JRIIE Journal of Research Innovation and Implications in Education
Center for Research Implications & Practice

Website:www.jriiejournal.com ISSN 2520-7504 (Online) Vol.8, Iss.3, 2024 (pp. 504 – 513)

Relationship between Tax Reform Initiatives and Employee Job Satisfaction in the Public Sector: A Case of the County Government of Uasin Gishu, Kenya

Nicholas Kiptoo & Ibrahim Nyaboga
School of Business and Economics
Mount Kenya University
Email: nick.too@yahoo.com

Abstract: *The purpose of this study was to establish the relationship between tax reform initiatives and employee Job Satisfaction in The County Government of Uasin Gishu. The study employed a cross-sectional research design, utilizing questionnaire and interview schedule. Data was collected from employees and human resource officers in various departments in the County Government of Uasin Gishu. The target population for the study involved 931 public sector employees. A sample size of 136 employees was obtained using Krejcie and Morgan (1970) sample size formulae. The respondents' distribution was done ensuring representation from various departments in the county government of Uasin Gishu. Further, 8 human resource officers were selected from all the departments making a total of 144 respondents. Quantitative data was analyzed using descriptive statistics such as frequencies and percentages and inferential statistics such as correlation analysis to assess the relationships between tax policies and employee job satisfaction. Qualitative data from interviews was presented thematically in line with objective of the study. The study established a significant positive correlation between tax reform initiatives and employee job satisfaction in the Uasin Gishu County Government, with a majority of employees perceiving these reforms as beneficial in simplifying compliance and reducing their tax burdens. However, some employees expressed concerns about the potential negative impact on their disposable income, indicating a need for ongoing communication and support to address these apprehensions. The findings of this study will contribute to the understanding of how tax policies impact employee job satisfaction in the public sector in Uasin Gishu County Government, Kenya.*

Keywords*: Tax Reform, Employee Job Satisfaction, Public Sector, Uasin Gishu County, Kenya.*

How to cite this work (APA):

Kiptoo, N. and Nyaboga, I. (2024). Relationship between Tax Reform Initiatives and Employee Job Satisfaction in the Public Sector: A Case of the County Government of Uasin Gishu, Kenya. *Journal of Research Innovation and Implications in Education, 8*(3), 504 – 513**. https://doi.org/10.59765/nwya825r.**

1. Introduction

Tax reform initiatives have become a pivotal tool in shaping the public sector's operational effectiveness and employee job satisfaction. Reforms aimed at increasing transparency, efficiency, and equity in tax systems can significantly influence the morale of public sector employees, as they directly affect wages, benefits, and job security (Torgler, 2020). Globally, tax reform is not just a financial strategy but also a critical factor in human resource management, with direct implications for employee engagement and satisfaction (Bird & Zolt, 2021). In the public sector, changes in tax policies often serve as benchmarks for broader institutional reforms that improve governance and workplace culture (Fjeldstad et al., 2022).

In developed countries, tax reforms are frequently implemented to promote economic growth while maintaining equitable public services. For example, in the United States, the Tax Cuts and Jobs Act of 2017 aimed to stimulate the economy but also had indirect consequences on federal employees' job satisfaction, as the public sector faced budget adjustments and uncertainties (CBO, 2020). Similarly, in the United Kingdom, reforms in tax administration, like the Making Tax Digital initiative, have impacted civil servants' workload and performance metrics, influencing job satisfaction levels (NAO, 2022). In Australia, the 2019–2020 tax reform was intended to simplify the tax system but created a shift in public service job roles, leading to mixed reactions in employee satisfaction (PwC Australia, 2020).

In developing countries, tax reform has often been motivated by a need for economic stabilization and the creation of sustainable public revenues. In Nigeria, tax reforms introduced through the Finance Act of 2019 targeted improving compliance and public trust, indirectly affecting the morale of employees in the public sector due to better resource allocation (Akinyemi & Olayiwola, 2021). South Africa's ongoing reforms, like those from the Davis Tax Committee, aim to streamline tax administration, with public employees experiencing both increased workloads and enhanced job clarity (Goldswain & Hughes, 2020). In Ghana, tax reforms initiated in 2020 to expand the tax base have influenced job satisfaction within the Ghana Revenue Authority by offering opportunities for professional growth and addressing operational inefficiencies (Terkper, 2021).

In Kenya, tax reform has been a crucial component of economic policy, especially as the government seeks to enhance revenue mobilization to fund critical public services. The introduction of the Digital Service Tax (DST) in 2021 is an example of reforms that have required public employees to adapt to new regulations, affecting their job satisfaction through increased administrative burdens (KRA, 2021). Additionally, the implementation of the VAT (Amendment) Act of 2020 saw public sector employees tasked with adjusting to new compliance standards, which initially led to dissatisfaction due to workload increases (OECD, 2021). However, long-term reforms such as the Kenya Revenue Authority's iTax platform have been associated with improved efficiency and employee satisfaction due to streamlined processes (Mutua & Wawire, 2020). This study sought to examine the relationship between tax reform initiatives and employee job satisfaction in the public Sector in Kenya taking a case of the County Government of Uasin Gishu.

1.1 Research objective

The following objective guided this study:

To examine the relationship between tax reform initiatives and employee job satisfaction in the County Government of Uasin Gishu

1.2. Research Hypothesis

H01: There is no relationship between tax reform initiatives and employee job satisfaction in the County Government of Uasin Gishu

2. Literature review

Tax reform initiatives have had considerable features in recent years as governments globally seek to enhance public sector efficiency while improving employee job satisfaction. The relationship between tax reforms and employee satisfaction is increasingly recognized as critical in enhancing a motivated workforce and effective governance (Haffajee & Joshi, 2022). In adjusting tax policies, governments can influence financial resources allocated to public services, which directly impacts employee morale, job security, and overall job satisfaction (Khan et al., 2021). The literature surrounding tax reforms suggests dynamic relationships between fiscal policies and employee engagement, making it essential to explore various global contexts.

In developed countries, tax reform initiatives often aim to address economic challenges while considering public sector employee welfare. For instance, in Canada, recent tax reforms have focused on reducing tax rates for individuals, which has been linked to increased job satisfaction among public sector employees, as they perceive a direct benefit from government initiatives (Milligan, 2020). Moreover, a study in Germany revealed that tax reforms aimed at improving public sector compensation packages had a positive impact on employee morale and retention rates, indicating that well-structured reforms can lead to enhanced job satisfaction (Buchholz & Faber, 2021).

In the United Kingdom, tax reforms introduced under the 2018 Finance Act emphasized transparency and efficiency, contributing to an improved work environment for public sector employees (House of Commons, 2021). The reforms aimed at simplifying tax compliance processes, which reduced administrative burdens on public employees, positively affecting their job satisfaction (Perrin, 2022). Similarly, in Sweden, tax policy reforms that included the introduction of tax credits for public sector workers led to increased job satisfaction as employees felt more valued and recognized for their contributions (Johansson & Møen, 2020).

The United States has also seen tax reforms focused on economic stimulation, such as the 2020 Tax Cuts and Jobs Act, which have implications for employee satisfaction in the public sector (CBO, 2020). The reforms aimed at boosting public sector budgets indirectly affected employee job satisfaction by ensuring better funding for essential services and competitive salaries (Tello & Furtado, 2021). In France, recent tax reforms have prioritized the well-being of public employees, recognizing the need for fair compensation, which has been positively received, resulting in heightened job satisfaction (Dupuy & Godefroy, 2021).

In contrast, developing countries face unique challenges regarding tax reforms and employee satisfaction. In India, the implementation of the Goods and Services Tax (GST) has had mixed results, with some public sector employees expressing concerns over increased workloads associated with compliance and administration (Bahl & Wallace, 2021). However, the overall perception of the reforms is gradually improving as employees recognize the long-term benefits of a more streamlined tax system (Gupta et al., 2022). In Nigeria, the Finance Act of 2020 aimed to broaden the tax base, leading to increased funding for public services and improved employee job satisfaction in the public sector as a result (Ogunyemi et al., 2022).

In Brazil, tax reforms have sought to address inequality and improve public service delivery, which has positively influenced public sector employee morale (Pereira & Siqueira, 2021). However, challenges remain regarding the equitable distribution of resources, affecting overall job satisfaction levels among employees (Ferreira & Vasconcelos, 2022). In Kenya, the introduction of the Digital Service Tax (DST) and other reforms have aimed at increasing revenue for public services, with early indications showing a positive impact on employee satisfaction as employees appreciate the government's efforts to improve service delivery (Odhiambo & Muli, 2021).

In Tanzania, tax reforms aimed at increasing revenue have led to improved funding for public services, which has directly impacted job satisfaction among public sector employees (Nyingi, 2021). However, the implementation of these reforms has faced resistance, as some employees feel overwhelmed by the changes, suggesting a need for better communication and training (Shayo et al., 2022). Similarly, in Uganda, tax reform initiatives focusing on enhancing tax compliance have been linked to increased job satisfaction in the public sector as employees benefit from improved resources and working conditions (Wanyama et al., 2022).

In Kenya, the association of tax reform initiatives and employee job satisfaction in the public sector is increasingly significant as the government seeks to enhance service delivery and operational efficiency. Recent tax reforms, such as the introduction of the Digital Service Tax (DST) in 2021, were aimed at broadening the tax base and improving revenue collection (Odhiambo & Muli, 2021). Public sector employees have expressed mixed reactions to these reforms. While many appreciate the intention behind such initiatives to improve government funding for essential services, there is also concern about the administrative burdens and increased workloads associated with compliance (Mutua, 2022). This dual perspective highlights the need for balanced reforms that not only improve fiscal sustainability but also consider employee well-being and job satisfaction.

Furthermore, the implementation of the VAT (Amendment) Act of 2020 has had notable implications for employee job satisfaction in Kenya's public sector. This reform aimed at reducing VAT rates on essential goods, thereby increasing the disposable income of citizens (KRA, 2021). Public sector employees perceived this as a positive step, as it indicated the government's commitment to supporting the economy and, indirectly, their job security. However, challenges arose with the need for training and adaptation to the new compliance requirements, which initially led to frustration among employees (Mutua & Wawire, 2020). Ultimately, how well these reforms are communicated and implemented plays a crucial role in shaping employee attitudes and job satisfaction.

Moreover, the effectiveness of tax reform initiatives in enhancing employee satisfaction in the public sector is linked to the overall governance and transparency of the tax system. Studies have shown that employees who perceive tax reforms as fair and transparent are more likely to report higher job satisfaction levels (Wawire & Mutua, 2021). In this context, public sector employees in Kenya have highlighted the importance of involving them in discussions about tax reforms and ensuring their voices are heard in policy-making processes. Such inclusion fosters a sense of ownership and commitment among employees, positively impacting their job satisfaction and motivation to perform (Chepkemoi, 2022).

The recent Finance Bill 2023 in Kenya was introduced by the government to enhance revenue generation amid rising fiscal deficits. However, it faced significant opposition from the public and various stakeholders due to proposed measures deemed overly burdensome. The bill included increases in taxes on fuel, changes to the Digital Service

Tax, and other amendments that many Kenyans felt would exacerbate their economic hardships, particularly in light of rising living costs. In June 2023, the Nairobi High Court intervened, quashing several provisions of the bill, particularly those that would have imposed new taxes without adequate public consultation (Omondi, 2023). The court ruled that the bill's passage had violated constitutional procedures, highlighting the importance of public engagement in tax policy formulation.

Following the contentious debates surrounding the 2023 Finance Bill, the government introduced the Finance Bill 2024, aiming to address some of the previous criticisms while seeking to bolster revenue collection. However, this bill was met with a more vigorous resistance from the public and various civic groups. Concerns over the proposed taxation measures, particularly the intended increases in VAT and other indirect taxes, led to widespread protests and calls for its withdrawal but Parliament proceeded to pass the law (Karanja, 2024). In response to the mounting pressure and negative public sentiment, the government ultimately withdrew the Finance Bill 2024. This incident underscored the necessity for the government to consider public opinion and engage in meaningful dialogue regarding fiscal policies.

Both the Finance Bill 2023 and its successor, the Finance Bill 2024, serve as critical examples of the challenges that the Kenyan government faces in tax policy reform. The judicial quashing of the previous bill and the withdrawal of the latter reflect a growing awareness among citizens regarding their rights in matters of governance and fiscal responsibility. The events also signal a need for the government to adopt a more inclusive approach in policy formulation, ensuring that tax reforms do not disproportionately affect ordinary citizens and are aligned with the country's economic realities (Omondi & Mwangi, 2024). Moving forward, the Kenyan government must prioritize transparency and public engagement to foster trust and acceptance of future fiscal policies.

Ultimately, ongoing assessments of tax reform impacts on public sector employee job satisfaction in Kenya are vital for informing future policy decisions. Policymakers need to consider feedback from public sector employees to address any challenges arising from tax reforms while capitalizing on the benefits of enhanced public service delivery (Odhiambo, 2021). As the Kenyan government continues to explore tax policy changes, the relationship between these initiatives and employee job satisfaction will be critical in ensuring a motivated workforce capable of driving effective public service delivery and nurturing trust in government institutions.

Thus, the relationship between tax reform initiatives and employee job satisfaction varies significantly across different global contexts. While developed countries often witness a more direct positive impact on employee satisfaction due to well-structured reforms, developing countries face challenges that may hinder immediate benefits. Nonetheless, the overarching theme is that effective tax reforms, when implemented thoughtfully, can enhance job satisfaction among public sector employees, leading to improved service delivery and governance.

3. Methodology

This study employed a mixed-methods research design, integrating both quantitative and qualitative approaches to examine the relationship between tax reform initiatives and employee job satisfaction in the Uasin Gishu County Government. The target population consisted of 931 public sector employees across various departments, and a sample size of 136 employees was determined using Krejcie and Morgan's (1970) sample size determination formula. This sample ensured representation from different departments and hierarchical levels within the county government. Data was collected through structured questionnaires distributed to employees, complemented by semi-structured interviews conducted with eight human resource officers to gain deeper insights into the impact of tax reforms on job satisfaction. The quantitative data collected from the questionnaires were analyzed using descriptive statistics, including frequencies and percentages, while inferential statistics, such as correlation and regression analysis, were employed to assess the relationships between tax policies and employee job satisfaction. Qualitative data from the interviews were analyzed thematically, allowing for the identification of key themes and patterns related to employee perceptions of tax reform initiatives. This approach facilitated a comprehensive understanding of how tax reforms influence employee satisfaction and provided a platform for employees to express their views on the reforms' implications for their work environment.

4. Results and Discussion

4.1 Influence of Tax Reform Initiatives on Employee Job Satisfaction

The study sought to examine relationship between tax reform initiatives and employee job satisfaction in the public sector in Uasin Gishu County Government. Respondents were requested to rate their agreement or disagreement or on the statements on Likert Scale. The findings were as in table 1

Table 1: Tax Reform Initiatives and Employee Job Satisfaction

Statement	SD F	%	D F	%	U F	%	A F	%	SA F	%
1. Tax reform initiatives simplify tax processes making it easier for employees to comply.	13	10.1	23	17.8	5	3.9	51	39.5	37	28.7
2. Tax reform initiatives reduce the tax burden on employees leading to increased income.	19	14.7	15	11.6	7	5.4	43	33.3	45	34.9
3. Employees perceive tax reform initiatives as positive steps towards improving the system.	11	8.5	21	16.3	3	2.3	55	42.6	39	30.2
4. Tax reform initiatives enhance transparency and fairness in the process.	15	11.6	27	20.9	5	3.9	47	36.4	35	27.1
5. Employees believe that tax reform initiatives positively impact their job satisfaction.	17	13.2	25	19.4	9	7.0	49	38.0	29	22.5
6. Tax reform initiatives align with employees' expectations for a fair tax system.	21	16.3	19	14.7	7	5.4	41	31.8	41	31.8
7. Employees feel more confident in the tax system with ongoing reforms.	13	10.1	23	17.8	3	2.3	39	30.2	51	39.5
8. Tax reform initiatives contribute to organizational responsiveness to concerns.	19	14.7	15	11.6	5	3.9	43	33.3	47	36.4

The findings in table 1 showed that a majority of the respondents, 51 (39.5%), agreed that tax reform initiatives simplify tax processes, making it easier for employees to comply with tax regulations. Additionally, 37 (28.7%) strongly agreed with this statement, indicating a positive perception among a significant portion of the respondents. However, 23(17.8%) disagreed, and 13 (10.1%) strongly disagreed with the statement, reflecting some skepticism or negative experiences among these individuals. A small minority, 5 (3.9%), were undecided. This implies that a considerable majority (68.2%) of employees believe that tax reform initiatives have positively impacted the ease of compliance, though there remains a notable portion (27.9%) who are either neutral or disagree.

This finding aligns with the research by Thompson and Hughes (2020), who investigated the impact of tax reform initiatives on tax compliance processes. Their study found that tax reforms designed to simplify tax regulations are generally perceived positively by employees, as they reduce the complexity of compliance and make the process more manageable. Thompson and Hughes observed that a majority of employees feel that these reforms have made it easier to adhere to tax regulations. However, they also noted that some employees remained skeptical or face challenges, reflecting a mix of positive and negative experiences with the reforms. This underscores the overall beneficial impact of tax reforms on compliance ease, while also highlighting areas where further improvements may be needed.

For the statement on tax reform initiatives reducing the tax burden on employees and leading to increased disposable income, 45(34.9%) strongly agreed, and 43(33.3%) agreed, making up the majority who perceive the reforms as financially beneficial. Meanwhile, 19(14.7%) strongly disagreed, and 15(11.6%) disagreed, suggesting that a smaller segment feels differently. Only 7(5.4%) were undecided. This indicates that the majority (68.2%) view tax reforms as reducing their tax burden. This finding concurs with the research by Patel and Foster (2023), who analyzed the impact of tax reform initiatives on employees' financial well-being. Their study found that a significant proportion of employees view tax reforms positively, specifically regarding reductions in tax burdens and increases in disposable income. Patel and Foster observed that these reforms are generally perceived as financially beneficial, leading to a reduction in the overall tax burden for employees. However, their research also highlighted that a minority of employees may not experience these benefits as strongly, reflecting varying impacts depending on individual circumstances. This underscores the general positive effect of tax reforms on reducing tax burdens and enhancing financial flexibility for the majority of employees.

Regarding the perception that tax reform initiatives are positive steps towards improving the tax system, the majority, 55(42.6%), agreed, and 39(30.2%) strongly agreed with the statement, indicating strong support for the reforms. Equally, 21 (16.3%) disagreed, and 11(8.5%) strongly disagreed, while only 3(2.3%) were undecided. This suggests that a substantial majority (72.8%) view tax reforms as beneficial to the system's improvement, with a smaller portion (24.8%) being less favorable. This finding concurs with the research by Martin and Ellis (2023), who evaluated employee perceptions of tax reform initiatives and their impact on the tax system. Their study found that a significant majority of employees view tax reforms as positive developments, contributing to improvements in the overall tax system. Martin and Ellis observed that employees generally support reforms that enhance the efficiency and fairness of tax processes. This support is reflected in the high percentage of employees who believe that the reforms are beneficial steps toward system improvement, though a smaller segment remains skeptical. Their findings reinforce the notion that most employees perceive tax reforms as a constructive move toward bettering the tax framework.

When asked about the impact of tax reform initiatives on transparency and fairness in the taxation process, 47(36.4%) agreed, and 35(27.1%) strongly agreed, making up a majority that sees these reforms as contributing to a fairer system. However, 27(20.9%) disagreed, and 15 (11.6%) strongly disagreed, indicating some concern or dissatisfaction. A minimal number, 5 (3.9%), were undecided. This implies that most employees (63.5%) believe that tax reforms enhance transparency and fairness, although a notable percentage (32.5%) remain critical. This finding concurs with the research by Williams and Lee (2023), who explored the effects of tax reform initiatives on transparency and fairness within the taxation system. Their study found that a majority of employees perceive tax reforms as contributing positively to the fairness and transparency of the tax process. Williams and Lee observed that these reforms are generally viewed as steps toward improving the equity and openness of the taxation system. However, their research also highlighted that a segment of employees remains critical or skeptical about the effectiveness of these reforms in addressing transparency and fairness issues.

On whether tax reform initiatives positively impact overall job satisfaction, 49(38.0%) agreed, and 29(22.5%) strongly agreed, showing a majority with a favorable view. In contrast, 25(19.4%) disagreed, and 17(13.2%) strongly disagreed, with 9(7.0%) undecided. This indicates that while a majority (60.5%) feel that tax reforms enhance job satisfaction, there is a significant minority (32.6%) who are less convinced. This finding concurs with the research by Green and Taylor (2023), who examined the impact of tax reform initiatives on overall job satisfaction. Their study found that a majority of employees believe tax reforms positively influence their job satisfaction by providing financial relief and reducing complexity in tax compliance. Green and Taylor observed that these reforms are generally seen as beneficial, contributing to enhanced job satisfaction for most employees. However, they also noted that a notable minority of employees remain unconvinced about the extent of the reforms' positive impact on their job satisfaction, reflecting a range of responses to the changes. This highlights both the overall favorable perception of tax reforms and the persistent skepticism among a segment of employees.

Concerning whether tax reform initiatives align with employees' expectations for a fair tax system, 41(31.8%) agreed, and another 41(31.8%) strongly agreed, suggesting that the reforms meet expectations for a significant portion of the respondents. However, 19(14.7%) disagreed, and 21 (16.3%) strongly disagreed, with 7(5.4%) undecided. This indicates that although the majority (63.6%) are satisfied with the alignment of the reforms with their expectations, a noteworthy portion (31.0%) remains dissatisfied. This finding concurs with the research by Roberts and Johnson (2023), who investigated how tax reform initiatives align with employees' expectations for a fair tax system. Their study found that a substantial majority of employees perceive the reforms as meeting their expectations for fairness, reflecting satisfaction with the changes. Roberts and Johnson observed that while most employees feel that the reforms address their fairness concerns, a significant minority remains dissatisfied, indicating some misalignment between employee expectations and the outcomes of the reforms. This highlights the generally positive but uneven impact of tax reforms on perceived fairness

When evaluating confidence in the tax system due to ongoing reforms, 51(39.5%) strongly agreed, and 39 (30.2%) agreed, making up the majority who feel more confident in the system. Meanwhile, 23 (17.8%) disagreed, and 13(10.1%) strongly disagreed, while only 3 (2.3%) were undecided. This suggests that a substantial majority (69.7%) feel more confident in the tax system, with a smaller portion (27.9%) expressing doubts. This finding concurs with the research by Miller and Clark (2023), which assessed the impact of tax reform initiatives on employees' confidence in the tax system. Their study found that a majority of employees experience increased confidence in the tax system due to the reforms, reflecting a positive reception of the changes. Miller and Clark observed that these reforms contribute to a greater sense of trust and assurance in the system, although a smaller segment of employees remains doubtful about the effectiveness of the reforms. This demonstrates the overall enhancement in confidence among most employees while acknowledging ongoing concerns among a minority

Lastly, on whether tax reform initiatives contribute to organizational responsiveness to employees' tax-related concerns, 47 (36.4%) strongly agreed, and 43 (33.3%) agreed, showing that most respondents feel the reforms address their concerns. On the other hand, 15 (11.6%) disagreed, and 19 (14.7%) strongly disagreed, with 5 (3.9%) undecided. This implies that while a significant majority (69.7%) believe the reforms make the organization more responsive, a notable minority (26.3%) do not share this sentiment. This finding concurs with the research by Patel and Singh (2023), who investigated the impact of tax reform initiatives on organizational responsiveness to employees' tax-related concerns. Their study found that a significant majority of employees feel that the reforms improve the organization's ability to address tax-related issues, reflecting enhanced responsiveness. Patel and Singh observed that while most employees perceive the reforms as addressing their concerns effectively, a notable minority remains skeptical about the extent of the improvements. This highlights the overall positive perception of increased organizational responsiveness due to the reforms, alongside some persistent concerns.

4.2 Relationship between Tax Reform Initiatives and Employee Job Satisfaction in Uasin Gishu County

The hypothesis of this research stated that:

$H0_1$: There is no statistically significant relationship between Tax Reform Initiatives and Employee Job Satisfaction Uasin Gishu County.

Table 2: Correlation Coefficient between Tax Reform Initiatives and Employee Job Satisfaction in Uasin Gishu County

		Employee Job Satisfaction
Tax reform initiatives	Pearson Correlation	.633**
	Sig. (2-tailed)	.000
	N	129

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

Table 2 shows that there was a significant correlation between tax reform initiatives and employee job satisfaction in Uasin Gishu County (r = .633; p = .000). At 95% confidence level the r value for tax reform initiatives was .633 showing a correlation with employee job satisfaction. This implies that an improved measures in tax reform leads to better Employee job satisfaction. Thus, the null hypothesis which stated that there is no statistically significant relationship between tax reform initiatives and employee job satisfaction and employee job satisfaction in Uasin Gishu County was rejected showing that there was a significant relationship between tax reform initiatives and employee job satisfaction in Uasin Gishu County.

4.3 Qualitative data

On interview, one of the participants HR4 said;

> *In our organization, the recent tax reform initiatives, perceived by many as punitive, initially had a noticeable impact on employee morale. Employees were concerned that these reforms would lead to reduced disposable income, affecting their financial stability and job satisfaction. This uncertainty created an environment of apprehension and frustration, as individuals felt their compensation was being undermined by factors beyond their control.*

The response highlights that the tax reform initiatives had a negative impact on employee morale due to perceptions of unfairness. Employees were worried that the reforms would decrease their take-home pay, leading to financial instability and diminished job satisfaction. This anxiety caused a sense of unease and dissatisfaction among staff, as they felt their earnings were being compromised by external policies.

The response also emphasizes that these concerns led to a broader atmosphere of frustration within the organization. Employees were troubled not only by the potential financial consequences but also by the feeling that their compensation was being unfairly affected by changes they could not control. This overall sense of frustration and insecurity affected their morale and engagement at work.

5. Conclusion and Recommendations

5.1 Conclusions

The findings of this study indicate a significant relationship between tax reform initiatives and employee job satisfaction within the Uasin Gishu County Government. The quantitative data revealed that a majority of employees perceived tax reforms as simplifying compliance processes and reducing their tax burdens, which positively impacted their overall job satisfaction. With a correlation coefficient of r=0.633r = 0.633r=0.633 (p = 0.000), the results suggest that as tax reform initiatives improve, so too does employee job satisfaction. This aligns with existing literature indicating that well-designed tax reforms can enhance employee perceptions of fairness and transparency, contributing to a more satisfied workforce (Thompson & Hughes, 2020; Patel & Foster, 2020). However, the study also highlighted some skepticism among employees regarding the reforms, indicating that while many view these changes favorably, a notable minority experienced uncertainty and concern about the implications for their financial stability.

The qualitative data gathered through interviews further illuminated the complexities surrounding employees' perceptions of tax reform initiatives. While many employees acknowledged the potential benefits of tax reforms, there were palpable concerns regarding their impact on disposable income and overall job satisfaction. The response from HR participants illustrated that fears of reduced compensation created an atmosphere of frustration and insecurity among employees. Such sentiments can undermine the positive effects of tax reforms if not addressed adequately. Therefore, while the study confirms that tax reform initiatives can positively influence employee job satisfaction, it also underscores the importance of effective communication and support from management to alleviate employee concerns and foster a more engaged and satisfied workforce in the face of ongoing reforms.

5.2. Recommendations

1. The County Government of Uasin Gishu should implement clear and consistent communication strategies regarding tax reform initiatives. In regularly updating employees on the objectives, benefits, and expected outcomes of the reforms, management can help alleviate concerns and foster a better understanding of how these changes impact their financial well-being and job satisfaction. Engaging employees through town hall meetings, newsletters, or workshops can promote transparency and build trust.
2. To address employee apprehensions related to tax reforms, the county government should consider establishing support programs aimed at providing financial literacy and counseling. These programs could educate employees on tax planning, budgeting, and the implications of tax reforms on their personal finances. In equipping employees with the knowledge and resources to navigate tax-related changes, job satisfaction may improve as employees feel more empowered and secure in their financial decisions.
3. The county government should actively solicit and incorporate employee feedback regarding tax reform initiatives. Regular surveys or focus group discussions can help identify employees' concerns and suggestions related to the reforms. In demonstrating that employee input is valued and considered in decision-making processes, the government can enhance morale and job satisfaction, creating a more inclusive work environment.
4. It is essential for the Uasin Gishu County Government to continuously monitor and evaluate the impact of tax reform initiatives on employee job satisfaction. Conducting periodic assessments can help identify trends, areas of concern, and potential adjustments needed to the reforms. In establishing key performance indicators (KPIs) and regularly reviewing the relationship between tax policies and employee satisfaction, the government can make informed decisions that benefit both employees and the organization as a whole.

References

Akinyemi, O., & Olayiwola, O. (2021). The Impact of Nigeria's Finance Act on Tax Administration and Economic Growth. *Journal of African Taxation*, *12*(2), 45-62.

Bahl, R. W., & Wallace, S. (2021). The Effects of GST on Tax Compliance in India. *International Journal of Public Administration*, *44*(10), 861-872.

Bird, R. M., & Zolt, E. M. (2021). Tax Policy: Global Challenges in a Changing World. *Public Finance Review*, *49*(3), 340-361.

Buchholz, W., & Faber, M. (2021). Effects of Tax Reforms on Employee Retention in Germany. *German Economic Review*, *22*(1), 1-19.

CBO (Congressional Budget Office). (2020). The Budgetary Effects of the Tax Cuts and Jobs Act. *CBO Reports*.

Chepkemoi, J. (2022). Employee Engagement in Tax Policy Reforms: Insights from Kenya. *Journal of Public Administration and Governance*, *12*(3), 121-134.

Dupuy, F., & Godefroy, T. (2021). Tax Reforms and Public Sector Employee Well-Being in France. *French Journal of Public Finance*, *58*(3), 175-192.

Ferreira, A., & Vasconcelos, L. (2022). Tax Policy and Employee Morale: The Brazilian Experience. *Revista Brasileira de Política Pública*, *12*(2), 143-156.

Fjeldstad, O. H., Moore, M., & Rakner, L. (2022). Taxation, Governance, and Public Goods in Developing Countries. *World Development*, 150, 105687.

Goldswain, G. K., & Hughes, T. (2020). Tax Reforms in South Africa: A Review of Key

Developments. *South African Journal of Accounting Research*, *34*(1), 12-25.

Green, L., & Taylor, R. (2020). "Tax reform and job satisfaction in public sector employees." Journal of Human Resources, 58(4), 897-923.

Gupta, S., Jain, P., & Kumar, V. (2022). Understanding GST's Impact on Employee Perception in India. *Indian Journal of Economics and Business*, *21*(2), 243-259.

Haffajee, A., & Joshi, A. (2022). The Role of Tax Reforms in Enhancing Public Sector Employee Satisfaction: A Global Perspective. *Journal of Public Administration Research and Theory*, *32*(4), 651-668.

House of Commons. (2021). The 2018 Finance Act and Its Impact on the Public Sector. *UK Government Reports*.

Johansson, P., & Møen, J. (2020). Tax Credits and Job Satisfaction in the Swedish Public Sector. *Nordic Journal of Working Life Studies*, *10*(1), 1-18.

Karanja, R. (2024). Public Backlash Forces Government to Withdraw Finance Bill 2024. *The Standard*.

Khan, A. N., Ali, Z., & Khan, F. (2021). The Impact of Tax Policies on Public Sector Employee Satisfaction: A Case Study of Pakistan. *Public Administration Review*, 81(5), 825-835.

KRA (Kenya Revenue Authority). (2021). The Impact of the Digital Service Tax on Revenue Mobilization in Kenya. *KRA Annual Report*, 2021.

Martin, K., & Ellis, J. (2021). "Employee perceptions of tax reform and its effects on the tax system." Tax Notes, 175(4), 411-434.

Miller, D., & Clark, E. (2020). "The effects of tax reform initiatives on employees' confidence in the tax system." Journal of Public Administration Research and Theory, 33(2), 234-256.

Milligan, K. (2020). Tax Reforms and Their Effect on Public Sector Employees in Canada. *Canadian Journal of Economics*, 53(1), 145-170.

Mutua, J. M., & Wawire, N. H. (2020). The Role of iTax in Improving Taxpayer Compliance in Kenya. *Kenya Institute for Public Policy Research and Analysis*, 8(1), 1-10.

NAO (National Audit Office). (2022). The Implementation of Making Tax Digital in the UK: A Review. *UK Government Reports*.

Nyingi, J. (2021). Tax Reforms and Employee Satisfaction in Tanzania: An Analysis. *East African Journal of Public Policy*, *7*(1), 27-42.

Odhiambo, D. & Muli, J. (2021). The Digital Service Tax and Public Sector Employee Satisfaction in Kenya. *African Journal of Public Finance*, 9(2), 134-146.

OECD. (2021). VAT Reforms in Kenya: Lessons from Recent Developments. *OECD Tax Policy Papers*, 40, 1-25.

Ogunyemi, O., Abiola, A., & Olaniyan, J. (2022). The Finance Act 2020 and Public Sector Employee Job Satisfaction in Nigeria. *Nigerian Journal of Public Administration*, *5*(1), 50-67.

Omondi, A. (2023). Court Quashes Provisions of the Finance Bill 2023 Over Lack of Public Consultation. *Daily Nation*.

Omondi, A., & Mwangi, L. (2024). Analyzing the Implications of Finance Bills on Kenyan Tax Policy. *The East African*.

Patel, M., & Singh, V. (2020). "Organizational responsiveness to employee tax concerns following tax reforms." *Journal of Taxation*, *138*(1), 45-64.

Patel, R., & Foster, G. (2019). "Tax reform initiatives and employees' financial well-being." *Journal of Public Policy and Marketing*, *42*(2), 237-260.

Pereira, M. A., & Siqueira, A. (2021). Tax Reform and Its Impacts on Employee Morale in Brazil. *Revista Brasileira de Gestão Pública*, *12*(4), 1-15.

Perrin, T. (2022). Simplifying Tax Compliance: Impacts on UK Public Sector Employees. *Public Sector Management Review*, *18*(3), 25-40.

PwC Australia. (2020). Implications of Tax Reforms on Public Sector Workforce in Australia. *PwC Insights*, *7*(3), 24-33.

Roberts, A., & Johnson, C. (2020). "Tax reforms and their alignment with employee fairness expectations." *Public Finance Review*, *51*(1), 129-150.

Shayo, E., Chika, A., & Chibula, S. (2022). Challenges of Tax Reforms in Tanzania: Employee

Perspectives. *Tanzania Journal of Business Studies*, 6(2), 55-72.

Tello, E. D., & Furtado, J. (2021). Tax Cuts and Public Sector Employee Satisfaction in the United States. *American Economic Journal: Applied Economics*, *13*(1), 1-23.

Terkper, S. (2021). Tax Reforms in Ghana: Expanding the Base and Enhancing Efficiency. *African Tax Administration Paper*, 19(4), 67-85.

Thompson, J., & Hughes, L. (2020). "Tax reform initiatives and their impact on employee tax compliance processes." *Public Finance Quarterly*, *51*(2), 210-233.

Torgler, B. (2020). Tax Compliance and Public Sector Employment: An International Perspective. *Journal of Economic Behavior & Organization*, 176, 692-713.

Wanyama, P. & Mbabazi, M. (2022). Tax Compliance and Employee Satisfaction in Uganda: An Empirical Study. *Ugandan Journal of Management*, *8*(1), 88-103.

Wawire, N. H., & Mutua, J. M. (2021). Governance and Employee Satisfaction in Kenya's Public Sector: An Analysis of Tax Reforms. *East African Journal of Public Policy*, *3*(1), 23-35.

Williams, S., & Lee, M. (2021). "The impact of tax reforms on transparency and fairness within the taxation system." *Tax Law Review*, *76*(3), 145-162.