credible approach for service researchers to use, as virtually none of 168 studies investigated by Gremler (2004) have identified any substantial problems with the method itself. Odekerken-Schröder *et al.* (2000) found it useful to incorporate critical incidents in a relationship-oriented assessment of service quality. The focus groups whom Parasuraman *et al.* (1985) conducted for SERVQUAL, also employed the critical incident technique to elicit examples of when customers were satisfied with a service and when they were not (Schneider & White, 2004).

The critical incident data were collected by means of open-ended questionnaires which tax practitioners registered with SARS in terms of section 67A of the Income Tax Act

² The objective of the study is to propose a service quality framework as perceived by tax practitioners. This service quality framework could be regarded as the “lens of the tax practitioner”.

(Act No 58 of 1962) were asked to complete. For the sake of convenience and to gain access to the data base of tax practitioners registered with SARS, the web-based questions formed part of a larger data collection instrument administered by SARS. For the purposes of the study, the respondents were asked to evaluate the *service quality of SARS as perceived by the tax practitioners in all interactions with SARS*. Four open-ended questions were included in the questionnaire. In Question 1/(Question 2), the tax practitioner were requested to list the positive/(negative) experiences with regard to their interactions with the different service channels of SARS, namely

- at a local branch office,
- through a call centre,
- via e-mail,
- through e-filing,
- through SARS's website, and
- via post or fax.

In Question 3/(Question 4) the respondents were requested to list the positive/(negative) experiences with regard to the different business processes of SARS, namely

- tax registrations,
- submissions of tax returns,
- tax payments,
- tax refunds,
- account queries,
- updating of details,
- tax assessments, and
- dispute resolution process.

The total population of approximately 17 000 tax practitioners returned 811 completed questionnaires, which represents a response rate of approximately 5%. This response rate may be considered satisfactory, because the average response rate for questionnaires in marketing-related studies is often as low as 5% (McDaniel & Gates, 1996 in Odekerken-Schröder *et al.*, 2000) and because the purpose of open-ended

questions is to assist in an exploratory study. Gremler (2004) found that the average number of responses in 115 critical incident technique studies investigated was 341. In the current study, the 811 responses received may therefore be considered to be adequate.

The analysis of the responses provided by the tax practitioners involved three processes. The first was the identification of usable critical incidents. The second was the development of a classification scheme for the content analysis. The third was a content analysis of the critical incidents that had been identified.

3.1 Identification of critical incidents

The analysis procedure advocated by Flanagan (1954) indicates that the critical incident itself is the basic unit of analysis. Hence, for the purposes of this study, the basic unit of analysis (the critical incident) was defined in such a manner as to include statements about SARS's service delivery. Only critical incidents as defined were used in the data analysis. From the 811 responses, 4 183 critical incidents relating to the traditional services were identified and analysed.

In evaluating the adequacy of the number of critical incidents, it should be remembered that services are heterogeneous (Anthony & Govindarajan, 2000; Czepiel, Solomon, Surprenant & Gutman, 1985; Gaster & Squires, 2003; Haywood-Farmer, 1988). In order to ensure that the results of this study truly reflected the perceptions of tax practitioners, the number of critical incidents had to be high enough. According to Flanagan (1954), for most purposes, the number of critical incidents could be considered to be adequate when the addition of 100 critical incidents to the sample adds only two or three additional determinants. Gremler (2004) reported that the average number of usable critical incidents across 115 critical incident technique studies was 443. In the current study, many more critical incidents than this average number of 443 usable critical incidents were identified. It was also found that fewer than three additional determinants were added with the addition of the final 100 critical incidents that was used as a holdout sample. It can therefore be concluded that the number of critical incidents

identified was indeed high enough to draw a relevant conclusion.

3.2 Development of classification scheme

After the data had been collected and the relevant critical incidents had been identified, the next step was to analyse the data. A classification scheme for the content analysis was therefore developed. Existing service quality studies (Dabholkar, Shepherd & Thorpe, 2000; Grönroos, 1984; 1988; Gummesson, 1992; Haywood-Farmer's, 1988; Kang & James, 2004; Parasuraman *et al.*, 1986; 1988; Parasuraman *et al.*, 1991; Philip & Stewart, 1999 and Rust, Zahorik & Keiningham, 1995) were used as a basis for a classification scheme to assist in identifying the determinants that are important in evaluating the service quality of traditional services provided by SARS.

The classification scheme developed in the current study was refined and confirmed, as suggested by Flanagan (1954), using a relatively small sample of critical incidents. In applying the classification scheme to the bulk of the data, the classification scheme was amended in a constant process which resulted either in the expansion of the definitions of current categories or in the addition of new categories. At the end of the content analysis process, the classification scheme was tested using a holdout sample, as suggested by Gremler (2004) and Johnson and Gustafsson (2000). Because the content analysis of the holdout sample added nothing new to the classification scheme, it was concluded that the categories in the classification scheme were sufficiently comprehensive. Apart from identifying the relevant service channel or business process to which the critical incident relates and whether the critical incident is positive or negative, the critical incident was classified into the five service quality determinants used in the SERVQUAL scale as is presented in Table 1.

Table 1: Framework for the classification of the traditional services

RESPONSIVENESS: The willingness (including the attentiveness) of employees, as well as the actual timeliness or speed of services performed.	
W	Willingness of employees (employees' attitude towards rendering the service). No personal contact. Feel like a number. Helpfulness.
S	Speed of performing the service by the employees (prompt service). Turnaround time.
SS	Speed of performing the service by senior personnel.
	EFI
ASSURANCE: The knowledge and courtesy of employees and the ability of the operational systems and physical resources to convey trust.	
A	Acknowledgement of receipt/reference number/correspondence/tracking numbers. Negative in the context that either no acknowledgement or have not received reference number with no progress status feedback/knowledge.
CO	Confidentiality (is my details secure with them).
PS	Physical safety (will I get mugged at branch office).
PF	Politeness and friendliness of contact personnel. Professional.
KC	Knowledge of contact personnel. Internal transfer of information. Relevant right person.
KO	Knowledge of operational personnel.
KS	Knowledge of senior personnel. This will include Megawatt Park and Large Business Centre personnel.
NOT	Not taking responsibility. Responsibility not fixed. Get transferred from one to another. Not having authority.
CON	Consistency in performing the service. Same person from beginning to end.
	EFI
TANGIBLES: The appearance of physical facilities and employees of SARS.	
F	Physical facilities (visually appealing) Comfort/Size, parking at SARS.
S	Disturbances/Sounds of Call Centre.
	EFI
EMPATHY: The caring and individualised attention SARS provides to the tax practitioners, including tax practitioners' sense that SARS's	
<ul style="list-style-type: none"> • 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 adapt to the demands and wishes of tax practitioners in a flexible way.	
ONE	One-stop service (Range of services offered). TP helpdesk. Do not have to stand in a line.
ADJ	Adjusting for taxpayer's needs. Improving services/more customer orientated.

	Not watchdog/blood dog.
WAIT	Waiting time before being attended. Time consuming. Waste time.
COH	Convenience of operating hours.
COL	Convenience of location.
USER	User friendliness of documentation. Burdensome. Too much documentation/ Correspondence. Obstacles. Understand what I must fill in.
ASS	Assistance, requests, prompts for SARS to ensure successful service delivery. Including FAQ's.
COM	Communication means keeping customers informed in the language they understand and listening to them. It may mean that the company has to adjust its language for different consumers.
	UP Understandability of contact personnel (provide in language of choice).
	UD Understandability of documentations (provide in language of choice).
	CP Communication skills of contact personnel (internal and external).
	CPR Communication process (the way of communication).
	CPRL The lack of communication when things are changed – or what is required or when waiting long/ rejected.
	CWP Communication from SARS to wrong person. Phoning client instead of practitioner.
	CPS Communication skills of senior personnel/ operational staff/back-office.
	DCO Direct contact with operational personnel (people doing work). Senior knowledgeable person. Appointments. Personal interaction or transfer to other consultant with knowledge (relevant right person).
	EFI
RELIABILITY: The ability of SARS's employees and systems <ul style="list-style-type: none"> • to perform services accurately; and • to keep promises (trustworthiness). 	
Accurate service delivery	
ACC	Performs the service correct the first time/ problem solving.
LA	Documents lost even with or without acknowledgement of receipt.
FAIL	Service failures. Understaffed. Cut off/cannot get through/waste of time/was not helped.
NON	Non response to/on correspondence from frequently asked questions. No follow-up. After log – no further service. No follow-up after reference number.
PROS	Adherence to specific promises made by SARS.
PROG	Keeps promises in general. Stick to own code of conduct. Including inequity. (IN) between payment and refund systems and different treatment to different taxpayers (DIF).
SOFT	The reliability of the software used by SARS.
	EFI

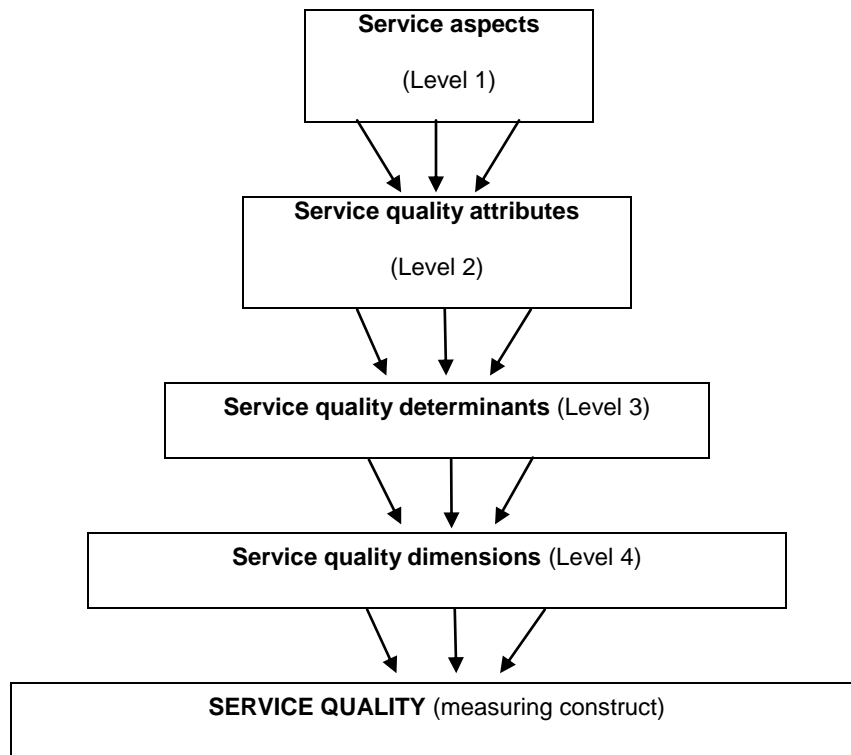
3.3 Content analysis of the critical incidents

The analysis of the critical incidents and their categorisation into the classification scheme was performed by the researcher and nine research assistants. The research assistants were thoroughly trained, and each critical incident was independently classified by at least three, but mostly four different persons. It is reasonable to assume that the thoroughness of the process, as well as the interjudge agreement of more than 80%, should indicate that the results of the content analysis were reliable. The initial training of the research assistants and the pre-tests on the subset of data that were done early in the coding process also contributed to the reliability of the results.

4. RESULTS: PROPOSED TRADITIONAL SERVICE QUALITY FRAMEWORK

It is clear from the literature review that service quality is seen as a multidimensional, hierarchical construct: customers form their service quality perceptions on the basis of an evaluation of performance at multiple levels (see Figure 1). In this study, the first level on which a customer forms a service quality perception is called **service aspects** (Level 1) – the detailed service aspects that contribute to service factors (service attributes) for each specific service. The term **service attributes** (Level 2) refers to service factors relevant to service quality evaluations (Dabholkar *et al.*, 2000). The **service determinants** (Level 3) represent a conceptual framework for summarising the service attributes tax practitioners use in assessing service quality (Parasuraman *et al.*, 1991). Zeithaml *et al.* (2012) are of the view that service determinants represent the determinants of service that customers rely on in forming their judgements. The **service dimensions** (Level 4) are similar in meaning to service quality components and focuses on “what” customers evaluate (Dabholkar *et al.*, 2000; Zeithaml *et al.*, 2012).

Figure 1: Multiple levels in service quality construct



Source: Stiglingh (2009).

An example is helpful in assisting in an understanding of the multiple levels in the service quality construct. The understandability of contact personnel, the understandability of documentation and the communication skills of employees were, for example, identified as three different service aspects (level 1). It is clear that they all relate to the communication with tax practitioners, therefore contributing to their perceptions regarding the communication service attribute (Level 2). In turn, the communication service attribute (Level 2) was categorised as antecedent of the empathy service determinant (Level 3) in the functional service quality dimension (Level 4).

The number of critical incidents allocated to each of the service dimensions might indicate the importance of the dimension to the tax practitioner. The classification of the critical incidence into the three service quality dimensions (Level 4) identified by

Grönroos (1984; 1988) resulted in most of the responses (86.35%) being allocated to the functional quality dimension. The technical dimension attracted far fewer responses (12.26%). The image dimension was found to be the least important of the three service quality dimensions (1.39%).

The results of this study therefore support Grönroos's (1984) findings, which suggest that functional quality is more important to the perceived service quality than technical quality. Schneider and White (2004) argue that the identified service determinants of perceived service quality essentially pertain only to the functional (how), rather than to the technical (what) dimensions. Czepiel *et al.* (1985) claim that the reason why functional quality is more important than technical quality is that clients are better able to judge the quality and satisfaction of human interactions than they can judge the quality of technical services.

Johnson and Gustafsson (2000) suggest that reputation (image) should be regarded as an outcome rather than a driver of service quality, because reputation acts as a type of overall evaluation, making it problematic as a driver of service quality. They also regard reputation as a psychological anchor that affects perceptions of service quality and suggest that it is difficult to compress the measurement into a single step. It is possible that this difficulty in measuring SARS's image contributed to the low number of service aspects classified under this service quality dimension.

Apart from classifying the critical incidents into Grönroos' (1984; 1988) service quality dimensions, using natural language argument it was also classified into the five service determinants (namely responsiveness, assurance, empathy, reliability and tangibles) as identified by Parasuraman *et al.* (1986; 1988) and Parasuraman *et al.* (1991). It was found that of these five determinants, responsiveness (26,08%), assurance (24,43%) and empathy (23,22%) are more important than reliability (20,44%). Of the five service determinants, the tangibles service determinant (0,55%) appeared to be the least important determinant for the SARS service quality framework. The results of this study also confirm the original argument by Berry, Zeithaml and Parasuraman (1985) and the

findings of Haywood-Farmer (1988) and Zeithaml *et al.* (2012) that the relative importance of the service determinants would vary from one service industry to the next.

The fact that the reliability determinant in this study received the second lowest number of critical incidents and substantially lower responses than the highest three service determinants, could indicate that there may be a difference between the importance of these determinants, either in different service sectors or in public and private institutions. Given that Berry, Parasuraman and Zeithaml (1988) and Zeithaml *et al.* (2012) found reliability to be consistently the most important determinant of quality, irrespective of the service type, the results of the current study may indicate that the service environment (whether it is in the public or private sector) could influence the relative importance of various service determinants. Further research should be conducted to confirm this finding.

For each of the relevant service determinants, various service attributes and service aspects were identified that contributed to the perceptions of the tax practitioners regarding the service quality of a particular service determinant. These were classified into the service quality framework for traditional services, as set out in Table 2.

Table 2: Service quality framework for the traditional services

TECHNICAL DIMENSION (service outcome)

Service determinant	Service attribute
Assurance	<ul style="list-style-type: none"> • Knowledge of employees.

FUNCTIONAL DIMENSION (service process)

Service determinant	Service attribute
Responsiveness	<ul style="list-style-type: none"> • Speed of performing the service. • Willingness of employees.
Assurance	<ul style="list-style-type: none"> • Politeness and friendliness of employees. • Consistency. • Administration of the operational process. • Confidentiality. • Physical safety.

Empathy	<ul style="list-style-type: none"> • Waiting times. • Communication. <ul style="list-style-type: none"> ○ Communication process. ○ Direct contact with operating employees. ○ Communication skills of employees. ○ Understandability of contact employees. ○ Communication with wrong person. ○ Understandability of documentation. • Adaptability. • User-friendliness. • Assistance. • One-stop service. • Convenience of locations. • Convenience of operating hours.
Reliability	<ul style="list-style-type: none"> • Accurate service delivery. <ul style="list-style-type: none"> ○ Accurate first-time service delivery. ○ Service recovery. ○ Service failure. ○ Loss of documents. • Adherence to specific promises SARS made. • Software.
Tangibles	<ul style="list-style-type: none"> • Physical facilities. • Sound quality of call centre.

IMAGE DIMENSION (filtering function)

Empathy	<ul style="list-style-type: none"> • Adaptability. <ul style="list-style-type: none"> ○ Continuous improvement of service offerings.
Reliability	<ul style="list-style-type: none"> • Adherence to promises in general. <ul style="list-style-type: none"> ○ Adherence to general code of conduct.

If the above service quality framework is validated by comparing it with SERVQUAL (see Table 3) - the most popular service quality measuring instrument according to Zeithaml *et al.* (2012) - the result is that approximately 16 of the 22 (72.73%, n = 22) items listed in SERVQUAL have been evaluated in much the same way in the proposed service quality framework (seven items that agree in principle, six items with modifications and six items combined into three items). The six items modified mainly

include more detail in the proposed service quality framework than what is included in SERVQUAL. The underlying principles of four items (18.18%, n = 22) in SERVQUAL (six items combined into three items, plus one item incorporated into another item) have also been evaluated, but not necessarily as separate items in the proposed service quality framework. Only two items (9.09%, n = 22), namely P3 (in Table 3): “XYZ’s employees are neat-appearing (*sic*)” and P4 (in Table 3) “Materials associated with the service (such as pamphlets or statements) are visually appealing at XYZ”, have been completely excluded from the proposed service quality framework. They both relate to the tangibles service determinant that appeared to be the least important determinant for the SARS service quality framework as perceived by the tax practitioners.

Table 3: Comparison of proposed traditional service quality framework with SERVQUAL

SERVQUAL	COMPARISON OF PRESENT RESEARCH WITH SERVQUAL	RESULT OF COMPARISON
Tangibles	Tangibles service determinant in both.	Agrees in principle.
P1. XYZ has modern-looking equipment.	The present research focuses on the effectiveness of equipment and not appearance, giving rise to a rewording of SERVQUAL’s Item P1.	Modification.
P2. XYZ’s physical facilities are visually appealing.	The present research agrees with SERVQUAL’s Item P2.	Agrees in principle.
P3. XYZ’s employees are neat-appearing (<i>sic</i>).	SERVQUAL’s Item P3 is not addressed in the present research.	Items excluded.
P4. Materials associated with the service (such as pamphlets or statements) are visually appealing at XYZ.	SERVQUAL’s Item P4 is not addressed in the present research.	Items excluded.
Reliability	Reliability service determinant in both.	Agrees in principle.
P5. When XYZ promises to do something by a certain time, it does so.	The present research combines SERVQUAL’s Items P5 and P8, but the measurement of detailed aspects is proposed throughout all the different service determinants in which the service attribute to which specific promises relate is classified.	Combination.
P6. When you have a problem, XYZ shows a sincere interest in solving it.	The present research does not specifically address SERVQUAL’s Item P6, but problems would probably only occur when there is no accurate first-time service delivery, and the service recovery service aspect specifically addresses this issue.	Modification.
P7. XYZ performs the service right the first	The present research agrees with SERVQUAL’s Item P7.	Agrees in principle.

time.	The present research includes service recoveries, service failures and loss of documents service aspects. SERVQUAL does not include them.	
P8. XYZ provides its services at the time it promises to do so.	The present research combines SERVQUAL's Items P5 and P8, but the measurement of detailed aspects is proposed throughout all the different service determinants where the service attribute to which specific promises relate is classified.	Combination.
P9. XYZ insists on error-free records.	For the present research, the responses that relate to SERVQUAL's Item P9 are incorporated into the accurate service delivery service attribute, as error-free records would contribute to accurate service delivery.	Combination.
Responsiveness	Responsiveness service determinant in both.	Agrees in principle.
P10. Employees of XYZ tell you exactly when services will be performed.	The present research agrees with SERVQUAL's Item P10, in that it focuses on the adherence to promises of employees. The present research focuses not only on the time aspect but also on adherence to promises.	Modification.
P11. Employees of XYZ provide prompt service.	The present research agrees with SERVQUAL's Item P11, but focuses in detail on all the different business processes and relevant service channels.	Agrees in principle.
P12. Employees of XYZ are always willing to help you.	The present research combines SERVQUAL's Items P12 and P13 into one service attribute.	Combination.
P13. Employees of XYZ are never too busy to respond to your requests.	The present research combines SERVQUAL's Items P12 and P13 into one service attribute (willingness of employees), as it is assumed that the availability of employees directly affects the tax practitioners' perceptions of the employees' willingness to assist the practitioners.	Combination.
Assurance	Assurance service determinant in both	Agrees in principle.
P14. The behaviour of employees of XYZ instills confidence in customers.	The present research focuses on the ability of the operational processes to inspire trust and confidence, whereas SERVQUAL's Item P14 focuses on whether the behaviour of the employees inspires trust and confidence. An item dealing with consistency has been added in the present research. It could be assumed that consistency of employees' actions would instill confidence in tax practitioners. This partly agrees with SERVQUAL's Item P14.	Modification. Addition.
P15. You feel safe in your transactions with XYZ.	The present research splits SERVQUAL's Item P15 into two different items (physical safety and confidentiality). The evaluation of both the items in the present research, in combination, probably evaluates the same as SERVQUAL's Item P15.	Modification.
P16. Employees of XYZ act consistently courteous.	The present research agrees with SERVQUAL's Item P16.	Agrees in principle.
P17. Employees of XYZ	The present research agrees with SERVQUAL's Item	Agrees in principle.

have the knowledge to answer questions.	P17. An additional item (Conclusion 5.18) has also been included in the present research, assuming that not only should the knowledge of the contact employees be evaluated, but specifically the knowledge of the employees responsible for one of the business processes (the dispute resolution process) should be examined.	
Empathy	Empathy service determinant in both.	Agrees in principle.
P18. XYZ gives you individual attention.	The present research agrees with SERVQUAL's Item P18, but deals with more detailed individual requests from tax practitioners.	Agrees in principle.
P19. XYZ has operating hours convenient to all its customers.	The present research agrees with SERVQUAL's Item P19.	Agrees in principle.
P20. XYZ has employees who provide personal attention.	The present research combines SERVQUAL's Items P20 and P22.	Combination.
P21. XYZ has your best interests at heart.	The waiting time, communication, user-friendliness, one-stop service, assistance and convenience of location service attributes in the present study all contribute to the evaluation of whether the service provider has the best interests of the tax practitioner at heart and combined would thus evaluate the same as SERVQUAL's Item P21.	Modification.
P22. Employees of XYZ understand specific needs.	The present research combines SERVQUAL's Items P20 and P22.	Combination.

5. CONCLUSION

This study proposed a service quality framework of a revenue agency from the perspective of the tax practitioner. The study also suggests that a modified SERVQUAL scale might be appropriate in measuring the traditional service quality of a revenue authority. The results of the study could be used to assist researchers in making such modifications to the SERVQUAL scale. With regard to the research on the service quality of a revenue agency, this study provides a basis for other researchers, and may also stimulate the momentum of service quality research in the revenue agency environment. The famous quote by Winston Churchill ([1942] 2008) sums it up:

Now this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning.

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