The Effect of Service Quality on Customer Satisfaction: The case of Addis Ababa City Governments Revenues Bureau Lideta sub city Branch Office

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A thesis submitted to college of Business and Economics department of Business Administration, Addis Ababa University, in partial fulfillment of the requirements for the degree of masters of Business Administration

Advisor: Tsegabrhan Mekonen (PhD)

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Declaration

I, the under signed, declare that this research paper is the result of my own work and all the reference materials used in this paper have been well acknowledged. Taking various useful guidance and suggestions from my research advisor Tsegabrhan Mekonen (PhD), I have developed this research thesis independently. This research paper has not been presented to collect any degree in this or any other University. This research paper is submitted for the partial fulfillment of MBA degree in management.

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Thesis Certification approval Sheet

This is to certify that the research study produced by Abrehet Aregay entitled **“the effect of Service Quality on Customer Satisfaction:** a case of Addis Ababa City Government Revenue Bureau Lideta Branch office” and submitted to fulfill the partial requirements for the degree of masters of Business Administration (MBA) with the regulation of the university and fulfill the accepted standards with respect to originality and quality of the thesis.

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Advisor: Tsegabrhan Mekonen (PhD)

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List of Acronyms:

A/A/C/G/R/B/L/B/O: Addis Ababa City Government Revenue Bureau Lideta Branch Office

SERVQAUL: Service Quality

LSSTPBO: Lideta Sub City Small Tax Payers Branch Office

SPSS: Statistical Package for Social Sciences

MBA: Masters of Business Administration

CSI: Customer Satisfaction Index

SQ: Service Quality

CS: customer Satisfaction

RI: Repurchase Intention

RSO: recommendation of service to others

PLC: Privately limited company

SEM: Structural Equation Modeling

TransRel: Transformed Reliability

TransT: Transformed Tangibility

TransRes: Transformed Responsiveness

TransA: Transformed Assurance

TransE: Transformed Empathy

TransS: Transformed Satisfaction

Abstract

The aim of this study was to examine the effect of service quality on customer satisfaction in the case of Addis Ababa City government Revenues Bureau Lideta Branch office using the SERVQUAL model. To achieve the objective, quantitative research type study, a combination of descriptive and causal (inferential) research designs was undertaken using a quantitative with a five-point Likert scale type questionnaire. This study was conducted using 390 respondents, which was probably selected using stratified and simple random sampling methods from the total 14,920 target population of Addis Ababa city government revenues bureau Lideta branch office's tax payers. The desired data was collected from the selected respondents using personally administered questionnaire. The collected data was analyzed using the statistical package for social sciences (SPSS) version 22 and its out puts using the descriptive and inferential statistics. It is found that customer satisfaction was minimal, customer's expectation and perception regarding the service quality dimension cannot be precisely determined whether they exist or not, it is found that all the dimensions of service quality have a positive impact on satisfaction level and finally the study has found that responsiveness, assurance and empathy highly affects customer satisfaction, whereas reliability and tangibility affects less sequentially.

Keywords: *service quality, customer satisfaction, SERVQAUL model, Addis Ababa city government revenues bureau Lideta Branch Office.*

CHAPTER ONE

INTRODUCTION

This chapter includes: background of the study, statement of the problem, research questions, objective of the study, significance of the study, scope of the study, limitation of the study and organization of the paper.

1.1 Background of the Study

Customers are significant assets for organizations, so to be successful and profitable, customer-centered organizations must wisely serve their customers. Though the ultimate goal of each and every service delivery company is satisfying customers, most of the time, many of the service delivery organizations are failed to satisfy their customers, may be as a result of not well knowing their customers' interests. Nowadays, because of the prompt growth of service sector, rivalry and competition among firm's skyrocket. Firms in an industry engaged in creativity and innovation process to provide better service and get competitive advantage.

Quality is the appearance and features of a product or service that agrees on capacity to place desires (Kotler, 2012). When firm's service equals or surpasses customers' expectations, the company accurately has given quality service, which is important to customer satisfaction. Thus, there is a strong association between service quality and customer satisfaction. As long as company's offer more quality service, customers satisfaction will be high, with better prices and lower costs strategies; to advance its profitability. So, quality is paramount factor that affect customers satisfaction.

Service quality is the degree of difference between customers' expectations and their perceptions of service performance (Mosahab, Mahamad, & Ramayah, 2010). In other words service quality is a process of achieving desires and beliefs of the customer to and about the service respectively (Loke, Taiwo, & Salim, 2011). Service quality can be evaluated based on ten service quality dimensions: tangibility, reliability, responsiveness, competence, courtesy, credibility, security, access, communication and understanding/knowing the customer (Mosahab, Mahamad, & Ramayah, 2010).

Different Consumers have different information about service superiority. Certain consumers may give great importance for access and reliability, while others prefer credibility. Since the nature of service is intangible, evaluating its quality is challenging and complex. Customer satisfaction is an important tool for holding or forming loyal customers (Kotler, 2012). Satisfaction is a sensation or a payoff, which results from assessing what was received in contrast to what was expected (anticipated) (Cathy & Brian, 2001).

If consumers feel a deviation between their expectation and actual service, it may leads to dissatisfaction. As a whole, customer expectancy is unmanageable factor which is affected by experience, promotion, customers' perception and product image. Moreover, consumers' expectation is subjective to pre-purchase beliefs, tittle-tattle communications, individual needs, and customers' understandings.

Service quality has influence upon customer satisfaction, which has an impact on the buying decision of customers. As a result, service quality and customer are closely related. So that, service quality has a direct impact on customer satisfaction in which customer satisfaction has a great impact on the success of an organization and on the decision of customers on whether to continue or stop the relationship with that organization.

This study has two variables which are service quality and customer satisfaction. Different researchers study the effects of service quality on customer satisfaction in private sectors than government. This does not necessary mean that no research has been conducted on government sectors which has measured customer satisfaction. But those researches did not sufficiently indicate how the services offered by government offices in Ethiopia affect satisfaction level. And also majority of the researches conducted on this area has focused on branch offices among which Lideta subsidy was not one. Though, in this research, the researcher studied the effect of service quality on customer satisfaction in the case of Addis Ababa city government Revenues Bureau Lideta sub city branch's customers (in public sector), which, the researcher believes, will help the branch office to see how effective their service provision is in satisfying their customers and what areas must be improved so as to have their satisfaction level be improved.

Addis Ababa city administration revenues bureau is one of the main organizations of the city government, which was established to administer the fifteen (15) revenue offices, in which four

(4) of them are medium tax payer revenue branch offices, ten (10) of them are small tax payer revenue branch offices, and one (1) of them is the large tax payer revenue office in the city administration, by collecting the tax revenues from the economy of the city administration timely and powerfully with the responsibilities of modern tax decisions and collection system by providing fair, active and quality services; by preventing and controlling the hide of tax and fraud (LSSRBO, 2020).

As the Addis Ababa city government Revenue Bureau Lideta Branch office is a service rendering organization for taxpayers (the customers), they usually visit it for tax related services and they want to get quality services. But the quality of services provided is affected by many variables which need to be investigated. The organization introduced different service enhancement mechanisms to make the service delivery process better and to satisfy its tax payers (Biruk, 2017). And these are evaluated and assessed by this research by asking the tax payers.

1.2. Statement of the Problem

Regardless of whether organizations are private or governmental sectors, the crucial thing to their survival and success lies on their ability to provide quality services to their respective customers. This need measuring the satisfaction level of those customers they serve and those factors that affect satisfaction.

To understand the need of potential consumer and measuring their satisfaction relative to competitors and building relationships both with existing and upcoming customers requires adjustment to fit with the dynamic market. To create satisfied customers and maintain good relationships with them firms should deliver prompt and effective response and solutions to customers' needs.

According to (Kotler, 2012), firms can be successful only by creating and retaining customers through its quality service. From a total quality management point of view, the center of every strategy of firms is customer. One of the contributing factors of company's achievement is the insight of customers towards service quality. Many firms including public organizations start giving a bold attention about customer satisfaction by measuring their service quality (Collart, 2000).(Parasuraman, Zeithaml, & Berry, 1985), stated that because of the intangible, inseparable and heterogeneity nature of service; defining and measuring its quality is difficult than tangible products.

Insuring customers’ satisfaction is one of the most important factors for a success of any organization; that requires having a multidimensional observation on customers’ expectation and services provided by an organization. Because of the development of technology or introduction of different social Medias, customers are highly aware about the product and service available in a given industry. So as the competition in service industries is growing from time to time, to survive and achieve competitive advantage giving a huge attention in the area of service quality become absolutely important (Anderson & Bowland, 1984). Consequently, so as to pull and keep potential customers, firms should engage in the process of identification and satisfying the needs of customers respectively. However, failure to understand customers’ expectation, factors affecting satisfaction and taking corrective actions to balance between these two, will result in making an organization to start falling apart.

The Ethiopian federal government and different regional governments have introduced different packages to advance the service operations of Ethiopian Revenue and customs Authority, including Addis Ababa city government Revenue Bureau Lideta branch office. Even if the government introduces such programs to improve quality services in the public sectors, customers have complaints in different offices. It has become so obvious, particularly in Ethiopia, that customers are highly unsatisfied in services offered by organizations in general and government organizations in particular. It has become a norm to hear that government organizations providing services do not meet customers’ expectations and they are one source of complaints in the society in general and businesses in particular. Based on the preliminary observations and informal interviews concerning the branch office, the researcher finds out the following complaint areas; lack of well skilled employees to serve customers, bribery and lack of proper work ethics.

Generally, it was found significant to assess and evaluate service quality and customer satisfaction for the organization so as to see what to do to improve them. the central aim of this study was examining the effect of service quality on the Addis Ababa City government Revenues Bureau Lideta sub city branches local tax payers’ satisfaction, through identifying the service quality dimensions or SERVQUAL model (Tangibility, Reliability, Responsiveness, Assurance and Empathy).

1.3. Research questions

Based on the above-mentioned statement of the problem, this research study tried to answer the following questions:

1. What is the level of customers' expectation and perception towards the service quality provided by Addis Ababa City government Revenues Bureau Lideta sub city branch office?
2. What is the influence of service quality on customer satisfaction?
3. What factors highly affects the satisfaction level of Addis Ababa City government Revenues Bureau Lideta sub city branch customers?

1.4 Objectives of the Study

1.4.1. General objective

The foremost objective of this study was to measure the effect of service quality up on customer satisfaction in case of Addis Ababa City government Revenues Bureau Lideta branch office.

1.4.2. Specific Objectives

- To assess the customers' level of expectation and perception towards service quality of Addis Ababa City government Revenues Bureau Lideta branch office.
- To examine the effect of service quality on customer satisfaction in terms of service quality dimensions; in Addis Ababa City government Revenues Bureau Lideta branch office.
- To identify factors that highly affects customer satisfaction in Addis Ababa City government Revenues Bureau Lideta branch office.

1.5. Significance of the Study

The final user of any product and service is customer. So, to control the lion's share of the industry portion and develop a sustainable business the center of all company's action must be customer. Focusing on customer satisfaction has been the crucial element to shape the service operation based on customers' expectations (Zairi, 2000). Hence, organizations must improve their service operation to meet customers' needs and retain them (Bateson & Hoffman, 1999).

Addis Ababa city government revenues bureau Lideta branch is a government organization to collect revenue for the city government, which is highly expected to treat its customers wisely and intelligently. Dissatisfaction of customers (taxpayers) to this sector means dissatisfaction of the citizens to the government, which may be a reason to have not loyal taxpayers to the sector and also to the government which results in revenue reduction and low living status in the city government as well as the country. So, the findings of this study would help Addis Ababa City government Revenues Bureau Lideta branch office to take corrective actions against the identified gaps in service quality and customer satisfaction. What's more, the study will serve as a base line and guidelines for the formulation of policies on the quality of customer services. Finally, the study can be used as a guide for future researchers who are concerned to conduct research on the area.

1.6. Scope of the study

This research was conducted to examine the effect of service quality on customer satisfaction in the case of Addis Ababa City government revenues bureau, specifically in Lideta sub city branch office in terms of service quality dimensions: Tangibles, Reliability, Responsiveness, Assurance and Empathy. And therefore the research was delimited to see customers' service expectation, the effect of service quality on satisfaction and identification of those factors that affects satisfaction level.

1.7. Limitation of the Study

Because of the current issue of covid-19 pandemic, the study was focused on examining the impact of service quality on customer satisfaction in Addis Ababa city government revenues bureau Lideta branch office. Only the customers of the branch office (the tax payers) were included and the findings of this study are also limited to these tax payers. So, it should be better to include another branch office of the sector and its stockholders to get wide outcomes that would enable the researcher to explain and conclude results as a whole, because these and other additional factors of the sector have an impact on customers' satisfaction.

1.8. Organization of the Paper

This research consists of five chapters, chapter one includes background of the study, Statement of the problem, research question, Objective, Significance, scope and limitation of the study. Chapter two discussed the Literature reviews of the study, Chapter Three which is dealing with Methodology of the study to clearly identify the research method, Data Sources, data collection instruments, sample size and sample technique and method of data analysis. Chapter Four, presented the analysis and discussion of the results of the study. Finally, chapter five presented the summary of this study, which includes summary of findings, conclusion and recommendation part of the study to improve service quality of Addis Ababa city government Revenues Bureau Lideta branch office.

CHAPTER TWO

LITRATURE REVIEW

2. Chapter overview /Introduction

The main elements of this chapter are classified in to three parts. Those are the theoretical review, which covers factors that can affect service quality and customer satisfaction and how these or variables were measured by researchers in previous studies; the next part is the empirical review of studies, which deals with the relationship between customer satisfaction and service quality. Lastly, after studying the theoretical and empirical parts of the elements, a conceptual framework was constructed.

2.1 Theoretical Review

2.1.1. The relationship between Customer Expectation and Perception of Service

Customer expectation is a belief about service operation which helps as a mile-stone in contrast to which performance is judged. Customer expectation is what the customer anticipates as a result of existing firm's service capability. For the reason that consumers relate their perceptions with these ideas when judging service quality, to serve consumers in a wise way getting depth awareness about their expectations is very crucial. The first step in providing quality service knows customer's expectation. Wrongly understand customers need means losing customers because of lack of satisfying them. In addition to this it leads to expending money, time and other resources unwisely.

Perceived service quality is a factor of customer satisfaction (Zeithaml & Bitner, 2009). Customers have different expectations and their evaluations may also shift over time. So, the entire discussion of quality and satisfaction is based on customers' perceptions of service. When we consider perceptions, it is obvious to recognize that customers have single, transaction-specific encounters and overall perceptions of an organization based on their experiences.

Perceptions and expectations are always related to each other (Zeithaml & Bitner, 2009). A perception comes from customers' assessment of service provided by a company (Zeithaml & Bitner, 2009). According to (Zeithaml & Bitner, 2003), perceptions may shift with in a time change. Thus, companies should frequently assess customer perceptions (Zeithaml & Bitner, 2003).

2.1.1.1 Encounters of Service

Service encounters are the stepping stone for customer perceptions. So, to satisfy and retain customers, service organizations give attention for quality service operation and try to go beyond customers' expectations. Incidentally employees come to be a vibrant part of service operation and there is a need to ensure that they can capably deliver the promise made to customers in all service operation (Bateson & Hoffman, 1999). Encounters of service are classified in to three;

Phone Encounters: This is the most frequent between the customers and employees in many organizations. Customers' judgment of service quality rest on employees' knowledge, tone of voice, politeness and efficiency to handle customer issues.

Remote Encounters: without direct contact or interaction of customers with organizations. Even if it doesn't need human interaction, companies could make strong customers' perception of service quality by managing the tangibles and technical aspect of the service.

Face- To- Face Encounters: It occurs between customers and employees in direct contact. Both verbal and nonverbal actions are important determinants of service quality.

2.1.1.2. Service Quality

Quality is the most important element for the survival of organizations. Organizations are transforming themselves from product oriented to customer-oriented approach. To achieve competitive advantage and win competitors in a given industry, firms should deal with quality (Ladhari, 2009). Quality is about meeting or exceeding customer needs and requirements. Most customer-centered companies define quality in terms of customer satisfaction as it begins with customer needs and ends with customer satisfaction (Kotler, 2012). According to (Lewis & Booms, 1983), service quality describes the extent to which a provided service equals customer's expectation.

(Parasuraman, Zeithaml, & Berry, 1985) defined service quality as "the international attitude of overall superiority of services operation". Service quality is founded on a comparison between what the customer feels should be offered and what is provided (Parasuraman, Zeithaml, & Berry, 1985). So, the pursuit of quality services in an organization is driven by the need that organization to survive and remain competitive. Service quality is what customers assess through their expectations and perceptions of a service experience. Customers' perceptions of service quality results from the comparison of service expectations with their actual service experience. So, the pursuit of quality services in both private and public sector organizations is driven by the need to survive and remain competitive. (Nitecki, Danuta, & Peter, 2000) defined service quality in terms of "meeting or exceeding customers' expectations". Service quality is defined as a focused evaluation that reflects the customer's perception of reliability, assurance, responsiveness, empathy and tangibles, (Zeithaml & Bitner, 2003).

Different studies indicate that service quality is the degree to which customers' perceptions on service meet or go beyond their expectations. According to (Zeithaml, Parasuraman, & Berry, 1990), service quality is the means of access which customers are served in an organization.

Measuring service quality

Delivering a better service is important to customers but knowing how to measure service quality is difficult. A reliable measure of service quality is critical for identifying the aspects of service needing performance improvement, measuring the degree of improvement needed on each aspect and evaluating the impact of improvement efforts. (seth, Deshmukh, & Vrat, 2005) believe that for an organization to gain a competitive advantage, marketers must collect information on market demand to enhance service quality. (Zeithaml & Bitner, 2008), warn that unlike products quality, which can be measured objectively by indicators such as durability and number of defects, service quality is abstract and is best captured by surveys that measure customer evaluations of service. Service quality can be evaluated by assessing customer's expectations and perceptions of Performance level for a variety of service attributes (Parasuraman, Zeithaml, & Berry, 1985). If expectations are meeting or exceeded, then the company is perceived to be providing a higher service quality. But, if the expectations of the customers are not meet, the company is on its way not only to face displeased and hostile customers, which in turn leads to defection to competitors. So, "Customer's expectation serves as a foundation for evaluating service quality because, quality is high when performance exceeds expectation and quality is low when performance does not meet their expectation" (Asubonteng, 1996).

2.1.1.3 Service Quality Model

1. SERVQUAL Model

SERVQUAL model is the regular and well known measurement of service quality based on its five dimensions. According to (Parasuraman, Zeithaml, & Berry, 1985) initially, when the model was developed, it has 97 attributes which were concise into ten dimensions namely Courtesy, Security, Reliability, Competence, Responsiveness, Understanding the customer, Tangibles, Credibility, Access, and Communication. The SERVQUAL scale which is also known as the gap model has been confirmed as the paramount ways to quantity the quality of services operation (Parasuraman, Zeithmal, & Berry, 1988).

This service evaluation method is consistent and reliable (Brown, Churchill, & Peter, 1993). Researchers thought that, when perceived service is under the expected service; it indicates dissatisfaction of consumers; and when perceived service is in excess of expected service; it shows satisfaction (Jain, 2004). From the customer standpoint SERVQUAL is the accurate evaluator of service quality.

Later after modification, these ten dimensions were reduced to five dimensions.

- **Tangibility:** includes appearance of personnel, physical facilities and equipment's
- **Reliability:** is the capability to performing the promised service correctly. The promise may include service provision, delivery, problem resolution and pricing.
- **Responsiveness:** Is the willingness to help customers and provide speedy service. It is all about the duration customers have to wait for help, answers to questions.
- **Assurance:** Employees' familiarity about the needs of customers and service delivery and friendliness of employees are the mostly important parts of the services that customers perceive.
- **Empathy:** caring personalized attention of the organization delivers to its customers.

Deep analysis and measurement of five dimensions of SERVQUAL gives a clue to recognize service quality. Following this view, reliability, tangibility, assurance, responsiveness, and empathy helps to run into customers' expectations. According to (Zeithaml & Bitner, 2008) to check the validity of SERVQUAL model in the evaluation of service quality necessarily concentrated on reliability, assurance, responsiveness, empathy, and tangibles.

(Rust & Oliver, 1994) states that whether the service needs or doesn't need direct or face to face contact between employees and customers, SERVQUAL is intended to determine quality dimensions of all services.

2. Gap model

According to (Parasuraman, Zeithaml, & Berry, 1985) service quality gap model is a result of the gap between the expectation and actual action of the quality dimensions. The gaps which are observed in the model are:

- **Gap 1: Customer expectation** – **Management perception gap: -** The variation between customer's expectation and management perception of those expectations. I.e. lack of information about consumers expectation.
- **Gap 2: Management perception** – **Service quality specification gap: -** The difference between management perception of consumers' expectations and service quality specifications. I.e. improver service quality standards.
- **Gap 3: Service quality specifications** – **Service delivery gap: -** The dissimilarity between service quality specifications and service actually delivered. I.e. service performance gap.
- **Gap 4: Service Delivery** – **External communication Gap: -** The difference between service delivery and communications to consumers about service delivery. I.e. whether promises match delivery.
- **Gap 5: Expected Service** – **Perceived Service Gap: -** The discrepancy between consumer's expectation and perceived service.

3. Functional and Technical Dimension Model

Additional elements of service expectations are functional and technical dimensions (Gronroos, 1984). The idea was that, consumers assess service based on the result of the service they received and by the ways of the service delivery like place, intention, time etc. (Gronroos, 1984). Perceived service is the outcome of the consumer's view of the service dimensions (technical and functional) in nature (Gronroos, 1984).

4. SERVPERF Scale

Different weaknesses of using SERVQUAL model to measure service quality leads to the development of SERVPERF scale by (Cronin & Taylor, 1992), cited in (Jain, 2004). A Review of Measures in Services Marketing Research performance minus customer expectation (P-E) gap model of SERVQUAL (Cronin & Taylor, 1992), SERVPERF scale has been empirically tested and confirmed to be a better measure of service quality (Cronin & Taylor, 1992) which was later approved by (Brown, Churchill, & Peter, 1993). The SERVPERF focused on the fact that customer satisfaction is the result of service quality. SERVPERF scale was also found to be a better predictor for assessing purposes and it had higher discriminate validity than that of SERVQUAL. So, empirical studies have been evaluated that validity, reliability, and methodological soundness of service quality scales are clearly pointed out to the superiority of the SERVPERF scale. Therefore, because of different reasons in recent years customers have changed their behaviors and this increase the change in standards to measure performance.

2.1.1.4 Customer Satisfaction

Different scholars define Customer satisfaction in different terms based on different dimensions like customer's experience, information, expectation etc…

(Giese & Cote, 2000) state that there is no common definition of customer satisfaction but they all concentrate around same points, "response like reasoning or emotion helps to identify customer satisfaction and occurs at a certain point time after consumption takes place. From this definition, we can conclude that customer satisfaction is determined by consumers experience while dealing with firms and this is strengthened by (Sureshchandar, Rajendran, & Anantharaman, 2002), the sum of know-how of consumers at the time of consumption in a given firm helps to define their level of satisfaction.

Customer satisfaction is defined as the feeling of pleasure or disappointment that an individual can get by comparing the perceived performance or outcome versus his or her expectation

(Ghalib , 2014); (Kotler, 2012); (Cathy & Brian, 2001). According to (Kotler, 2012), if performance is less than expectations, customers are said to be dissatisfied; if it matches expectations, customers are said to be satisfied; and if it exceeds expectations, customers are highly satisfied or delighted. Therefore, Customer satisfaction is both a goal and a marketing tool for those of customer centered organizations**.**

There are two concepts of satisfaction; the transaction-specific satisfaction and the cumulative satisfaction, (Ghalib , 2014). Transaction-specific satisfaction refers to a customer who experiences a product or service for the first time and how to evaluate it. Whereas, Cumulative-overall satisfaction refers to how the customer evaluates his or her consuming experience**.** Therefore, assessing the post-consumption of products or services used is an agreed measurement for Customer satisfaction. (Fornell, 1996) define customer satisfaction as something which is known by overall post-purchase evaluation of the consumer. (Cathy & Brian, 2001) were also defined Satisfaction as a feeling or an outcome, which results from a process of evaluating what was received versus that of expected, the purchase decision itself and/or the fulfillment of needs or wants.

(Justin, Arun, & Garima, 2016) conceptualized Customer satisfaction as a mental setup by which customers compare results of their expectations prior to purchase with performance perceptions after they purchase. Customers are expected to be satisfied when they are happy with their purchase outcome, achieve their goals, and experience out of any worry. Therefore, Customer satisfaction is the reaction that consumer's show after consumption about the gap between expectations and the actual performance of the product or service. From this we can conclude that satisfaction is a post purchase response (Tse & Wilton, 1988).

(Zeithaml & Bitner, 2009) approved that satisfaction is the consumers' evaluation of a product or service in terms of whether that product or service has met the customers' needs and expectations. Failure to meet needs and expectation is assumed to be result in dissatisfaction with the product or service. So, customer satisfaction has an effect on the profitability of nearly every business.

Satisfied customers improve business and dissatisfied customers impair Business. So, customer satisfaction should be monitored and managed like any physical assets of the organization.

Because, satisfied customers will be empowered to work hard in the country and will generate more revenue for the government of that country, this in turn will make comfortable working environment for business. Therefore, satisfied customers are key to long-term business success (Zeithaml & Bitner, 2000).

As it is approved by many researchers, Customer satisfaction is a useful weapon of retaining and/ or creating loyal customers (Kotler, 2012); (Justin, Arun, & Garima, 2016); (Jonathan, Barsky, & Leonard, 2003). Businesses succeed by getting, keeping, and growing customers, which are the only reason for anyone to have a business, a company and/or an organization (Kotler, 2012). Customer satisfaction plays an important role in achieving customer loyalty and profitability (Jonathan, Barsky, & Leonard, 2003). Having higher satisfaction level is a useful way to retain loyal customers, which in turn helps to get higher profits. This idea was also strengthened by (Kotler, 2012) as a “highly satisfied customer stays loyal longer, buys more as the company introduces new and upgraded products, talks favorably to others about the company and its products, pays less attention to competing brands and is less sensitive to price, offers product or service ideas to the company, and costs less to serve than new customers as transactions become routine”.

So, as we have seen above, different researches indicate that customer loyalty is highly affected by customer satisfaction (Heskett, Earl, & Leonar, 1997). A loyal customer is willing to repurchase and reluctant to shift to other firms or competitors in an industry. There is an empirical support for positive correlation between customer satisfaction and loyalty (Dabholkar & Thorpe, 1994). According to (Anton, 1997), perception of service quality (performance) can be classified into three zones. Rejection, acceptance and preference by the customer Satisfaction index (CSI). According to the author if service quality score is above 85%, it falls under preference zone, between50-84% under tolerance (acceptance) zone and the score below 50% is under the rejection zone.

2.2 Empirical Review

2.2.1. Relationship between Service quality and customer satisfaction

Customer’s experience measures customer satisfaction, service quality is a contributing factor of customer satisfaction (Cronin & Taylor, 1992). According to (Oliver, 1997), concerning customer satisfaction and service quality, satisfaction is comprehensive in concept, but service quality focuses on dimensions of service. Even if service quality and customer satisfaction have certain things in common, the concept of customer satisfaction is wider than service quality which is focused on the evaluation of its dimensions that reflects customer perception of reliability, assurance, responsiveness, empathy and tangibles. From this concept, we can conclude that, perceived service quality is an element of customer satisfaction. Satisfaction on the other hand, is affected by perceptions of service quality, product quality, and price as well as situational and personal factors.

Therefore, as service quality is not the only factor that affects customer satisfaction, service/product price and quality can affect customer satisfaction (Zeithaml & Bitner, 2008). According to (Sureshchandar, Rajendran, & Anantharaman, 2002), customer satisfaction should be multi- dimensional because quality can occur at different stages in an organization.

(Parasuraman, Zeithaml, & Berry, 1985) stated that when there is high perceived service quality, then there will be highly satisfied customer. The researcher supports the fact that service quality is a pointer to customer satisfaction. According to (Lee, Lee, & Yoo, 2000); (Saravanan & Rao, 2007) the level of service quality delivered by the merchant has a significant impact on customer satisfaction.

According to (Fen & Meillian, 2005), service quality has a positive influence on customer's satisfaction. From this repurchase intentions presenting that both service quality and customer satisfaction have direct and central role to play in the sustainability of any business in an industry. They support the relationship between service quality and customer satisfaction.

A study conducted by (Sureshchandar, Rajendran, & Anantharaman, 2002) concluded that, service quality and customer satisfaction are highly inter dependable to each other. The researcher also indicated that since customer satisfaction express customer's feelings towards service provider, it's easy to measure customer satisfaction than service quality.

(Abdissa, 2019) conducted a study on "the Impact of Service Quality on Customer Satisfaction:" with the objective to assess the overall level of service quality and customer satisfaction and to investigate the impact of service quality dimensions on customer satisfaction on Nekemte Municipality, Oromia, Ethiopia. A conceptual model of service quality dimensions was developed. This study was used both quantitative and qualitative research design and both primary and secondary data was employed. A total of 385 respondents taken as a sample customer of the Municipality were chosen and the questionnaire was distributed to customers of the municipal during office hours of the week. The collected data was analyzed with the help of SPSS version 23. Correlation and multiple regressions were used to investigate the relationship between dependent and independent variables. A finding of this study shows that service quality of customer satisfaction is below average, and customers are not satisfied with the service provided by the sector. Based on the finding all service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) have significant impact on service quality and customer satisfaction. Except empathy, all the rest service quality dimensions have positive and significant impact on customer satisfaction. The researcher founded out that responsiveness has the highest and empathy the lowest impact on customer Satisfaction. The study concluded that over all service quality of the Municipality is not good and customers are not satisfied with the services of Nekemte Municipality office employees. So, providing quality service is an essential way to survive, to satisfy and retain customers. Finally, he was recommended that the land administration bodies of the sector should work hard on all service quality dimensions to improve service quality and customer satisfaction in the sector.

The relationship between service quality and customer satisfaction was also examined by (Navaratnaseelan & Elangkumaran, 2014), using the SERVQUAL model in one Commercıal Bank of Sri Lanka. When they analyze their collected data using the inferential statistics; results confirmed that there is a positive and significant relationship between service quality and customer satisfaction. Service quality and its dimensions (tangibility, reliability, assurance, responsiveness and empathy) have significant impact on customer satisfaction. It was also approved that empathy and tangibility are the major dimensions of service quality.

(Hamad & Naintara, 2014), were conducted research to show the relationships in quality services and their influences on customer satisfaction, brand image and customer loyalty in Pakistan Hotel Industry. Data was analyzed using Structural equation modeling (SEM) technique. Results of this study show that there is positive and significant relationship between service quality and customer satisfaction. Customer loyalty and service quality were also significantly related with brand image.

(Yashodhara, 2017), was conducted research to show the Impact of Service Quality on Customer Satisfaction in Public Sector Commercial Banks, using the SERVQUAL model by focusing on one (functional) of the three service quality dimensions that (Gronroos, 1988) was identified; (technical, functional and image). Results of this study confirmed that human related factors of service quality (reliability, responsiveness, assurance and empathy), have greater impact than that of non-human related factors of perceived service quality (tangibles) on Customer Satisfaction. Reliability and Responsiveness were most influential factors of customer satisfaction. Finally, the researcher was concluded that service quality has an impact on customer satisfaction.

(Mubbsher & Mariam, 2014) were conducted research with the objective to determine the impact of various service quality dimensions on customer satisfaction and customer loyalty in banking sector of Pakistan. Service quality was measured using the SERVQUAL model with the five dimensions (tangibles, reliability, assurance, empathy and responsiveness) by taking all except Responsiveness. Results indicated that service quality and all its dimensions (reliability, tangibles, assurance and empathy) have positive and significant association with customer satisfaction and customer loyalty. It was also confirmed that, service quality is the main contributory factor for customer satisfaction and customer loyalty.

(Sivapragasam & Vasanthakumar, 2015), were conducted a research study to show the impact of service quality on customer satisfaction and customer loyalty in HSBC bank, Srilanka. Results of this study explained that, individual service quality dimensions have positive relationship with customer satisfaction. Responsiveness and empathy were founded as the main and key factors of customer satisfaction followed by assurance, reliability and tangibility. It was also concluded that, the overall improvements of service quality would raise the customers' satisfaction. It's also confirmed that customer loyalty is affected by service quality and customer satisfaction.

According to a study conducted by (Ghalib , 2014), three service quality dimensions (Tangibility, Assurance and responsiveness) have positive relationship with customer satisfaction, but four of them (Assurance, responsiveness, Reliability and empathy) did not have significant impact on customer satisfaction. Tangibility on the other hand, has high significance level with customer satisfaction.

(Justin, Arun, & Garima, 2016), examines the impact of different service quality variables on the overall customers' satisfaction and compare private and public sector banks in India. Service quality factors were measured using the SERVQUAL model. Results of this study indicated that; Service quality factors (knowledge of products, response to need, solving questions, fast services, quickly connected to the right person and efforts to reduce queuing time in the private sector banks) have a positive impact on the Overall customer Satisfaction; pleased to be assisting you, appearance, and follow up, however, has no impact on the Overall customer Satisfaction. knowledge of the product and fast service in the public sector banks have a positive impact on Overall customer Satisfaction; Appearance (tangibles), on the other hand, has no impact on the overall satisfaction of customers. Response to needs in the private sector banks and Knowledge of the product in the public sector banks has the highest impact on the overall customers' satisfaction; appearance and follow up (tangibles) in both sector banks have no impact on the overall customer satisfaction. Generally, they were concluded that, except tangibles, the rest four service quality factors (reliability, responsiveness, empathy, and assurance) are contributing to customer satisfaction.

A research study conducted by (Tilahun, 2017) which was aimed to identify relationships between expected and perceived service if any, to explain service quality dimensions, to investigate the effect of service quality dimensions on customer satisfactions and to evaluate the satisfaction level of customers on Ethiopian revenue and customs authority. Results of this paper show that all service quality dimensions have negative relationship between expected and perceived service with the highest gap score in assurance, reliability, responsiveness, tangibility and empathy respectively. So, in this study assurance and empathy has highest and lowest perceptions respectively. Coming to the relationship between service quality dimensions with customer satisfaction: there is strong and significant correlation between them. In this case responsiveness is highly correlated while, tangibility is least correlated with customer satisfaction. It is also found that reliability, responsiveness and assurance respectively have highest effect on customer satisfaction, and empathy and tangibility on the other hand, have no significant effect on customer satisfaction. Finally the researcher concluded that the perceived service is below the expected service by the customers and this in return shows us that customers of the sector are not satisfied by the service quality dimensions provided.

In the study produced by (Kiros, 2013) the service delivery practices in Ethiopian revenue and customs authority were assessed. Results of this research paper show that there is poor quality service in the public sector which in return affects the satisfaction level of customers. So, the researcher was concluded that the customers of Ethiopian revenue and customs authority are not satisfied by the quality service delivered, as their compliant handling mechanism is poor,

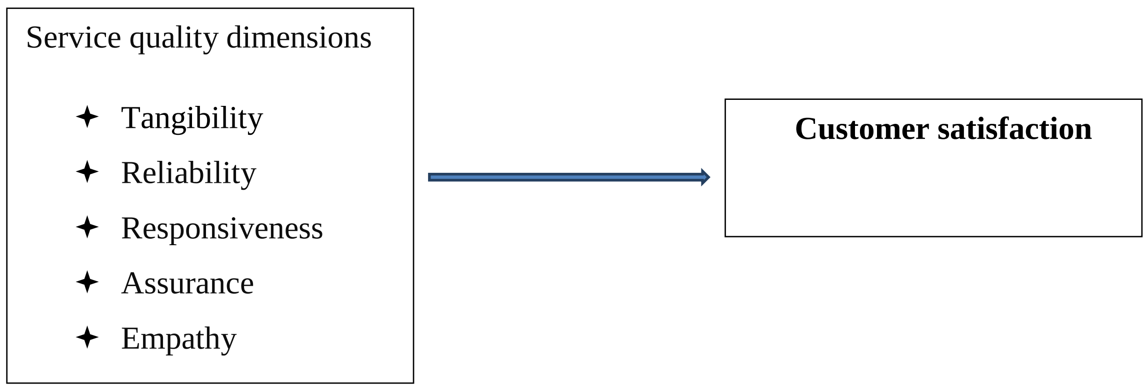
Therefore, as we have seen from the previous studies, there are direct relationships between service quality and customer satisfaction. There is also a significant relationship between service quality dimensions and customer satisfaction.

2.3. Conceptual framework model

Some researchers argued that these ten dimensions of SERVQUAL are overlapping and give the same meaning. So, (Parasuraman, Zeithmal, & Berry, 1988) redesigned the SERVQUAL scale, and reset it into five dimension of service quality: loyalty, responsiveness, tangibles, assurance, and empathy. (Fitzsimmons & Fitzsimmons, 2006), also support the scale represented by (Parasuraman, Zeithaml, & Berry, 1985). (Bateson & Hoffman, 1999), stated that as per SERVQUAL scale, the result from each dimension of consumers' expectation and consumers' perceptions are compared to evaluate the gap in scores between the two components; so that the firms' level of service quality can easily be defined. For instance: the higher the gap, the lower the service quality estimation; the lower the gap, the higher will be the service quality estimation.

This study was conducted to explain the impact of service quality on customer satisfaction with in the context of Addis Ababa city Government Revenues Bureau Lideta Branch office. In order to specify the main focus of the study and develop a strategy to the research topic, the following conceptual framework was drawn. The conceptual framework model (as shown below in the figure 2.1) shows the five service quality dimensions and their impacts on customer satisfaction. Therefore, the impact of the service quality provided by A/A/C/G/R/B/ Lideta branch office on its taxpayers' satisfaction was evaluated using the five service quality dimensions (SERVQUAL model), which are; Tangibility, Reliability, Responsiveness, Assurance and Empathy.

Figure 2.1: Conceptual framework



Source: Cronin and Taylor (1992)

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3. Chapter Overview /Introduction

This chapter deals with methods that were used in undertaking this study starting from data collection through data analysis. It covers Research design, Data collection instrument, sample size and sampling technique, and finally data analysis technique used for the investigation.

3.1Research Approach

This study has employed the quantitative research approach. This approach enables us to conduct the research using quantitative measurements. Therefore, the researcher has conducted this study by collecting all the necessary quantitative data from the customers (tax payers) of Addis Ababa city government revenues bureau, Lideta branch office.

3.2Research Design

According to (Kothari, 2004), a research design is the arrangement of condition for collection and analysis of data in a way that target to combine relevance to the research purpose. It includes a plan of what the researcher did starting from writing the question and its implications to the final analysis of the data. Thus, it provides a framework for data collection and analysis.

This study was conducted using two types of research designs; the descriptive and the causal (explanatory) research designs. The study has used descriptive to assess the customers' level of expectation towards service quality of Addis Ababa City government Revenues Bureau Lideta branch office. To understand the impact of service quality upon customer satisfaction causal (explanatory) research design was employed.

3.3. Sampling Design and Procedure

3.3.1. Target Population

The target population for the study was Addis Ababa city government revenues bureau Lideta sub city branch tax payers, I.e. the large (Category 'A'), the middle (category 'B') and the small (Category 'C') taxpayers. As the current total number of tax payers of the sub city indicates that there are 14,920 tax payers, which are combinations of 3,287 large, 1,955 middle and 9,678 small tax payers categories respectively (LSSRBO, 2020); the researcher was used these tax payers as a target population to carry out the study.

3.3.2. Sampling technique and sample size

Since the type of the tax payers in each category are not homogeneous and to address all the categories the researcher has used a Probabilistic sampling technique which is stratified sampling by considering the categories as strata. And to distribute the questionnaire in each stratum, simple random sampling method was undertaken. This was applied by using the proportion of tax payers in the sub city under each ten (10) woredas and also the proportion of the selected samples and then collects the data from these proportions.

In principle, perfect information about population could be obtained from census study, but due to the reason that total population size of the study is larger (14,920) and difficult to manage, the researcher was forced to take samples and the investigation has been conducted on samples.

Sampling is one of the methods, which help to select samples or portion from the population. With a 95% level of accuracy, 390 samples were selected from the total 14,920 tax payers using the sample size determination formula developed by (Biruk, 2017) to calculate the required sample size from the total tax payers as follows;

$$n = \frac{N}{1 + Ne^2}$$

Where

n = sample size

N = population size

e = margin of error (0.05) or maximum tolerable error.

$$390 = \frac{14{,}920}{1 + 14{,}920 * .05^2}$$

So, the total sample size is 390. Since the number of tax payers in each category is imbalanced, the sample size for each category was defined as follows;

$$n1 = \frac{nN1}{N}$$

Where;

n = sample size

N = population size

N1 = population size of a given category

n1 = sample size of a given category

Therefore, as we can see from table 3.1 Below, even though 390 respondents were derived from the total population of 14,920 based on rules of proportion and all were received the data collection material (questionnaire); 388 of them were responded and returned the distributed questionnaire. So, this research paper was conducted using the data collected from 388 sample respondents out of the total population of 14,920.

Table 3.1: The total population and sample size of respondents

Target population	tax payers	Sample size	Responded
Large (category 'A') taxpayers	3,287	86	84
Medium(category 'B') taxpayers	1,955	51	49
Small (category 'C') taxpayers	9,678	253	249
Missed	----	----	6
Total	14,920	390	388

Source: LSSTPBO, 2020 and own survey data, 2021

3.4. Sources of Data

To gather appropriate and reliable data for the accomplishment of this study, the researcher has used both primary and secondary data sources.

3.4.1. Primary source

It is clear that data obtained from primary source is first hand and gives the right information because no one manipulate or used the data before, the Primary data was obtained through the designed questionnaire.

3.4.2. Secondary source

If obtaining primary data is impossible or difficult or as per the area of study, a secondary data may be used. Data's obtained from secondary sources are second hand and which someone has manipulated it before. But secondary data has also some benefits like economical advantage. Due to these and other reasons, secondary data was incorporated in this study to make the data that has been gathered and analyzed based on which the inference to be sound full analysis and in order to strengthen the results what has been gathered in the primary data. This secondary data information was incorporated not by analyzing the secondary data itself, rather by reviewing all the necessary documents obtained from Addis Ababa city government revenues bureau lideta branch office, like broachers, annual reports and branch office data base of the taxpayers. In addition to this, other relevant documents, like research books, research studies, journals, articles, internet information concerning the organization, empirical findings to get better insight about service quality, customer satisfaction and their relationships was also included under this secondary source of data for the strengthen of the study.

3.5 Data Collection Methodology

As it is mentioned above, the study was undertaken using both primary and secondary data, where the primary data was collected from the sample tax payers of Addis Ababa city government revenues bureau lideta branch office using a personally administered questionnaire. The questionnaire was arranged in a close ended (quantitative) form question, in which the sample tax payers were asked to rate each statement under the questionnaire using the five-point Likert type scale of (1) 'strongly disagree', to (5) 'strongly agree' (Gerald, 1997). The secondary data on the other hand, were collected from written documents such as broachers, annual reports, customers' data base, books, research studies and journals in order to reaffirm the result findings and to strengthen the whole study.

3.6. Data Analysis Methods

After the appropriate data were collected using the designed questionnaire, it was carefully organized and analyzed by encoding each item using the statistical package for social sciences (SPSS) version 22. As it has been described on the data source, the type of data that were gathered from the respondents was Likert scale data on the satisfaction level of tax payers towards service quality. When the questionnaire was designed, there were multiple questions under each service quality dimensions to measure them. And therefore, the analysis was done first by calculating (transforming) the mean of each question for all respondents. All the descriptive information on the quantitative data which includes, background information of respondents, mean, frequency, percentage and standard deviations were analyzed using descriptive statistics. The regression analyses on the other hand, was conducted to check the effect of service quality dimensions on customer satisfaction and to identify factors that can highly affects customer satisfaction by using the inferential statistics. Generally, the first objective of the study was analyzed using descriptive statistics, whereas second and third objectives were analyzed using regression analysis method. So, the researcher has used the following ordinal regression model.

$$y^* = B_0 + B_1 X_1 + B_2 X_2 + B_3 X_3 + B_4 X_4 + B_5 X_5 + \varepsilon$$

$$Where:$$
$$y^* = \left(\frac{p}{1-p}\right) \log odds \ (representing \ satisfaction)$$
$$B_0 = constat$$
$$x_1 = reliability$$
$$x_2 = tagibility$$
$$x_3 = responsiveness$$
$$x_4 = assurance$$
$$x_5 = empathy$$
$$\varepsilon = error$$

3.7. Validity and reliability

3.7.1. Validity

According to (Saunders & Lewis, 2007), the degree to which the data collection methods help to collect the accurate data as planed is known as Validity. The population of this study was the customers (tax payers) of Addis Ababa city government revenues bureau from Lideta branch and for 95% level of accuracy or 5 % tolerable error, the sample (portion) is adequate to draw inference about the whole observations.

3.7.2. Reliability

Reliability measures the consistency level of tools that used to conduct a test. For this purpose, the researcher has conducted different test statistics to check the reliability of the model and analysis tools. And therefore, first the values were transformed by calculating their mean, so as to check the normality of the data. However, the test result for Kolmogorov-Smirnov[a] and Shapiro-Wilk has indicated that the data are not normal, since the p-values are less than 0.05 for all variables and we fail to reject the null hypotheses. Once again the data was transformed into its log form to run the normality test. But again, the P-value is less than 0.05 for the data that has been transformed for the second time to its log form indicating that the data is not obtained from a population with normal distribution. The test result for normality is indicated on the table 3.2 below. Since, the test result turns out to be non-normal for the second time, so, the researcher is forced to use an ordinal regression model than linear regression model.

Table 3.2: Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Transformed Reliability	.115	387	.000	.978	387	.000
Transformed Tangibility	.086	387	.000	.972	387	.000
Transformed Responsiveness	.152	387	.000	.963	387	.000
Transformed Assurance	.135	387	.000	.973	387	.000
Transformed Empathy	.093	387	.000	.979	387	.000
Transformed Satisfaction	.154	387	.000	.963	387	.000

Source: own survey result 2021

The other test that has been conducted was the model fit test, to check the fitness of the model and the test result from the model fitting information indicates a p-value less than 0.001 and we reject the null hypothesis because the result was found significant and we conclude that there is a significant difference between the baseline model and the final model. And also, the Goodness of fit value of 0.611 for Nagelkereke indicates that about 61% variation in the satisfaction level of the customers is explained by the independent variables. Therefore as we can see from the different reliability testing statistics below the data is reliable to conduct the study.

Table 3.3: Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	Df	Sig.
Intercept Only	1340.816			
Final	1015.040	325.775	21	.000

Source: own survey output, 2021

Table 3.4: Pseudo R-Square

	Chi-Square	Df	Sig.
Pearson	11457.888	2835	.000
Deviance	1015.040	2835	1.000

Source: own survey result, 2021

Table 3.5: Goodness-of-Fit

Cox and Snell	.596
Nagelkerke	.611
McFadden	.243

Source: own survey result, 2021

3.8. Research Ethics

Since the emergent of the concept of ethics and social accountabilities; nowadays the intention of considering ethical issues to incapacitating unethical acts in business researches rise up. For the sack of the respondents all the data gathering process was politely, secretly and no need of personal identity unless they want to reveal themselves. And all the data were stayed as they are. At the times of data collection, manipulating or pushing respondents to get data was unacceptable. The data was gathered using questionnaire, which formerly designed in an English language and then by translated it in to Amharic language, in order to be simply understandable by the sample respondents and also by returning it in to English language. Finally, the collected data (information) was used only for the purpose of the researcher's Masters Degree accomplishment

CHAPTER FOUR

4. DATA PRESENTATION AND ANALYSIS

4.1. Introduction

As it has been tried to be indicated under the methodology part for data analysis, after having a proper data insertion to SPSS and running the important test statistics before conducting the analysis, the data were analyzed using descriptive and inferential statistics. Descriptive analysis was made for the first objective and inferential statistics was used for the second and the third objectives. Coming to the respondents, from the 390 distributed questionnaires 388 questionnaires were collected or responded, which represent 99.5% of the total distributed questionnaires. After checking the retrieved questionnaires, the 359 were found valid for statistical analysis. So, 92.5% of the total sample size is undertaken for this study. Therefore, the discussion and interpretation of the result was done accordingly and presented on the next sections.

4.2. Descriptive Statistics

4.2.1. Demographic Background of the respondents

According to the result from the analysis, from the 359 respondents 195 respondents or approximately 54% of the respondents are male, whereas the remaining 164 respondents or 46% of the total respondents were female. In terms of age, about 95% of the respondents are adults having an age of 26 and above. From this we may understand that the respondents can tell the true feeling of their satisfaction level, as they are matured enough.

Majority of the respondents, which accounts for about 67% of the total, are category ‘C’ tax payers whereas 33% of the respondents are category ‘A’ and ‘B’ together. Therefore, majority of the respondents in this study are category ‘C’ tax payers. In terms of the education level of the respondents, most of the respondents (59.3%) are diploma holders and above.

Most of the respondents (84% of the total respondents) have a regular contact with the branch office. And when we come to their frequency of contact, around 40% of the respondents have quarterly contacts with the branch office and around 34% of the respondents contacted the branch office once a year.

Table 4.1: Demographic background of the respondents (Case Processing Summary)

Sex	Male	195	54.3%
	Female	164	45.7%
Age	below 25years	19	5.3%
	26 years and above	340	94.7%
Educational background	primary Education	48	13.4%
	high school	98	27.3%
	Diploma holders and above	213	59%
Tax payer category	Category "A"	76	21.2%
	category "B"	43	12.0%
	category "C"	240	66.9%
Tax payer's contact with the branch office	Yes	303	84.4%
	No	56	15.6%
Cumulative transformed satisfaction	Dissatisfied and highly dissatisfied	120	33.4%
	Neutral or undecided	103	28.7%
	Satisfied and highly satisfied	136	37.8%
Valid		359	92.5%
Missing		29	7.45%
Total		388	100.0%

Source: own survey data, 2021

If we try to see the level of satisfaction of these respondents, the result we get does not indicate a clear picture whether there is satisfaction or no satisfaction on the services being provided by the branch office. Because if we take the cumulative relative frequency of those who are dissatisfied and highly dissatisfied, we get around 33% out of the total respondents. And around 29% feel neutral about their satisfaction level. However, small majority of the respondents, around 38% feels or agrees and strongly agree (cumulatively) that they are satisfied with the service quality being provided. Based on these data, it would be difficult to conclude that customers are satisfied or dissatisfied with the service that they get from the office. Because, the proportion of those respondents who feel unsatisfied and below (33%) is not a small number or it is not insignificant as it is compared to the proportion of those who felt satisfied and above (38%). Therefore, although small majority are satisfied, significant number of respondents are also unsatisfied. And this may indicate that much work needs to be done at the office to improve their services and to increase the satisfaction level of their customers at least by tuning those customers in the neutral category enter a satisfaction category.

4.2.2. Customer Expectation and Perception

The first objective of the study was to measure customer's expectation and perception on service quality. For this purpose, the service quality dimensions were used to identify what the customers felt about them using a Likert scale measurement and the result of the analysis is presented here below on table 4.2. First, transformation on the data was made to their mean and the analysis was run.

Table 4.2: Descriptive statistics for service quality dimension.

	Minimum	Maximum	Mean	Std. Deviation
Transformed Reliability	1.25	5.00	3.2322	.76223
Transformed Tangibility	1.25	5.00	3.4313	.81145
Transformed Responsiveness	1.25	4.75	2.9832	.80238
Transformed Assurance	1.00	5.00	3.2208	.76808
Transformed Empathy	1.40	5.00	3.2259	.72671
Transformed Satisfaction	1.00	5.00	3.0995	.80545
Valid N (list wise)				

Source: own survey result 2021

Based on the analysis made to determine customer's expectation and perception on service quality, the following conclusions were drawn. Of course, this is done by just observing the mean value of each response under each dimensions of service quality which is obtained from the output of the analysis. Before we discuss their level of perception, let us first see how we conduct the category. The interval for interpreting the mean is classified as follows. If the mean of the Likert scale falls between 1 and 1.80, it is concluded as 'Strongly Disagree', if it ranges between 1.81 and 2.60, it will be concluded as 'Disagree', if the mean takes values ranging from 2.61 to 3.40, it takes 'neutral, from 3.41 up to 4.20 'Agree' and finally values ranging from 4.21 to 5 takes a 'Strongly Agree' conclusion (Zahra & Sima, 2019).

Based on the above category, the first variable to measure customer's expectation and perception was reliability. The researcher wanted to know whether customers feel that the services provided by A/A/C/G/R/B/Lideta Branch Office are reliable or not. For this purpose, four questions were raised to measure reliability and the transformed mean shows a mean value of 3.23 for reliability. This mean value fall in the category of neutral; indicating that the respondents neither nor feel reliable on the services provided by the branch office. The analysis indicate that respondents are undecided whether employees at the branch office provide services at a time they promises to do so, they are undecided whether the branch shows a sincere interest to solve their problems, they are undecided whether the workers prioritize among the services they need and also they are undecided about whether services are given based on their schedules or not. Although it requires a further investigation, the researcher believes that this is due to the absence of clear and standard procedures, the absence of standard time that it takes to process certain tasks at the branch office and the lack of transparency in service provisions. And this indicates works have to be done at the branch office to make their customers feel reliable on the branch's services.

Secondly, tangibility was taken to measure expectation and perception of the customers to see if the branch office has conducive working environment and facilities to provide the service to the customers satisfactorily. Based on this, the transformed mean value of the variable indicates a value of 3.43 which is categorized under 'Agree'. So, customers feel and believe that there is organized and modern working equipment at the office, there exists comfortable, clean and attractive physical facility at the office, employees have appropriate appearance to provide the service and they also believe that the branch office is equipped with comfortable service facilities. In general, customers have agreed to the term that the service of the branch office is tangibly and comfortably provided from facility aspect. Is this may be because of the office renovation plan by the government on public offices in general? It needs farther investigation.

The respondents feel neutral and undecided about the level of responsiveness of the employees at the office in providing the required services and helping the customers with their questions. As the transformed mean value of 2.98 for responsiveness indicates, the tax payers are unable to say that employees understand and reply to their question, they are undecided whether they get a prompt service or not, they don't know whether the employees are willing or not to help with their problems and whether they make efforts to serve and give answers to the questions they raise. This is may be due to the very poor nature of work culture in Ethiopia.

Finally, the attempt to measure the tax payers opinion in relation to assurance and empathy have fallen in the neutral category with transformed mean value of 3.22 and 3.10 respectively. This indicates that tax payers are undecided about the level of confidence in the due course of providing the services, suitability of the service, consistency, courtesy and respect, and the level of knowledge and experience to answer questions.

4.3. Effect of Service Quality on Customer Satisfaction

The test result for normality has shown that the data were not drawn from a normally distributed population. For this reason the researcher could not use a parametric test and forced to use non parametric test for the analysis and used ordinal regression model to see the impact of service quality on customer satisfaction. After running an ordinal regression by taking customer satisfaction as dependent variable and service quality dimensions as independent variables, the following result was obtained and the regression model that follows was developed.

Table 4.3: Variable Estimates output (ordinal regression results)

		Estimate	Std. Error	Wald	Df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Threshold	[TransS = 1.00]	4.092	.656	38.943	1	.000	2.806	5.377
	[TransS = 1.50]	5.608	.576	94.722	1	.000	4.478	6.737
	[TransS = 2.00]	6.951	.581	143.337	1	.000	5.813	8.089
	[TransS = 2.50]	8.614	.617	195.079	1	.000	7.405	9.822
	[TransS = 3.00]	10.751	.703	233.928	1	.000	9.373	12.129
	[TransS = 3.50]	12.358	.768	259.089	1	.000	10.853	13.863
	[TransS = 4.00]	13.987	.818	292.337	1	.000	12.384	15.590
	[TransS = 4.50]	15.633	.894	305.532	1	.000	13.880	17.386
Location	Transformed Reliability	.545	.211	6.698	1	.010	.132	.958
	Transformed Tangibility	.376	.176	4.587	1	.032	.032	.720
	Transformed Responsiveness	.484	.237	4.173	1	.041	.020	.948
	Transformed Assurance	.244	.232	1.104	1	.293	-.211	.700
	Transformed Empathy	1.481	.241	37.639	1	.000	1.008	1.954

Source: own survey result 2021

In this part, the researcher has measured the impact of the service quality dimensions on satisfaction level. That means, it has been checked whether these factors can affect customer satisfaction or not. As per the regression result indicated on the above table 4.3, the estimated values of the service quality dimensions (Reliability, Tangibility, Responsiveness, Assurance and Empathy) are all positives. This indicates that all the dimensions of service quality have a positive impact on satisfaction level. But, for those variables having significant impact, the model was developed as follows.

$$y^* = 0.545x_1 + 0.376x_2 + 0.484x_3 + 0.244x_4 + 1.481x_5 + \varepsilon$$

Where:

y^* = customer satisfaction

x_1 = Reliability

x_2 = Tangibility

x_3 = Responsiveness

x_4 = Assurance

x_5 = Empathy

ε = error term

In a more detailed way, Reliability was a significant positive predictor of satisfaction on the service quality. For every one unit increase on reliability, there is a predicted increase of 0.545 in the log odds of customers being in a higher category of satisfaction at 1% significance level. The second variable; Tangibility was also a significant positive predictor of satisfaction on service quality with a coefficient value of 0.376 indicating that for every one unit increase on tangibility, there is a predicted increase of 0.376 in the log odds of customers satisfaction and this is significant at 5% significance level.

Responsiveness and Empathy were also significantly and positively predicted satisfaction level of the customers on the services provided by the branch office. For every one unit increase on responsiveness and empathy, there is a predicted increase of 0.484 and 1.481 on the log odds of customer being on a higher category of satisfaction level respectively.

When we see the significance level of their impact, two variables; Tangibility and Responsiveness are significant at a 5% significance level, whereas Reliability and Empathy are significant even at a 1% significance level. However, Assurance is insignificant even at a 10% significance level although it has a positive impact. From this we can conclude that customer's satisfaction can be affected by Tangibility, Responsiveness, Reliability and Empathy.

4.4. Factors affecting customer satisfaction

Customers of A/A/C/G/R/B/Lideta Branch office were asked to rank the service dimensions that they need to be improved based on the respective importance to ensure their satisfaction, the following result was obtained after running the ranking using a multiple response analysis on the statistics package for social sciences (SPSS) version 22. According to the following table 4.4, out of the total number of 388 observations, it is 333 observations or 86% that is valid for ranking purposes.

Table 4.4: Observations validity for ranking purposes (Case Summary)

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
$Priority[a]	333	85.8%	55	14.2%	388	100.0%

Source: own survey result 2021

The following table 4.5 depicts the frequency of those respondents for their first choices only. The reason why the research only considered their first choice is that based on the number/frequency of first choices, we can determine the remaining rank accordingly.

Based on this, around 28% of the respondents ranked Responsiveness on the first place, indicating and believing that the branch office and its employees must be willing to help and provide prompt services. So, as per this rank, majority of the respondents wants the organization to improve the level of responsiveness, if the satisfaction of the tax payer is concerned. Indicators which were used to measure whether the office is responsive enough or not in serving the customers are the extent to which the employees are informed about what they must do to serve the tax payers, the extent to which they give a prompt services, the extent to which they are willing to help the customers and the level of concern they give while they provide services. Therefore, these are all the conditions that need improvement to make the branch office responsive so that tax payers will be satisfied.

The variable that took the second position is Assurance, in which about 26% of the respondents ranked it second whereas around 22% of the respondents ranked Empathy on a third rank. Assurance was measured by considering how confident the employees are in providing the required services, how the tax payers feel safe during their stay at the office, the level of respect and treatment that the tax payers gets on the process and the level of knowledge and understandings that the employees have while providing the services. So, these are found important in affecting the level of satisfaction of the tax payers as per their ranking. This is an indicator that the employees need to be aware of what services do the customer requires and how do they meet their expectation with having respects for them. This can be made possible by developing standards and policy procedures in serving the customers which can enhance the confidence level of the employees. From the following table 4.5, we can understand that a significant proportion of respondents have selected responsiveness, assurance and empathy as a top priority that needs to be improved on a first, second and third places respectively.

Table 4.5: Priority Rank for Improvement ($Priority Frequencies)

		Responses		Percent of Cases
		N	Percent	
What must be needed to improve by the Branch office:	Reliability: ability to perform the promised service dependably, timely and accurately	69	13.8%	20.7%
	Tangibility: appearance of physical facilities, equipment and employees.	55	11.0%	16.5%
	Responsiveness: willing to help and provide prompt service.	137	27.5%	41.1%
	Assurance: knowledge, credibility and courtesy of employees.	130	26.1%	39.0%
	Empathy: provision of individually caring, easy access, good communication and attention to tax payers.	108	21.6%	32.4%
Total		499	100.0%	149.8%

Source: own survey result 2021

On the other hand reliability and tangibility got the fourth and fifth position in the ranking process with a relative frequency of 14% and 11% respectively (value rounded to the next level). These variables also needs improvement which otherwise affects the satisfaction. For this analysis, it is found that responsiveness; willingness to help and providing a prompt service can have a higher level of impact on customer satisfaction, whereas tangibility has a lower impact on the level of customer satisfaction.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter is the final chapter which contains summary of the findings, conclusion and recommendations of the study.

5.1. Summary

The main objective of the study was to assess the impact of service quality on customer satisfaction in the case of Addis Ababa city government Revenues Bureau Lideta sub city branch office. Specifically, this research has tried to address three research objectives; customer's perception on service quality, impact of service quality on customer satisfaction and identifying factors affecting customer satisfaction. To achieve these objectives;

- ✓ A quantitative research approach was implemented and Probabilistic sampling technique with stratified random sampling methods was used to collect quantitative data from Addis Ababa city government Revenues Bureau Lideta sub city branch office tax payers using a five point Likert scale questionnaire.
- ✓ Then the data that were collected through questionnaire was inserted into SPSS version 22, and the data were analyzed.
- ✓ Each objectives in the research were addressed using different analysis method, in which descriptive statistics was applied to analyze background information of respondents and their perception on service quality and satisfaction as well as relationship between service quality dimensions, overall service quality and customer satisfaction. Ordinal regression model was used to analyze the second and third objectives which were estimating the impact of service quality on customer satisfaction and the effect of service quality on customer satisfaction.
- ✓ Then based on the result and regression output a brief discussion was made and the result has indicated that majority of the respondents were category 'C' tax payers.

5.2. Discussion and Conclusion

The main objective of the study was to asses service quality and customer satisfaction as well as to examine the impact of various service quality dimensions on service quality and customer satisfaction in Addis Ababa city government Revenues Bureau Lideta sub city branch office and to find out important dimensions of services having greater influence on service quality and customer satisfaction. Accordingly, five service quality dimensions (reliability, tangibility, responsiveness, assurance and empathy) were considered for the study. Based on the discussions made, the following conclusions were drawn.

- With regard to customer satisfaction, the number of customers who are satisfied with the services quality provided, based on the analysis, is not significantly higher than those customers who are not satisfied with the services provided by the branch office. Although the proportion of those satisfied customers (38%) is higher than the proportion of unsatisfied ones (33%), we cannot conclude that customers are satisfied by the service they get. Because the result indicates significant numbers of customers are unsatisfied. This is an indicator that there might be problems on the services provided either by the employees, the process or the policy (which of course needs a further investigation). This result is supported by (Abdissa, 2019) which has measured the service quality level and customer satisfaction and found that both are below average and customers are unsatisfied with the service they get from the municipality of Nekemte town. Although these two are not representatives of other government organization, but they are good indicators that service quality is poor in Ethiopia in general and government offices in particular.
- There is high dependency between service quality and customer satisfaction (Sureshchandar, Rajendran, & Anantharaman, 2002). And that might be one of the reasons why the customers are unsatisfied. The result is also found to be supported by the findings of (Tilahun, 2017). The finding has concluded that tax payers were not satisfied with the service provided by Addis Ababa City Administration tax payers.
- The finding is also supported by (Kiros, 2013) concluding that both employees and customers were not well satisfied with the provision of service delivery in the ERCA.

Not only what has been discussed above, but also the service quality model, which was used to investigate the satisfaction level, indicates customers' expectations and perception are low on the service quality delivered by the branch office. To measure customer's expectation and perception, five service quality dimensions (Reliability, Tangibility, Responsiveness, Assurance and Empathy) were used.

- As per the analysis made for Reliability, customers were not decided to say that the service provided is reliable or not (with a neutral mean value of 3.23). This may be due to the reason that customers may not know what to expect from the office when they go seeking a service. Or it may be due to the absence of clear and standard procedures, the absence of standard time that it takes to process certain tasks at the branch office and the lack of transparency in service provisions. Being neutral means, they don't neither nor feel reliable on the services provided. However, with regard to this dimension (reliability), a research conducted by (Tilahun, 2017) has concluded that tax payers in Addis Ababa City Administration do not feel reliable on the services provided by the City Administration tax payers. This is may be because of that, the branch at Lideta sub City is relatively better than the rest or it may be because of the low expectations of the customers (tax payers) or it could be because of any other reason which needs to be investigated. But as a concluding remark, the tax payers could not decide whether they think the branch office is reliable or not.
- Tangibility measures to what extent the service provision environment is conducive and well organized. Customers believe that there is organized and modern working equipment and facilities at the branch office. There is comfortable, clean and physically attractive office set-up that makes the customers feel comfortable during their stay at the branch office. In general, customers agreed that there is tangibility of service quality (with a mean value of 3.43) at the branch. This result, however, is contrary to other findings, for instance, (Tilahun, 2017). The study has found that the services provided at Addis Ababa City Administration revenue office are not tangible. The researcher believes that such difference is observed may be due to the direction that the federal government is currently giving to federal and some Addis Ababa offices to reform and renovate their facilities.

- As per the result for Empathy (where the indicators are contingency of working hours, respect and treatment, enough attention, good understanding and cooperation of the employees) shows, the workers at the branch do not provide a prompt services. The result indicates there is difficulty in concluding that employees provide prompt services, or they understand what the customers need or in extending the necessary effort to support the customers. And therefore, employees at the branch office are not responsive enough to what the customers are looking for. There is a gap between what the customers expect and what they get from the workers of the branch office. This finding is also supported by (Abdissa, 2019); (Tilahun, 2017). Both studies concluded that there is no empathy in the service providing organizations.
- Employee's consistency, courtesy, respect, knowledge and experiences in providing the services, were also the areas where customers fail to clearly say that they are satisfied with those variables. The level of Assurance and Empathy are not as expected at the branch office. There are indicators that these two are unsatisfactory because the respondents were unable to testify about them. The office have failed in providing services consistently, where the employees do not have confidences on what and how they do their activities, the respect they give to their customers are all poor. Findings by (Abdissa, 2019); (Tilahun, 2017) also support this result for the organizations they have investigated.
- With regard to the impact of service quality on customer satisfaction, it is found that all the dimensions of service quality have a positive impact on satisfaction level. Variables like reliability, tangibility, responsiveness and empathy have significant and positive impact on customer satisfaction. However, assurance was found to be insignificant in affecting satisfaction. While the results of reliability, tangibility, responsiveness and empathy are in line with the findings of (Tilahun, 2017), the remaining one variable assurance contradicts with his result and conclusion.
- Finally, a regression analysis was made and few variables (dimensions) were found to be insignificant in affecting customer satisfaction. It is found that responsiveness, assurance and empathy highly and significantly affects customer satisfaction, whereas reliability and tangibility are insignificant in affecting customer satisfaction. However, there is a little contradiction with the findings of (Tilahun, 2017), where indicators like reliability,

responsiveness and assurance were significant and empathy and tangibility were insignificant.

5.3. Recommendations

As described in the findings of the study, all five dimensions of service quality has positive impact on service quality and customer satisfaction. So working to improve these service quality dimensions will contribute to the overall service quality and customer satisfaction. Based on the survey results, the following recommendations are given.

- Addis Ababa city government Revenues Bureau Lideta sub city branch office should train its employees regarding to customer handling issues.

- Addis Ababa city government Revenues Bureau Lideta branch office needs to assess the number of employees it has with its number of customers and should take corrective actions to improve responsiveness.

- Addis Ababa city government Revenues Bureau Lideta branch office should implement different kinds of motivational schemes to its employees which will inspire employees to deliver their maximum potential to serve customers which could upgrade the customer's satisfaction.

- Addis Ababa city government Revenues Bureau Lideta branch office should implement modern systems automation like electronic taxation to provide quick and fault free service to customers.
- The researcher suggests that Addis Ababa Revenues Bureau Lideta Branch should have to provide different incentive mechanisms to its employees in order to motivate them and to deliver quality services for its customers.
- The researcher highly recommends the concerned bodies in Addis Ababa City Government Revenue Bureau Lideta Branch office should have to create a conducive environment by which they can provide a prompt service to their customers and have knowledge, credibility and courtesy of employee as responsiveness and assurance are ranked first and second by customers to be improved.

- In general, all Service quality dimensions listed in the model of the study have impacts on the overall service quality and customer satisfaction of Addis Ababa city government Revenues Bureau Branch office. Based on these dimensions, customers (tax payers) perceived over all service quality and satisfaction is low. So that the branch office should work hard on all these service quality dimensions to improve its service quality and customer satisfaction.

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Appendix

Appendix 1, Questionnaire in English

College of Business and Economics, MBA program (in management)

Questionnaire

Dear Respondent:

I am a graduate student in Addis Ababa University and currently I am conducting a research entitled "**The effect of service quality on customer satisfaction**'' in the case of Addis Ababa city government revenues bureau Lideta sub city branch. This questionnaire aims to collect a primary data for the partial fulfillment of the Masters of business Administration (MBA) Program at Addis Ababa University and this will be used for academic purpose only. Therefore, I kindly request you to provide me reliable information in all regards. Your response will be kept confidential.

No need of writing your name

Thank you in advance for your cooperation!

Part one: General background information of respondents;

Direction: Please circle your response

1.	Sex	Male	1
		Female	2
2.	Age	Below 25 years	1
		From 26 to 35 years	2
		From 36 to 45 years	3
		From 46 to 55 years	4
		From 56 years and above	5
3.	Educational background	Primary education	1
		High school	2
		Diploma	3
		Bachelor's Degree	4
		Masters and above	5
4.	Tax payer category	Large tax payer (Category 'A')	1
		Medium tax payer (Category 'B')	2
		Small tax payer (Category 'C')	3
5.	Are you regularly in contact with the A/A/C/G/R/B/Lideta Branch office as of its tax payer?	Yes	1
		No	2
6.	How many times did you come to the A/A/C/G/R/B/Lideta Branch office in a year, approximately?	Once a year	1
		Twice a year	2

7.	How many times did you come to the A/A/C/G/R/B/Lideta Branch office in a year, approximately?	Once a year	1
		Twice a year	2
		Quarterly	3
		Monthly	4
		More than one times a month	5

Part two: Service Quality Dimensions and level of Customer Satisfaction

The statements below are dealing with the perceptions of service experienced in the Addis Ababa City Government Revenues Bureau Lideta Branch office. Please circle for your level of agreement (satisfaction) from the following scale for each service quality dimensions; (**1-Strongly disagree, 2-Disagree, 3-Nuetral, 4-Agree, and 5- Strongly agree**)

S.n.	**Service quality dimensions**	**Scale**				
1.	**Reliability**	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly agree**
1.1.	A/A/C/G/R/B/Lideta Branch's employees provide thier services at a time they promises to do so.	1	2	3	4	5
1.2.	When you as a customer face a problem, A/A/C/G/R/B/Lideta Branch shows a sincere interest in solving your problem.	1	2	3	4	5

1.3.	A/A/C/G/R/B/Lideta Branch performs the service you need right first time.	1	2	3	4	5
1.4.	A/A/C/G/R/B/Lideta Branch provides services at scheduled times as promised	1	2	3	4	5
2.	**Tangibility**	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly agree**

2.1.	A/A/C/G/R/B/Lideta branch office is well organized and has modernized working equipment.	1	2	3	4	5
2.2.	The physical facilities (office furniture, reception and waiting place) are visually comfortable, clean and attractive.	1	2	3	4	5
2.3.	Appropriate appearance of service delivering employees in the branch office.	1	2	3	4	5
2.4.	Convenient service rendering facilities like information desks, pamphlets, office layout and location are comfortable and visually appealing in the branch office.	1	2	3	4	5
3.	**Responsiveness**	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly agree**
3.1.	Employees of A/A/C/G/R/B/Lideta Branch office are well informing you when they serve you.	1	2	3	4	5
3.2.	Employees of A/A/C/G/R/B/Lideta Branch office give you a prompt service.	1	2	3	4	5
3.3.	Employees of A/A/C/G/R/B/Lideta Branch office are always willing to help you.	1	2	3	4	5
3.4.	Employees of A/A/C/G/R/B/Lideta Branch are never too busy to respond your requests.	1	2	3	4	5
4.	**Assurance**	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly agree**
4.1.	The employees' of A/A/C/G/R/B/Lideta Branch confidence in providing services to	1	2	3	4	5

	you.					
4.2.	Your feeling of Safety in your service delivery time with the A/A/C/G/R/B/Lideta Branch office.	1	2	3	4	5
4.3.	The consistency, courteousness and respectfulness of A/A/C/G/R/B/Lideta Branch office's employees with you.	1	2	3	4	5
4.4.	Employees of the A/A/C/G/R/B/Lideta Branch office have full knowledge to answer your tax related questions.	1	2	3	4	5
5.	**Empathy**	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly agree**
5.1.	The A/A/C/G/R/B/Lideta Branch office gives you an attention when providing a service that you need.	1	2	3	4	5
5.2.	The working hours of A/A/C/G/R/B/Lideta Branch office are convenience to you.	1	2	3	4	5
5.3.	The A/A/C/G/R/B/Lideta Branch office treating you in a careful and respectful way.	1	2	3	4	5
5.4.	A/A/C/G/R/B/Lideta Branch office has employees who give enough personal attention to their customers.	1	2	3	4	5
5.5.	The A/A/C/G/R/B/Lideta Branch office's employees have good understanding and cooperation with the specific service that you need.	1	2	3	4	5
6.	**Overall level service quality and satisfaction of the A/A/C/G/R/B/Lideta Branch office**	**Strongly Disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly agree**
6.1.	I am satisfied with the overall service quality that I got from the Revenue Branch office.	1	2	3	4	5
6.2.	I am satisfied with all of the services provided by the Revenue Branch office.	1	2	3	4	5

7.	Please rank the following **Service quality dimensions** that you need to be improved by the A/A/C/G/R/B/Lideta Branch office based on their respective importance to ensure your service delivery satisfaction.	**Rank needed to improve the service**				
		1st	2nd	3rd	4th	5th
7.1.	**Reliability -** ability to perform the promised service dependably, timely and accurately					
7.2.	**Tangibility -** appearance of physical facilities, equipment, and employees					
7.3.	**Responsiveness -** willing to help and provide prompt service					
7.4.	**Assurance -** knowledge , credibility and courtesy of employees					
7.5.	**Empathy -** provision of individually caring, easy access, good communication and attention to taxpayers					

Thank you

Appendix 2, Questionnaire in Amharic

በአዲስ አበባ ዩንቨርስቲ የቢዝነስ አድምንስትሬሽን የትምህርት ክፍል:

የሁለተኛ ዲግር መረሀ ግብር የመመረቂያ ጥናት ለማድረግ መረጃ ለመሰብሰብ የተዘጋጀ መጠይቅ

ለተከበራችሁ ምላሽ ሰጪዎች፡

እኔ በአዲስ አበባ ዩንቨርስቲ ቢዝነስ አድምንስትሬሽን የትምህርት ክፍል የሁለተኛ ዲግሪ ተማሪ ስሆን በያዝነው በጀት ዓመት **“የአገልግሎት አሰጣጥ ጥራት በደንበኞች እርካታ ላይ ያለው ተፅዕኖ”** በሚል ርዕስ በአዲስ አበባ ከተማ አስተዳደር ገቢዎች ቢሮ ልደታ ክ/ከተማ ቅርንጫፍ ጽ/ቤት የመመረቂያ ፁሑፍ እያዘጋጀሁ እገኛለሁ፡፡ በመሆኑም የዚህ መጠይቅ ዓላማ በቢዝነስ አድምንስትሬሽን የትምህርት ክፍል የሁለተኛ ዲግሪ ለመመረቅ የሚያስችል ጥናት ለማዘጋጀት የሚያገለግል ቀዳሚ መረጃ ከግብር ከፋዮች በመሰብሰብ መረጃውን ተጠቅሞ የመመረቂያ ፅሑፍ ማዘጋጀትና መረጃውን ለዚሁ ዓላማ ብቻ መጠቀም ሲሆን ጥናቱ ውጤታማ የሚሆነው እርስዎ (ግብር ከፋዮች) በሚያደርጉልኝ ቀና ትብብርና በሚሰጡኝ ትክክለኛ መረጃ መሠረት ስለሆነ በመልካም ፈቃድዎ የሚሰጡኝን መረጃ በሚስጥር እና በጥንቃቄ በመያዝ ለትምህርት አገልግሎት ብቻ የሚውል መሆኑን አውቀው በዚህ መጠይቅ የቀረቡትን ጥያቄዎች በመመለስ መረጃ እንዲሰጡኝ በአክብሮት እየጠየቅኩኝ ለሚሰጡኝ እውነተኛ መረጃ በቅድሚያ በማመስገን ነው፡፡

በመጠይቁ ላይ ስም መፃፍ አያስፈልግም፤ሚስጥራዊነቱም ይጠበቃል፡፡

ለትብብርዎ በጣም አመሰግናለሁ!

ክፍል አንድ፡ የግል ሁኔታ

መመሪያ፡- *እባክዎ ለሚከተሉት ጥያቄዎች የእርስዎ መልስ የሚሉት ቁጥር ላይ በማክበብ ይመልሱ*

8.	ፆታ	ወንድ	1
		ሴት	2
9.	ዕድሜ	ከ25 ዓመት በታች	1
		ከ26 እስከ 35	2
		ከ36 እስከ 45	3
		ከ46 እስከ 55	4
		ከ56 ዓመት በላይ	5
10.	የትምህርት ደረጃዎ	የመጀመሪያ ደረጃ	1
		እስከ 12 ክፍል	2
		ዲፕሎማ	3
		የመጀመሪያ ዲግሪ	4
		ሁለተኛ ዲግሪና ከዛ በላይ	5
11.	የንግድ ደረጃ	ከፍተኛ ግብር ከፋይ (ደረጃ "ሀ")	1
		መካከለኛ ግብር ከፋይ (ደረጃ "ለ")	2
		አነስተኛ ግብር ከፋይ (ደረጃ "ሐ")	3
12.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት ግብር ከፋይ እንደመሆንዎ መጠን ከቅ/ጽ/ቤቱ ጋር ቋሚ የግኑኙነት ግዜ አለዎት?	አዎ	1
		አይደለም	2
13.	ወደ አ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት በዓመት በአማካይ ለስንት ግዜ ይመጣሉ?	በዓመት አንድ ግዜ	1
		በዓመት ሁለት ግዜ	2
		በየሶስት ወሩ	3
		በየወሩ	4
		በወር ከአንድ ግዜ በላይ	5

ክፍል ሁለት፡- ያገኙትን የአገልግሎቶች ጥራት እና ያለዎት የእርካታ ደረጃን በተመለከተ፡

የአ/አ/ከ/አ/ገ/ቢ/ገ/ል/ቅ/ጽ/ቤት ከዚህ በታች የተዘረዘሩትን የአገልግሎት አሰጣጥ መገለጫዎች ለግብር ከፋይ ተገልጋዮቹ እንደሚያቀርብ ይጠበቃል፡፡ ከታች ከተዘረዘሩት የአገልግሎት መለኪያዎች እባክዎ ከመመዘኛ ነጥቦቹ ስር በተቀመጡ ቁጥሮች እርስዎ በሚስማሙበት ደረጃ ላይ በማክበብ ይመልሱ፡፡

(በጣም አልስማማም=1፣ አልስማማም=2፣ መካከለኛ=3፣ እስማማለሁ=4፣ በጣም እስማማለሁ=5)

ተ.ቁ	የአገልግሎት መለኪያ	መመዘኛ ነጥብ				
9.	**ከታማኝነት አንፃር** (Reliability)	በጣም አልስማማም	አልስማ ማም	መካከለኛ	እስማ ማለሁ	በጣም እስማማለሁ
9.1.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት ሠራተኞች ባስቀመጡት ግዜና ስዓት መሠረት አገልግሎት ይሰጣሉ፡፡	1	2	3	4	5
9.2.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት ግብር ከፋዩ ችግር ሲገጥመው ችግሩ በቅንነት እና በፍቃደኝነት ይፈታል፡፡	1	2	3	4	5
9.3.	ከአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤቱ የፈለጉትን አገልግሎት ለመጀመሪያ ግዜ ሲጠይቁ ጥያቄዎ በወቅቱ በትክክል ተስተናግዷል፡፡	1	2	3	4	5
9.4.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት ባስቀመጠው የግዜ ሰሌዳ መሠረት አገልግሎቶችን ይሰጣል፡፡	1	2	3	4	5
10.	**ምቹ ሁኔታ ከመፍጠር አንፃር** (Tangibility)	በጣም አልስማማም	አልስማ ማም	መካከለኛ	እስማ ማለሁ	በጣም እስማማለሁ
10.1.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት ዘመናዊ የቢሮ ግብዓቶችን ያሟላና በጣም የተደራጀ ነው ፡፡		2	3	4	5
10.2.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት ግብር ከፋዮችን ለማገልገል የሚያስችል ምቹ፣ ፅዱ፣ የተሟላ እና ደስ የሚል የአገልግሎት መስጫ ቦታ (የቢሮ ቁሳቁሶች፣ የእንግዳ መቀበያ እና ማቆያ ቦታ) ተዘጋጅቶለታል፡፡	1	2	3	4	5

10.3.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት ሠራተኞች ለአገልግሎት ሰጪነት ተስማሚ የሆነ ገፅታ አላቸው፡፡	1	2	3	4	5
10.4.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት የሚገኝበት ቦታ እንዲሁም በጽ/ቤቱ ውስጥ የመረጃ ጠቋሚዎች (የመረጃ ዴስክ፣ በራሪ ወረቀቶች፣ የቢሮ አቀማመጥ) አገልግሎት ለመስጠት በቂ እና ምቹ ናቸው፡፡	1	2	3	4	5
11.	**ፈጣን ምላሽ ከመስጠት አንፃር** (Responsiveness)	በጣም አልስማማም	አልስማ ማም	መካከለኛ	እስማ ማለሁ	በጣም እስማማለሁ
11.1.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት ሠራተኞች አገልግሎት ሲሰጡ ግብር ከፋዩን በትክክል በመረዳት እና በማስረዳት ነው፡፡	1	2	3	4	5
11.2.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት ሠራተኞች ለግብር ከፋዮቻቸው ፈጣን አገልግሎት ይሰጣሉ፡፡	1	2	3	4	5
11.3.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት ሠራተኞች ግብር ከፋዩን ለማገዝ ሁሌም ይተባበራሉ፡፡	1	2	3	4	5
11.4.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት ሠራተኞች ግብር ከፋዩን የሚያነሳቸው ጥያቄዎችን ለመመለስ ጥረት ያደርጋሉ፡፡	1	2	3	4	5
12.	**የጥራት ማረጋገጫ** (Assurance)	በጣም አልስማማም	አልስማ ማም	መካከለኛ	እስማ ማለሁ	በጣም እስማማለሁ
12.1.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት ሠራተኞች ግብር ከፋዩን ሲያገለግሉ በራሳቸው በመተማመን ነው፡፡	1	2	3	4	5
12.2.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት የአገልግሎት አሰጣጥ ለግብር ከፋዩ (ለእርስዎ) ተስማሚ ነው፡፡	1	2	3	4	5
12.3.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት ሠራተኞች ግብር ከፋዩን (እርስዎን) የሚያገለግሉት በቀናነት፣ በትህትና እንዲሁም ክብር በመስጠት ነው፡፡	1	2	3	4	5

12.4.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት ሠራተኞች የግብር ከፋዩ የሚያነሳቸው ጥያቄዎችን ለመመለስ የሚያስችል የተሟላ እውቀት አላቸው፡፡	1	2	3	4	5
13.	**የግብር ከፋዩን ችግር ከመረዳት አንፃር (Empathy)**	በጣም አልስማማም	አልስማ ማም	መካከለኛ	እስማ ማለሁ	በጣም እስማማለሁ
13.1.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት አገልግሎት የሚሰጠው ግብር ከፋዮችን (እርስዎን) የሚፈልጉትን አገልግሎት ላይ ትኩረት በመስጠት ነው፡፡	1	2	3	4	5
13.2.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት የስራ ሰዓት ለተገልጋዮች ተስማሚ ናቸው፡፡	1	2	3	4	5
13.3.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት ለግብር ከፋይ ተገልጋዮቹ (ለእርስዎ) ክብር በመስጠት እንክብካቤ ያደርጋል፡፡	1	2	3	4	5
13.4.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት ለግብር ከፋዩ (ለእርስዎ) ትኩረት የሚሰጡ በቂ ሠራተኞች አሉት፡፡	1	2	3	4	5
13.5.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት ሠራተኞች የግብር ከፋዩን (የእርስዎን) ፍላጎት በመረዳትና በመተባበር አገልግሎት ይሰጣሉ፡፡	1	2	3	4	5
14.	**አጠቃላይ የአገልግሎት ጥራት ደረጃ እና ዕርካታ**	በጣም አልስማማም	አልስማ ማም	መካከለኛ	እስማ ማለሁ	በጣም እስማማለሁ
14.1.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት በሚሰጠው የአገልግሎት አስጣጥ ጥራት ላይ እረክቻለሁ፡፡	1	2	3	4	5
14.2.	የአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት በሚሰጣቸው አገልግሎቶች እረክቻለሁ፡፡	1	2	3	4	5
15.	እባክዎን በአ/አ/ከ/አ/ገ/ቢ/ል/ቅ/ጽ/ቤት በሚሰጡ ከታች የተዘረዘሩ የአገልግሎት ዓይነቶች ቢሻሻሉ ለእርስዎ ጠቃሚና	**አገልግሎቱን ለማሻሻል የሚፈለገው ደረጃ**				

	የበለጠ ዕርካታ ይሰጠኛል ብለው በሚያስቡት መሠረት ደረጃ በመስጠት ይመዝኑልኝ?	1ኛ	2ኛ	3ኛ	4ኛ	5ኛ
7.6.	**ታማኝነት፡-** በተቀመጠው ሰዓት መሠረት አገልግሎቱን በታማኝነት፣ በፍጥነትና በትክክል የመስጠት ችሎታ፤					
7.7.	**ምቹ ሁኔታ መፍጠር፡-** ለሥራ የሚያስፈልጉ ግብዓቶችን እና ሰራተኞችን የማሟላት ሁኔታ፤					
7.8.	**ፈጣን ምላሽ መስጠት፡-** ግብር ከፋዩን ለማገዝና ፈጣን አገልግሎት የመስጠት ፍላጎት፤					
7.9.	**የጥራት ማረጋገጫ፡-** የሰራተኞች እውቀት፣ታማኝነትና የትህትና ሁኔታ፤					
7.10.	**የግብር ከፋዩን ችግር መረዳት፡-** ሠራተኞቹ የግብር ከፋዩን ችግር እንደ ራስ በማየት ቀለል ባለ መንገድ፣ ጥሩ በሆነ ግንኙነትና ትኩረት በመስጠት ረገድ፤					

ግዜዎን ሰውተው ለተባበሩኝ ከልብ አመሰግናለሁ…!!!

Appendix 3, Outputs

Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
TransRel	.115	387	.000	.978	387	.000
TransT	.086	387	.000	.972	387	.000
TransRes	.152	387	.000	.963	387	.000
TransA	.135	387	.000	.973	387	.000
TransE	.093	387	.000	.979	387	.000
TransS	.154	387	.000	.963	387	.000

Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	Df	Sig.
Intercept Only	1340.816			
Final	1015.040	325.775	21	.000

Link function: Logit.

Pseudo R-Square

	Chi-Square	Df
Pearson	11457.888	2835
Deviance	1015.040	2835

Goodness-of-Fit

Cox and Snell	.596
Nagelkerke	.611
McFadden	.243

Case Processing Summary

		N	Marginal Percentage
TransS	1.00	4	1.1%
	1.50	11	3.1%
	2.00	31	8.6%
	2.50	74	20.6%
	3.00	103	28.7%
	3.50	61	17.0%
	4.00	46	12.8%
	4.50	21	5.8%
	5.00	8	2.2%
Sex	Male	195	54.3%
	Female	164	45.7%
Age	below 25years	19	5.3%
	from 26 to 35 years	89	24.8%
	from 36 to 45 years	166	46.2%
	from 46 to 55 years	57	15.9%
	56 and above	28	7.8%
Educational background	primary Education	48	13.4%

	high school	98	27.3%
	Diploma	108	30.1%
	bachelor's Degree	84	23.4%
	masters and above	21	5.8%
Tax payer category	Category "A"	76	21.2%
	category "B"	43	12.0%
	category "C"	240	66.9%
Tax payer’s contact with the branch office	Yes	303	84.4%
	No	56	15.6%
Frequency of contact with the branch office per year	once a year	129	33.6%
	twice a year	60	15.6%
	Quarterly	153	39.8%
	Monthly	33	8.6%
	two and above times a month	9	2.3%
Valid		359	100.0%
Missing		29	
Total		388	

Descriptive statistics for service quality dimension.

	N	Minimum	Maximum	Mean	Std. Deviation
TransRel	388	1.25	5.00	3.2322	.76223
TransT	388	1.25	5.00	3.4313	.81145
TransRes	388	1.25	4.75	2.9832	.80238
TransA	388	1.00	5.00	3.2208	.76808
TransE	388	1.40	5.00	3.2259	.72671
TransS	387	1.00	5.00	3.0995	.80545
Valid N (listwise)	387				

Variable Estimates output (regression result)

		Estimate	Std. Error	Wald	Df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Threshold	[TransS = 1.00]	4.092	.656	38.943	1	.000	2.806	5.377
	[TransS = 1.50]	5.608	.576	94.722	1	.000	4.478	6.737
	[TransS = 2.00]	6.951	.581	143.337	1	.000	5.813	8.089
	[TransS = 2.50]	8.614	.617	195.079	1	.000	7.405	9.822
	[TransS = 3.00]	10.751	.703	233.928	1	.000	9.373	12.129
	[TransS = 3.50]	12.358	.768	259.089	1	.000	10.853	13.863
	[TransS = 4.00]	13.987	.818	292.337	1	.000	12.384	15.590
	[TransS = 4.50]	15.633	.894	305.532	1	.000	13.880	17.386
Location	TransRel	.545	.211	6.698	1	.010	.132	.958
	TransT	.376	.176	4.587	1	.032	.032	.720
	TransRes	.484	.237	4.173	1	.041	.020	.948
	TransA	.244	.232	1.104	1	.293	-.211	.700
	TransE	1.481	.241	37.639	1	.000	1.008	1.954

Case Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
$changes[a]	387	99.7%	1	0.3%	388	100.0%

a. Group

$changes Frequencies

		Responses		Percent of Cases
		N	Percent	
Things to be changed [a]	first	499	26.0%	128.9%
	second	458	23.9%	118.3%
	third	447	23.3%	115.5%
	fourth	302	15.7%	78.0%
	fifth	214	11.1%	55.3%
Total		1920	100.0%	496.1%

a. Group

Case Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
$Priority[a]	333	85.8%	55	14.2%	388	100.0%

a. Dichotomy group tabulated at value 1.

$Priority Frequencies

		Responses		Percent of Cases
		N	Percent	
What must be[a]	Reliability: ability to perform the promised service dependably, timely and accurately	69	13.8%	20.7%
	Tangibility: appearance of physical facilities, equipment and employees.	55	11.0%	16.5%
	Responsiveness: willing to help and provide prompt service.	137	27.5%	41.1%
	Assurance: knowledge, credibility and courtesy of employees.	130	26.1%	39.0%
	Empathy: provision of individually caring, easy access, good communication and attention to tax payers.	108	21.6%	32.4%
Total		499	100.0%	149.8%

a. Dichotomy group tabulated at value 1.