

**RELATIONSHIP BETWEEN TAX POLICIES AND EMPLOYEE JOB
SATISFACTION IN PUBLIC SECTOR: A CASE OF EMPLOYEES IN UASIN
GISHU COUNTY GOVERNMENT, KENYA**

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DECLARATION AND APPROVAL

Declaration by the Candidate

This project is my original work and has not been presented for a degree or any other award in this or any other institution.

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Approval by the Supervisor

I confirm that the work reported in this proposal was carried out by the student under my supervision.

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DEDICATION

I dedicate this study to my family



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This work is the result of many people's and institutions' efforts, without which it would not have been conceivable. First of all, I would like to thank our almighty God for sustaining me during the time of writing this proposal. I would like also to thank my family, my loving wife, Carnilla Jeptoo, my children Bravin Kimutai, Matilda Jekosgei, Cyprian Kipchirchir, Benedict Kiprono and Blessings Jeruto for the moral and financial support. I would also want to thank the Mount Kenya University for providing a conducive atmosphere to pursue my studies. I'd like to thank my supervisor Dr. Ibrahim Nyaboga, for his continuous guidance given to me through every stage of this research.



ABSTRACT

The public sector in Kenya faces challenges related to employee job satisfaction, which may be influenced by tax policies. Despite the importance of this relationship, there is limited research specific to this context. Therefore, this study aimed at exploring the relationship between tax policies and employee job satisfaction in the public sector. This study was guided by the following specific objectives: to examine the influence of progressive tax structures on employee job satisfaction in the public sector, to determine the influence of tax deductions on benefits on employee job satisfaction in the public sector, to establish the influence of tax transparency on communication employee job satisfaction in the public sector and assess the influence of tax reform initiatives on employee job satisfaction in the public sector. The study was conducted in Uasin Gishu County Government. This study was anchored on Expectancy theory, by Victor Vroom (1960). The study employed a cross-sectional research design, utilizing questionnaire and interview schedule. Data collected from employees and human resource officers in various departments in Uasin Gishu County Government. The target population for the study involved 931 public sector employees. A sample size of 136 employees was arrived at using Krejcie and Morgan (1970) sample sized determination formulae, ensuring representation from various departments and levels of 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 statistical methods, descriptive statistics such as frequencies and percentages and inferential statistics such as correlation analysis and regression analysis, to assess the relationships between tax policies and employee job satisfaction. Qualitative data from interviews was presented thematically in line with objectives of the study. The findings from the study revealed that progressive tax structures are generally perceived as unfair and do not significantly contribute to employee job satisfaction, with many employees feeling that these policies fail to meet their expectations for fairness and financial security. Tax deductions and benefits are also viewed negatively, as a majority of employees do not consider them valuable or sufficient incentives to enhance job satisfaction and loyalty. In contrast, transparent communication about tax policies is seen as crucial for building trust and engagement among employees, highlighting the importance of organizational transparency. Lastly, tax reform initiatives were largely supported by employees, with many believing that these reforms simplify tax processes, reduce the tax burden, and positively impact job satisfaction, though some skepticism remains. 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. The results will provide valuable recommendations for policymakers, public sector managers, and other stakeholders involved in tax policy formulation and implementation by identifying areas for improvement in tax policies and their communication.

TABLE OF CONTENTS

DECLARATION AND APPROVAL	ii
DEDICATION	iii
ACKNOWLEDGEMENTS	iv
ABSTRACT	v
TABLE OF CONTENTS	vi
LIST OF FIGURES	x
LIST OF TABLES	xi
LIST OF ABBREVIATIONS AND ACRONYMS	xii
CHAPTER ONE	1
1.0 Introduction	1
1.1 Background of the study	2
1.2 Statement of the problem	9
1.3 Purpose of the study	10
1.4 Objectives of the study	10
1.5 Research Hypotheses	10
1.6 Significance of the study	11
1.7 Scope of the study	13
1.8 Limitations of the study	14
1.9 Delimitations of the study	15
1.10 Assumptions of the study	16
1.11 Operational definition of key terms	18

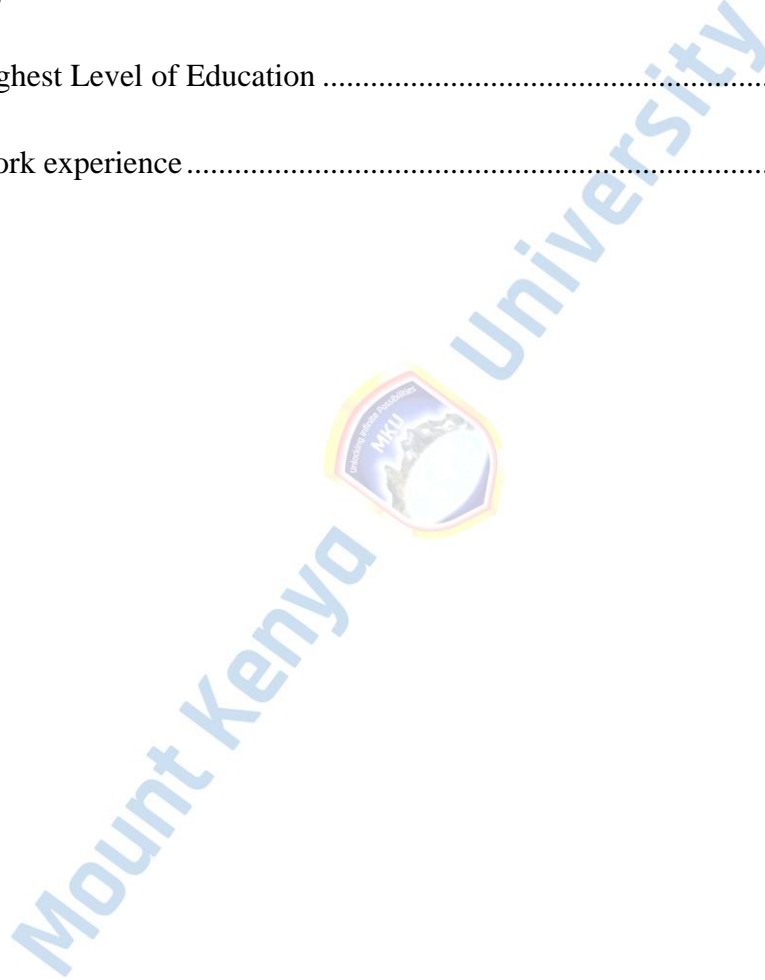
CHAPTER TWO	21
LITERATURE REVIEW	21
2.0 Introduction.....	21
2.1 Empirical Review.....	21
2.1.1 Influence of progressive tax structures on employee job satisfaction	22
2.1.2 Influence of tax deductions and benefits on employee job satisfaction.....	24
2.1.3 Influence tax transparency and communication on employee job satisfaction.....	28
2.1.4 Influence of tax reform initiatives on employee job satisfaction.....	31
2.2 Theoretical Framework.....	33
2.3 Conceptual framework.....	37
2.4 Research Gaps.....	38
CHAPTER THREE	42
RESEARCH METHODOLOGY.....	42
3.0 Introduction.....	42
3.1 Research Design.....	42
3.2 Location of the study	42
3.3 Target Population.....	43
3.4 Sample Size and Sampling Procedures.....	44
3.5 Research Instruments	46
3.5.1 Questionnaire	46
3.5.2 Interview guide	46
3.6 Validity of Research Instruments.....	46

3.7 Reliability of Research Instruments	47
3.8 Data collection methods and procedures	48
3.9 Data Analysis techniques and procedures.....	49
3.10 Ethical Considerations	51
CHAPTER FOUR.....	51
DATA ANALYSIS, PRESENTATION AND DISCUSSION OF FINDINGS	53
4.1 Introduction.....	53
4.2 Return rate.....	53
4.3 Reliability Testing.....	54
4.4 Demographic Information of Respondents.....	54
4.4.1 Gender of respondents	55
4.4.2 Age bracket	56
4.4.3 Highest Level of Education	57
4.4.4 Work experience	58
4.5 The influence of Progressive Tax Structures on Employee Job Satisfaction	59
4.5.1 Relationship between Progressive Tax Structures and Employee Job Satisfaction	66
4.6 The influence of Tax Deductions and Benefits on Employee Job Satisfaction	69
4.6.1 Relationship between Tax Deductions and Benefits and employee job satisfaction in Uasin Gishu County	75
4.7 Influence of Tax Transparency and Communication on Employee Job Satisfaction.	77
4.7.1 Relationship between tax transparency and communication employee Job satisfaction in Uasin Gishu County.....	83
4.8: Influence of Tax Reform Initiatives on Employee Job Satisfaction.....	85

4.8.1 Relationship between Tax Reform Initiatives and Employee Job Satisfaction in Uasin Gishu County	92
4.9 Employee Job Satisfaction.....	94
4.10 Regression analysis.....	100
4.10.1 Coefficients of tax policies employee job satisfaction in Uasin Gishu County...	103
CHAPTER FIVE	105
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.....	105
5.1 Introduction.....	105
5.2. Summary of findings.....	105
5.2.1 Influence of Progressive Tax Structures on Employee Job Satisfaction	105
5.2.2 Influence of Tax Deductions and Benefits on Employee Job Satisfaction.....	106
5.2.3 Relationship between Tax Transparency and Communication Employee Job Satisfaction.....	107
5.3 Conclusions.....	109
5.4 Recommendations.....	110
5.5 Areas for further studies.....	111
REFERENCES	111
APPENDICES	120
APPENDIX I: LETTER OF INTRODUCTION	120
APPENDIX II: INFORMED CONSENT.....	121
APPENDIX III: QUESTIONNAIRE FOR EMPLOYEES	122
APPENDIX IV: INTERVIEW SCHEDULE FOR HR OFFICERS	128
APPENDIX V: RESEARCH AUTHORIZATION LETTERS	129

LIST OF FIGURES

Figure 2.1 Conceptual framework.....	37
Figure 4.1 gender of respondents	55
Figure 4.2 Age bracket	56
Figure 4.3 Highest Level of Education	57
Figure 4.4 Work experience	58



LIST OF TABLES

Table 3.1 Target population.....	43
Table 3.2 Sample size of the respondents.....	45
Table 4.1 Cronbach’s Reliability Test.....	54
Table 4.1 Progressive Tax Structures and Employee Job Satisfaction.....	60
Table 4.2: Correlation Coefficient between progressive tax Structures and employee job satisfaction Uasin Gishu County	67
Table 4.3 Tax Deductions and Benefits and Employee Job Satisfaction	70
Table 4.4: Correlation Coefficient between Tax Deductions and Benefits and employee job satisfaction in Uasin Gishu County in Uasin Gishu County.....	76
Table 4.5 Tax transparency and communication employee Job satisfaction	78
Table 4.6: Correlation Coefficient between tax transparency and communication employee Job satisfaction in Uasin Gishu County	84
Table 4.7 Tax Reform Initiatives on Employee Job Satisfaction	86
Table 4.8: Correlation Coefficient between Tax Reform Initiatives and Employee Job Satisfaction in Uasin Gishu County	93
Table 4.9 Employee Job Satisfaction	95
Table 4.10: Regression Model Summary for employee motivation in Uasin Gishu County	102
Table 4.11: ANOVA for Combined Influence of progressive tax structures, tax, deductions and benefits, tax transparency and communication and tax reform initiatives	102
Table 4.12: Coefficients of Employee job satisfaction in Uasin Gishu County	103

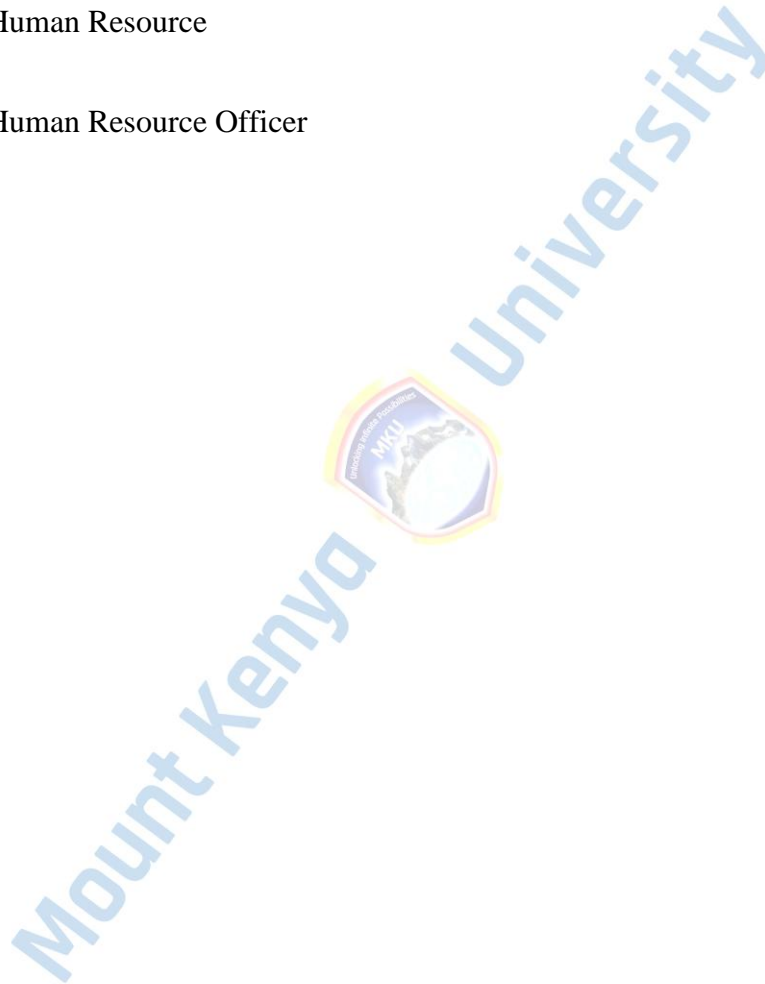
LIST OF ABBREVIATIONS AND ACRONYMS

SPSS: Statistical Package for Social Sciences

GoK: Government of Kenya

HR: Human Resource

HRO: Human Resource Officer



CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter introduces the study by outlining the essential components and structure that guide the research. It begins with the Statement of the Problem, which identifies the specific issue the study aims to address, including the underlying challenges and gaps in existing knowledge. The Purpose of the Study then defines the central aims of the research, highlighting the intended outcomes and contributions to both academic and practical applications. To achieve these aims, the study establishes clear Objectives, detailing the specific aspects of the problem that was examined in depth. Following the objectives are the Research Hypotheses, which set testable predictions based on prior research and theoretical foundations. Each hypothesis sought to address a particular aspect of the research question, offering a basis for data analysis and interpretation.

The Significance of the Study elaborated on the potential impact of the research findings, both in terms of theoretical advancement and practical application, particularly for stakeholders affected by the research topic. The Scope of the Study defines the boundaries within which the research was conducted, including geographical and thematic limits. Limitations of the Study address any anticipated constraints that could have affected the research process or outcomes, such as data access or methodological challenges. Furthermore, the Assumptions of the Study are outlined to clarify any foundational beliefs taken as true for the purposes of conducting the research. The chapter also presents the Theoretical Framework, which grounds the study in relevant

theories that shape the interpretation of findings, as well as the Conceptual Framework, which visually represents the relationships between variables. Finally, Operational Definitions of Key Terms are provided to ensure clarity and consistency in how central concepts are understood and applied throughout the study.

1.1 Background of the study

The relationship between tax policies and employee job satisfaction has gained increasing attention in recent years, as organizations strive to create positive work environments that promote employee retention and productivity. Tax policies can significantly impact an employee's perception of fairness and equity within the workplace, influencing overall job satisfaction. For instance, when employees feel that tax policies are equitable and transparent, they are more likely to experience higher levels of job satisfaction, leading to increased commitment to their organization. Equally, dissatisfaction with tax structures, including perceived unfairness in tax burdens or lack of benefits, can result in decreased morale and higher turnover rates, particularly in the public sector, where employees may have different expectations regarding job security and compensation (Muthoni, 2023; Nyagah, 2023).

Tax policies refer to the laws and regulations that govern how taxes are levied on income, assets, and transactions, which can vary widely between different jurisdictions and sectors (Muturi, 2023). Employee job satisfaction encompasses the feelings and attitudes that employees hold regarding their jobs, including aspects such as compensation, work conditions, and the overall organizational climate. Job satisfaction is critical, as it influences employee behavior, performance, and organizational commitment (Muthoni,

2023; Nyagah, 2023). Understanding the relationship between tax policies and job satisfaction is vital for policymakers and organizations aiming to foster a motivated and engaged workforce.

1.1.1 Tax policies linking to past studies

Past studies have extensively examined the connection between tax policies and employee job satisfaction, revealing a complex interplay that significantly influences workforce dynamics. Research indicates that perceived fairness and transparency in tax systems can lead to higher levels of job satisfaction among employees. For instance, a study by Rizzo et al. (2020) found that employees who perceived tax policies as equitable were more likely to report higher job satisfaction and commitment to their organizations. The study highlighted that when employees feel that their contributions are recognized and fairly taxed, they are more motivated and engaged, fostering a positive organizational culture. In contrast, other studies have shown that dissatisfaction with tax policies can lead to increased turnover intentions, particularly in sectors where employees feel undervalued or unfairly treated (Wang & Li, 2021).

Moreover, research has also indicated that tax incentives and benefits can serve as crucial factors in enhancing employee job satisfaction. A study by O'Brien and Smith (2022) explored how tax deductions related to retirement savings and health benefits positively impacted employee perceptions of their overall compensation package. This finding suggests that well-structured tax policies can not only improve job satisfaction but also attract and retain talent within organizations. Additionally, the impact of tax reforms on employee morale has been a significant area of focus, with findings indicating that

positive reforms can lead to sustained improvements in job satisfaction and productivity over time (Davis et al., 2023). Collectively, these studies underscore the importance of understanding how tax policies affect employee perceptions and satisfaction, prompting organizations and policymakers to consider these factors in their strategic planning.

1.1.2 Employee job satisfaction

Employee job satisfaction is a critical component of organizational success, reflecting how employees feel about their roles, work environment, and overall experience within the organization. It encompasses various factors, including compensation, work-life balance, opportunities for advancement, recognition, and relationships with colleagues and supervisors. High levels of job satisfaction are associated with increased productivity, improved morale, and reduced turnover rates, which can significantly benefit organizations by fostering a positive workplace culture and enhancing overall performance. Research has shown that satisfied employees are more likely to be engaged in their work, exhibit loyalty to their employer, and contribute to a collaborative environment, ultimately leading to better organizational outcomes (Harter et al., 2022).

Moreover, understanding the determinants of job satisfaction is essential for organizations seeking to create effective retention strategies and enhance employee engagement. Factors such as meaningful work, supportive management, and opportunities for professional development play a crucial role in shaping employees' perceptions of their job satisfaction. According to a meta-analysis by Judge and Bono

(2023), job satisfaction is significantly influenced by both intrinsic factors—such as the nature of the work and the alignment of job roles with personal values—and extrinsic factors like salary and benefits. Organizations that actively measure and address employee satisfaction levels can make informed decisions that enhance their workplace environment, promote employee well-being, and ultimately achieve higher performance standards.

1.1.3 Tax policies and employee job satisfaction

Tax policies play a significant role in shaping employee job satisfaction, as they directly influence employees' perceptions of fairness, equity, and financial well-being. When tax policies are perceived as equitable and transparent, employees are more likely to feel that their contributions are valued, leading to increased job satisfaction. Conversely, if employees perceive the tax burden as disproportionately heavy or unfair, it can lead to feelings of dissatisfaction and disengagement. For instance, a study by Gupta and Sahu (2021) highlighted that public sector employees expressed lower job satisfaction levels when they believed tax policies did not adequately reflect their compensation and benefits, leading to increased turnover intentions. This perception of inequity can significantly impact morale and productivity within organizations, especially in the public sector, where expectations regarding compensation and job security are typically higher.

Additionally, tax policies can influence employee satisfaction through their effects on benefits and incentives. For example, tax deductions and credits related to retirement savings, health care, and education can enhance the overall compensation package for

employees, making them feel more secure and satisfied in their jobs. Research by Chen et al. (2023) found that when organizations offer tax-advantaged benefits, employees reported higher job satisfaction and commitment to their employer. Furthermore, tax reforms that simplify compliance and improve transparency can foster a more positive perception of the tax system among employees, reinforcing their satisfaction and loyalty to the organization. Thus, understanding the connection between tax policies and employee job satisfaction is crucial for organizations seeking to enhance employee engagement and retention through effective compensation strategies.

1.1.4 Tax policies globally, regionally, locally

Globally, tax policies play a critical role in shaping economic landscapes, influencing various aspects of both public and private sectors (Anderson & Brown, 2020). In developed countries such as Canada, the United States, and Australia have implemented diverse tax policies that impact businesses, individuals, and the overall economy. These policies often influence factors such as investment decisions, employment rates, and consumer behavior, consequently affecting job satisfaction among employees. In the context of the public sector, where governmental bodies are major employers, tax policies can have significant implications for employee job satisfaction.

In Canada, for instance, tax policies undergo periodic revisions to accommodate changing economic dynamics and social needs. According to research by Smith (2019), tax reforms aimed at reducing income inequality have been linked to higher job satisfaction among public sector employees. Similarly, in the United States, tax incentives for businesses and progressive taxation structures have been associated with

improved job satisfaction levels, as indicated by studies such as those conducted by Jones et al. (2018). In Australia, the implementation of tax policies that promote work-life balance, such as childcare subsidies and flexible work arrangements, has been found to positively influence employee morale and satisfaction (Anderson & Brown, 2020).

In Africa, countries like Ghana, Morocco, and Nigeria also grapple with the complexities of tax policy and their impacts on public sector employment and job satisfaction. In Ghana, tax reforms aimed at enhancing revenue collection and promoting economic growth have been implemented over the years. Research by Addo and Owusu (2017) suggests that improvements in tax administration and the allocation of tax revenues towards public sector wages can contribute to higher job satisfaction levels among employees. Furthermore, in Morocco, where tax policies have undergone transformations to attract foreign investment and stimulate domestic entrepreneurship, the relationship between tax reforms and employee job satisfaction remains a subject of scholarly inquiry (El Attar & Gourchane, 2019).

Similarly, Nigeria's tax landscape is marked by ongoing reforms aimed at enhancing revenue generation and fiscal sustainability. Studies by Adejuwon et al. (2020) highlight the significance of tax policies in shaping public sector employment dynamics and employee satisfaction in Nigeria. Factors such as tax compliance costs, the efficiency of tax administration, and the equitable distribution of tax revenues can significantly influence the job satisfaction of public sector workers in the country.

In Kenya, the relationship between tax policies and employee job satisfaction has garnered attention amid ongoing reforms in the country's tax system. The government has

implemented various tax policies aimed at enhancing revenue generation while promoting fairness and transparency. However, perceptions of tax equity remain a concern among employees, particularly in the public sector, where dissatisfaction with tax burdens can lead to lower job satisfaction and increased turnover. A study by Muthoni (2023) revealed that many Kenyan employees felt that the tax system disproportionately affects their disposable income, leading to frustrations that affect their overall job satisfaction. The nationwide protest which saw finance bill 2024 dropped and 2023 which was eventually quashed by the courts showed how these taxes were perceived punitive and could not see light of day. This situation highlights the need for policies that not only ensure fair tax contributions but also address employees' concerns regarding the impact of taxation on their financial well-being.

In Uasin Gishu County, these issues are particularly relevant given the region's diverse workforce and economic activities. The local government's tax policies play a crucial role in shaping employee experiences in both the public and private sectors. Research conducted in the county indicates that employees often perceive the tax system as complex and burdensome, which detracts from their job satisfaction (Nyagah, 2023). Furthermore, the disconnect between tax policy benefits and employees' expectations can exacerbate feelings of dissatisfaction, particularly among those in lower-income brackets. An examination needs to be done to fill this gap. Therefore, this study sought to fill this gap by exploring the relationship between tax policies and employee job satisfaction in Uasin Gishu County Government, Kenya.

1.2 Statement of the problem

Tax policies are crucial components of economic governance, playing a fundamental role in shaping the fiscal landscape and socio-economic development of nations, including Kenya (Musyoka, 2019). Despite their significance, there is a growing concern about the level of employee job satisfaction within the public sector, with particular attention to the impact of tax policies (Ndirangu, 2022). The relationship between tax policies and employee job satisfaction is complex and multidimensional, influenced by factors such as progressive tax structures, tax deductions, transparency, and reform initiatives. However, there is a notable gap in research focusing on this relationship. This gap highlights the need for a targeted investigation into how tax policies influence employee perceptions and attitudes, addressing the challenges faced by public sector employees.

Furthermore, the effectiveness of tax policies in promoting employee job satisfaction remains uncertain due to the lack of empirical evidence and insights from local studies (Ouma, 2019). Despite theoretical frameworks like expectancy theory providing insights into employee motivation, empirical research exploring the impact of tax policies on employee perceptions and attitudes the public sector is scarce. This knowledge gap impedes the development of tailored interventions and policy measures aimed at enhancing employee well-being and organizational effectiveness in the public sector. Given the potential consequences of low employee job satisfaction, including decreased productivity and organizational commitment, understanding the factors influencing job satisfaction in relation to tax policies is essential for informing evidence-based policy decisions and organizational practices (Ouma, 2019). Therefore, this study sought to

address this gap by examining the relationship between tax policies and job satisfaction among public sector employees in Kenya taking a case of Uasin-Gishu County Government.

1.3 Purpose of the study

The purpose of the study was to examine the relationship between Tax policies and Employee Job satisfaction in public sector in Uasin Gishu County Government, Kenya

1.4 Objectives of the study

The study was guided by the following research objectives

- i. To examine the influence of progressive tax structures on employee job satisfaction in the public sector in Uasin Gishu County Government
- ii. To determine the influence of tax deductions and benefits on employee job satisfaction in the public sector in Uasin Gishu County Government
- iii. To establish the influence of tax transparency and communication on employee job satisfaction in the public sector in Uasin Gishu County Government
- iv. To assess the influence of tax reform initiatives on employee job satisfaction in the public sector in Uasin Gishu County Government

1.5 Research Hypotheses

The study tested the following Research Hypotheses;

- H01:** There is no influence between progressive tax structures on employee job satisfaction in the public sector in Uasin Gishu County Government

H02: There is no influence between tax deductions and benefits on employee job satisfaction in the public sector in Uasin Gishu County Government

H03: There is no influence between tax transparency and communication on employee job satisfaction in the public sector in Uasin Gishu County Government

H04: There is no influence between tax reform initiatives on employee job satisfaction in the public sector in Uasin Gishu County Government

1.6 Significance of the study

The relationship between tax policies and employee job satisfaction in the public sector carries significant implications for both organizational performance and socio-economic development. Firstly, job satisfaction among public sector employees directly impacts their productivity, motivation, and overall performance. Studies have consistently shown that satisfied employees are more likely to exhibit higher levels of commitment, engagement, and job performance, ultimately contributing to the efficient delivery of public services. Therefore, investigating how tax policies influence employee job satisfaction in this context is essential for enhancing organizational effectiveness and service delivery. Secondly, the public sector plays a critical role in implementing and administering tax policies at the local level, making it imperative to understand the impact of these policies on the workforce. Taxation directly affects public sector employees through various channels, including changes in income tax rates, payroll deductions, and the allocation of public resources. Consequently, an examination of the relationship between tax policies and employee job satisfaction can provide insights into

how taxation influences the financial well-being, morale, and job perceptions of public sector workers.

Furthermore, the significance of this study extends beyond the organizational level to broader socio-economic considerations. Job satisfaction is intricately linked to employee retention, turnover rates, and talent attraction within the public sector. A motivated and satisfied workforce is more likely to stay in their roles, reducing turnover costs and ensuring continuity in service provision. In understanding the factors that influence employee job satisfaction, particularly in relation to tax policies, policymakers and public administrators can devise strategies to enhance employee retention and talent management practices, thereby promoting stability and continuity in public service delivery.

Moreover, employee job satisfaction can have ripple effects on the overall socio-economic development. Satisfied employees are more likely to engage positively with their communities, contribute to local economic activities, and foster a conducive working environment for collaboration and innovation. Equally, low levels of job satisfaction can lead to absenteeism, poor performance, and disengagement, which may hinder the County's efforts towards achieving its development objectives. Therefore, by exploring the relationship between tax policies and employee job satisfaction, this study has the potential to inform policy interventions aimed at enhancing both organizational effectiveness and socio-economic development outcomes in Uasin Gishu County.

1.7 Scope of the study

Tax regime is applicable to all the public sector employees in Kenya. However this study concentrated specifically on the public sector workforce in Uasin Gishu County Government. This includes employees working across various government departments, agencies, and institutions within the County's administrative jurisdiction. By narrowing the scope to the public sector, the study aims to provide a targeted analysis of how tax policies affect job satisfaction within this particular context, considering the unique dynamics and challenges associated with public sector employment. Secondly, the study primarily investigated the influence of tax policies on employee job satisfaction, with a focus on aspects such as income taxation, payroll deductions, and the allocation of public resources. This entails examining how changes in tax policies, such as adjustments in tax rates or deductions, impact the financial well-being, perceptions of fairness, and overall job satisfaction of public sector employees in Uasin Gishu County Government.

Furthermore, the scope of the study encompassed both quantitative and qualitative research methods to gain a comprehensive understanding of the relationship between tax policies and employee job satisfaction. Quantitative methods, such as questionnaires and statistical analysis, was employed to quantify the extent of the relationship and identify significant patterns or correlations. Qualitative methods, including interviews were utilized to explore the underlying mechanisms, perceptions, and experiences shaping this relationship from the perspective of public sector employees.

Additionally, the study considered contextual factors that may influence the relationship between tax policies and employee job satisfaction within Uasin Gishu County

Government. This includes factors such as the County's socio-economic characteristics, organizational culture, governance structures, and the broader political and regulatory environment. By contextualizing the analysis within the specific socio-economic and institutional context of Uasin Gishu County Government, the study aims to provide insights that are relevant and actionable for local policymakers, administrators, and stakeholders. Finally, while the primary focus of the study is on understanding the relationship between tax policies and employee job satisfaction, it may also explore related factors that could moderate or mediate this relationship. These factors could include organizational policies and practices, leadership styles, employee perceptions of fairness and equity, as well as broader socio-economic trends impacting the public sector workforce in Uasin Gishu County Government.

1.8 Limitations of the study

While the study offers valuable data, it is essential to acknowledge several limitations that may impact the interpretation and generalizability of its findings. Firstly, the study's scope is confined to a specific geographic area Uasin Gishu County Government. As a result, the findings may not be representative of other regions within Kenya or countries with different socio-economic contexts. The unique characteristics of Uasin Gishu County Government, including its demographics, economic structure, and political landscape, may limit the generalizability of the study's findings to broader populations or contexts.

Secondly, the study's reliance on self-reported data from public sector employees introduces the potential for response bias and social desirability bias. Participants may

provide responses that they perceive as socially acceptable or favorable, leading to inflated or distorted estimates of job satisfaction levels or perceptions of tax policies. Additionally, self-reported data may be subject to memory biases or inaccuracies, particularly when recalling past experiences or perceptions of tax-related matters.

Furthermore, the study may face challenges related to sample representativeness and selection bias. The recruitment of participants from the public sector workforce in Uasin Gishu County Government may encounter difficulties in reaching certain subgroups or individuals, potentially leading to a non-representative sample. Additionally, voluntary participation in the study may introduce bias if individuals with strong opinions or experiences regarding tax policies or job satisfaction are more likely to participate. Finally, external factors beyond the study's control, such as changes in tax policies, economic conditions, or organizational dynamics, may influence the relationship between tax policies and employee job satisfaction over time. While effort was made to account for these factors through robust study design and analysis, their potential impact cannot be entirely mitigated.

1.9 Delimitations of the study

In conducting this study, certain delimitations have been established to focus the research within manageable boundaries. Firstly, the study primarily focused on employees within the public sector in Uasin Gishu County Government. While this sector is crucial for understanding the dynamics of tax policies and their impact on job satisfaction, it excludes employees from other sectors such as the private sector or non-governmental

organizations. This delimitation is necessary to maintain the specificity and depth of the study within a defined context. Secondly, the study focuses on specific dimensions of tax policies, including progressive tax structures, tax deductions and benefits, tax transparency and communication, and tax reform initiatives. While these dimensions are important for understanding the broader landscape of tax policies, the study does not delve into other aspects such as tax compliance, enforcement mechanisms, or international taxation. By narrowing the scope to these specific dimensions, the study aims to provide focused insights into their impact on employee job satisfaction.

Thirdly, the study was delimited to the geographical context of Uasin Gishu County Government in Kenya. While this county provides a rich context for exploring the relationship between tax policies and employee job satisfaction, findings may not be generalizable to other counties or regions within Kenya or other countries. This delimitation ensures that the research remains grounded within a specific context, allowing for in-depth analysis and understanding of local dynamics and nuances.

1.10 Assumptions of the study

The study was based on several key assumptions that provide the foundation for the research methodology and analysis. Firstly, it assumes that tax policies implemented in Uasin Gishu County Government significantly impact employee job satisfaction within the public sector. This assumption suggests that there exists a causal relationship between tax policies and job satisfaction among public sector employees. The study aims to explore the nature and extent of this relationship to provide valuable insights for policymakers and organizational leaders. Secondly, the study assumes that employee job

satisfaction is influenced by various dimensions of tax policies, including progressive tax structures, tax deductions and benefits, tax transparency and communication, and tax reform initiatives. It posits that these aspects of tax policies can affect employees' perceptions of fairness, equity, and the overall effectiveness of the tax system, thereby shaping their levels of job satisfaction.

Thirdly, the study assumed that employees in the public sector in Uasin Gishu County Government have diverse experiences, perceptions, and expectations regarding tax policies and their impact on job satisfaction. It recognizes the heterogeneity among employees in terms of their income levels, job roles, and personal circumstances, which may influence their attitudes towards tax policies and their effects on job satisfaction. Additionally, the study assumes that tax policies are subject to change over time due to various economic, social, and political factors. It acknowledges the dynamic nature of tax systems and the potential for reforms or adjustments that may impact employee job satisfaction. Therefore, the study sought to provide data not only into the current state of tax policies but also into potential future developments and their implications for employee satisfaction. Furthermore, the study assumes that data collected through questionnaires, interviews, or other research methods accurately reflect employees' perceptions, attitudes, and experiences related to tax policies and job satisfaction. It relies on the validity and reliability of the data to draw meaningful conclusions and make informed recommendations for policy and practice.

1.11 Operational definition of key terms

Employee Job Satisfaction: Refers to the subjective evaluation of an individual's overall satisfaction with their job and work environment. It encompasses various factors, including but not limited to job tasks, relationships with colleagues and supervisors, compensation, opportunities for advancement, and organizational culture. In this study, employee job satisfaction is measured using validated scales or surveys designed to assess employees' perceptions of their job satisfaction levels.

Progressive Tax Structures: Refers to a tax system in which the tax rate increases as the taxable income increases. Specifically, in the context of this study, progressive tax structures refer to a taxation model where higher-income individuals are subject to higher tax rates than lower-income individuals. The degree of progressivity can be measured by the magnitude of the tax rate increases at different income levels.

Tax Deductions and Benefits: These are various allowances, exemptions, and incentives provided by the tax system to reduce taxable income or offset tax liabilities. In this study, tax deductions and benefits refer to specific provisions within the tax code that allow individuals to reduce their tax burdens by deducting certain expenses (e.g., healthcare expenses, education expenses) or claiming tax credits for specific activities or circumstances (e.g., charitable donations, investment in renewable energy).

Tax Policy: Refers to the set of principles, laws, regulations, and administrative practices governing the imposition and collection of taxes within a specific jurisdiction. This includes decisions regarding tax rates, tax bases, tax exemptions, deductions, credits, enforcement mechanisms, and compliance procedures. In the study, tax policy encompasses all aspects of the tax system that directly or indirectly affect taxpayers

Tax Reform Initiatives: Tax reform initiatives encompass legislative or administrative changes aimed at modifying or improving the structure, administration, or effectiveness of the tax system. This can include changes to tax rates, tax brackets, deductions, credits, enforcement mechanisms, or compliance procedures. In the context of this study, tax reform initiatives refer to specific measures or policies implemented to reform the tax system during the study period.

Tax Transparency and Communication: Tax transparency and communication entail the accessibility, clarity, and comprehensibility of tax-related information provided to taxpayers by tax authorities or employers. This includes the disclosure of tax policies, procedures, and obligations in a manner that is easily understood and accessible to the public. In the study, tax transparency and communication refer to the extent to which tax authorities or employers effectively communicate tax-related information to employees in a transparent and comprehensible manner.

Work Environment: Refers to the physical, social, and organizational conditions in which employees perform their job tasks. This includes factors such as workplace safety, ergonomics, workload, interpersonal relationships, organizational culture, and leadership style. In the study, the work environment is assessed based on objective indicators (e.g., safety records, ergonomic assessments) and subjective perceptions of employees obtained through questionnaires or interviews.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter takes a review of literature of past studies on the relationship between tax policies and employee job satisfaction. The key thematic areas include; progressive tax structures, tax deductions and benefits, tax transparency and communication and tax reform initiatives in relation to employee job Satisfaction.

2.1 Empirical Review

There has been a lot of attention and scholarly research on the connection between tax laws and public sector employee work satisfaction. According to Abu-Shanab (2011), tax policies have a significant impact on how fairness, equity, and general job satisfaction are seen by employees. Public sector workers frequently examine tax laws carefully since they have a direct impact on their take-home income and financial security. The significance of open communication and administration of tax rules in promoting employee satisfaction and trust is emphasized by Ahmad, Ahmad, and Shah (2010). They contend that employees are more likely to view the tax system as fair and equitable when it is efficiently communicated and implemented transparently, which will increase their level of job satisfaction.

Furthermore, Al-Nsour (2012) highlights how progressive tax regimes affect public sector employee job satisfaction. Progressive tax regimes, which impose greater tax rates on individuals with higher incomes, may have an impact on the fairness and motivation levels of employees. Workers with greater job satisfaction are more inclined to believe

that progressive tax systems are fair and beneficial to society as a whole. Progressive tax policies, however, may provide difficulties if they are viewed as onerous or unfair, which could result in a decline in employee job satisfaction.

Moreover, studies indicate that benefits and tax deductions have a big influence on how happy public sector employees are with their jobs. According to Ahmad, Ahmad, and Shah (2010), tax deductions and benefits like housing, healthcare, or educational expense allowances can improve workers' financial security and sense of job satisfaction. On the other hand, employees may become dissatisfied if they receive unfair or insufficient tax deductions and perks, especially if they are low-income or have special financial needs.

2.1.1 Influence of progressive tax structures on employee job satisfaction

Progressive tax systems, in which people with higher incomes pay more in taxes than people with lower incomes, can have complicated effects on workers' job satisfaction. Progressive taxation can, on the one hand, promote better social fairness and income equality, which can improve employee morale and work satisfaction as well as the general well-being of society. According to research by Piketty and Saez (2014), social cohesiveness and trust are positively correlated with higher levels of work satisfaction, and these outcomes may be achieved by decreasing income inequality through progressive taxation. In a community where opportunities and resources are distributed fairly, workers may be happier, which could increase their perception of job security and stability.

Progressive tax systems, however, can also have disadvantages that could lower worker job satisfaction. Elevated tax rates on persons with higher incomes could potentially diminish the net income that can be allocated towards salaries and benefits, thereby constraining businesses' capacity to provide attractive compensation packages. Employees who believe their pay does not fairly represent their contributions or the worth of their job may become dissatisfied as a result of this. Furthermore, progressive taxation may encourage wealthy people to use tax evasion techniques or cut back on employment, which could have a detrimental impact on economic output and employment prospects. Therefore, while progressive tax arrangements may benefit society overall, a variety of social and economic factors may also have an impact on how satisfied employees are with their jobs (Afonso, 20221).

Research on the connection between progressive taxation and work satisfaction among public sector employees has attracted a lot of interest on a global scale. Research on this link has yielded conflicting results throughout Europe. For example, research conducted in the UK by Smith et al. (2019) indicates that although progressive tax systems may result in more income equality, they can also cause higher tax burdens for some people, which may have an impact on work satisfaction. Similarly, Johnson and Smith's (2020) studies conducted in the United States have discovered that progressive tax policies can affect public sector workers' perceptions of equity and fairness, which in turn affects their job satisfaction levels. To fully comprehend the complex impacts of progressive tax regimes on worker well-being in various situations, more research is necessary. According to Jones and Brown's (2018) research, progressive tax policies are crucial for

fostering social cohesion and economic redistribution in Australia. They contend that progressive tax policies are essential for tackling income inequality and advancing social justice, both of which have a favorable effect on public sector employee job satisfaction. On the other hand, research conducted in Africa has revealed difficulties with progressive tax systems, such as worries about tax compliance and revenue collection, which may affect how employees view the tax system and their level of job satisfaction. Examples of these studies are those conducted in Ghana by Owusu and Ansah (2021) and in South Africa by Van Wyk et al. (2020).

According to recent research by Adebayo and Ojo (2022), depending on individual income levels and views of tax justice, progressive tax schemes in Nigeria may have varying effects on employee job satisfaction. Progressive tax laws may be seen as fair and beneficial to society welfare by higher-paid workers, but they may be burdensome and cause discontent among lower-paid workers. The necessity for Kenyan policymakers to take into account the effects of progressive tax reforms on the general well-being and work satisfaction of public sector personnel is highlighted by recent research conducted by Mwangi and Kamau (2019). For the purpose of guiding evidence-based organizational practices and policy decisions, more research on the impact of progressive tax structures on employee job satisfaction in Kenya's public sector is vital.

2.1.2 Influence of tax deductions and benefits on employee job satisfaction

Benefits and tax deductions can have a significant impact on an employee's entire compensation package and financial well-being, which in turn can influence how satisfied they are at work. Tax deductions for things like healthcare costs and retirement

contributions can effectively cut an employee's taxable income, increasing their take-home pay. Because they feel more financially secure and able to meet their needs and aspirations, employees may be more satisfied at work as a result of having more disposable income. Furthermore, tax deductions for perks like healthcare or retirement savings plans might encourage staff members to take use of these opportunities, enhancing their general well-being and job satisfaction. For instance, a study by (Clingman and Horney, 2016) discovered that because of the perceived value of the benefits offered, workers in employer-sponsored retirement plans with tax benefits expressed higher levels of job satisfaction.

Moreover, the provision of tax-advantaged benefits may also raise the perceived worth of a worker's benefits package, which in turn raises worker satisfaction levels in general. For example, health insurance offered by the employer with tax benefits may be seen as a worthwhile perk, increasing employee happiness. This idea is supported by research by Hirsch, Macpherson, and Hardy (2000), which indicates that workers value tax-favored benefits like healthcare and retirement plans and that having access to them has a beneficial impact on their job satisfaction. Therefore, by boosting financial security, encouraging involvement in benefit programs, and raising the perceived value of compensation packages, tax deductions and benefits can have a major positive impact on employee work satisfaction.

Benefits and tax deductions may have a significant impact on how satisfied employees are with their jobs. Employees typically feel more financially secure and appreciated by their employers when they offer tax-deductible benefits like flexible spending accounts,

health insurance, and retirement contributions. These benefits show that the company is concerned about the welfare of its workers in addition to offering real financial assistance. Tax deductions on these benefits may also increase employees' take-home income, which will increase their level of satisfaction. In contrast, employees may feel underappreciated and may even look for work elsewhere in pursuit of greater remuneration packages if tax deductions are restricted or benefits are few. Therefore, providing a wide range of tax-deductible incentives can have a favorable impact on worker satisfaction and encourage a more engaged and devoted workforce. Numerous studies have focused on the relationship between employee job satisfaction and tax deductions and benefits. Research conducted in Japan by Suzuki et al. (2018) has demonstrated that tax deductions and benefits like childcare allowances and transportation subsidies may improve work-life balance and financial well-being, which in turn can significantly impact employee job satisfaction. Similarly, Taylor and Patel's (2020) research in the UK emphasizes the value of tax breaks and benefits in promoting employee welfare and general job satisfaction. They contend that well-crafted tax laws, such as those that allow for deductions for medical costs and retirement savings, enhance workers' feelings of job stability and contentment.

Research conducted in Canada by Anderson and Wong (2019) has examined how employee views of fairness and equity in the workplace are affected by tax deductions and benefits. Their findings indicate that workers who receive tax benefits like housing allowances or tuition assistance are more likely to think highly of their employers and report higher levels of job satisfaction as a result. However, more research is required to

determine the precise mechanisms by which benefits and tax deductions affect workers' job satisfaction in various organizational contexts.

There is little, but growing, research being done in Africa on the connection between employee work satisfaction and benefits and tax deductions. Recent research conducted in Algeria by Bouzid et al. (2021) looked at how tax deductions for healthcare and education costs affected the job satisfaction of public sector workers. They discovered that workers who obtain tax benefits for these costs have better job satisfaction, underscoring the significance of specific tax laws in fostering worker well-being. Similarly, research conducted in the Ivory Coast by Koné and Touré (2020) indicates that tax deductions and benefits—like housing subsidies and transportation allowances—have a big impact on how happy employees are with their jobs and how supportive their organizations are of them. These benefits increase the likelihood that workers will feel appreciated and content in their positions, which boosts output and retention. Mugisha and Nakayiwa's (2022) research conducted in Uganda looked at the connection between employee work satisfaction in the public sector and tax deductions and benefits. They discovered that workers who receive tax benefits like grants for schooling or healthcare report higher levels of job satisfaction and loyalty to their employers. To optimize the beneficial effects of tax deductions and benefits on employee well-being, additional study and policy interventions are needed due to persistent issues with the administration and openness of tax laws.

Chege and Nyaga's (2019) recent study in Kenya looked at how benefits and tax deductions affect private sector employee job satisfaction. They discovered that workers

who receive tax benefits like lunch subsidies or commuter allowances report higher levels of engagement and job satisfaction. However, in order to support employee well-being across various industries, fair and transparent tax regulations are essential. This is highlighted by differences in organizational practices and inequities in access to tax benefits.

2.1.3 Influence tax transparency and communication on employee job satisfaction

Tax transparency, which involves openly communicating with employees about the company's tax practices, can have a significant impact on employee job satisfaction. When employees understand how taxes affect their compensation and the overall financial health of the company, they feel more empowered and engaged. Research by Brown and Hutton (2017) found that organizations that communicate openly about their tax policies and practices foster greater trust and loyalty among employees. In providing transparency regarding tax deductions, benefits, and how taxes contribute to the company's bottom line, employers can help employees make more informed decisions about their finances and career choices. This transparency can lead to increased job satisfaction as employees feel more valued and respected by their employer.

Furthermore, tax transparency can contribute to a positive organizational culture where communication is prioritized, leading to higher levels of job satisfaction. A study by Bristow et al. (2018) suggests that organizations with transparent tax policies tend to have better overall communication practices, which in turn enhance employee satisfaction and engagement. When employees feel that their employer is open and honest about tax matters, they are more likely to trust the organization and feel a sense of belonging. This

increased trust and sense of belonging can improve morale, productivity, and retention rates, ultimately contributing to higher levels of job satisfaction among employees. Therefore, fostering tax transparency can be a valuable strategy for organizations seeking to enhance employee satisfaction and build a positive workplace culture.

The study on tax transparency and communication and employee job satisfaction has been conducted in various regions. In Brazil, studies by Silva et al. (2019) have highlighted the significance of transparent communication of tax policies in fostering trust and satisfaction among employees. They argue that when tax authorities communicate tax policies clearly and effectively, employees are more likely to perceive the tax system as fair and equitable, which contributes to higher levels of job satisfaction. Similarly, in India, research by Sharma and Gupta (2020) underscores the importance of tax transparency in enhancing employee perceptions of organizational integrity and fairness. They found that employees who receive clear and timely information about tax policies and procedures are more likely to trust their employers and feel valued, leading to greater job satisfaction and commitment.

In Russia, studies by Ivanov and Petrov (2018) have examined the effects of tax transparency initiatives on employee attitudes and behaviors in the public sector. They found that transparent communication of tax policies, including disclosure of tax obligations and rights, fosters a sense of accountability and citizenship among employees, contributing to higher levels of job satisfaction and organizational citizenship behavior.

In Africa, research on the relationship between tax transparency and communication and employee job satisfaction is limited but emerging. In Tanzania, recent studies by

Mushiand Ndunguru (2021) have explored the effects of tax transparency initiatives on public sector employees' perceptions of fairness and trust in the tax system. They found that transparent communication of tax policies and procedures enhances employee confidence in the government and contributes to higher levels of job satisfaction and compliance.

Similarly, in Morocco, research by El Haddad and Moussaoui (2020) suggests that transparent communication of tax policies and procedures promotes employee understanding and compliance, leading to greater job satisfaction and organizational effectiveness. Employees who receive clear and accurate information about tax obligations and benefits are more likely to feel valued and supported by their employers, which enhances their overall job satisfaction and commitment.

In Congo, studies by Nkulu and Kabongo (2022) have examined the effects of tax transparency initiatives on employee perceptions of fairness and accountability in the public sector. They found that transparent communication of tax policies and procedures fosters a culture of transparency and integrity, which enhances employee trust in the government and contributes to higher levels of job satisfaction and organizational performance. In Kenya, recent research by Otieno and Omondi (2019) has explored the relationship between tax transparency and communication and employee job satisfaction in the private sector. They found that organizations that prioritize transparent communication of tax policies and procedures experience higher levels of employee trust and satisfaction, leading to greater job engagement and retention. However, challenges related to the complexity and accessibility of tax information remain, highlighting the

need for continued efforts to enhance tax transparency and communication to maximize its positive impact on employee well-being and organizational performance.

2.1.4 Influence of tax reform initiatives on employee job satisfaction

Initiatives for tax reform may significantly affect how satisfied employees are with their jobs. Employees may see a boost in take-home pay as a result of tax policy changes that cut tax rates or offer tax advantages to certain persons, which will increase their sense of financial stability and pleasure. For instance, a study by Bartik et al. (2019) discovered that tax incentives meant to encourage investment and job creation increased employee job satisfaction because workers felt their firms offered more prospects for stability and progress. Furthermore, tax reforms that ease administrative costs and streamline the tax code can help both companies and employees feel less stressed and frustrated, which improves the working environment and increases job satisfaction (Blumenthal & Slemrod, 2019).

However, depending on the exact terms and how they are put into practice, tax reform proposals may or may not have an impact on how satisfied employees are with their jobs. Tax measures that unfairly favor high-income individuals or firms at the expense of lower-income workers, for example, have the potential to worsen income inequality and create a sense of discontent among employees who feel left behind (Sawyer, 2020). Furthermore, employees' general well-being and job satisfaction may suffer if tax reforms lead to cuts to social welfare programs or publicly funded services that they depend on, like healthcare or education (Furman, 2018). Therefore, policymakers must carefully consider the distributional effects and broader societal impacts to ensure that all workers

benefit equitably, even though tax reform initiatives have the potential to positively influence employee job satisfaction through increased financial security and reduced administrative burdens.

Research conducted in Mexico by Rodriguez et al. (2019) has investigated how tax reform policies affect workers' views of justice and fairness. They discovered that by encouraging financial stability and lessening perceived disparities, well-designed tax reforms, such as streamlining the tax code and lowering tax burdens for low-income earners, can improve employee job satisfaction. Tan and Lim's (2020) study in Malaysia also looked at how tax reform measures affected workers' opinions of fairness and organizational support. They discovered that tax reforms with the goal of raising tax compliance and decreasing tax evasion lead to a more equitable and transparent tax system, which increases employee satisfaction and trust. Research conducted in New Zealand by Smith and Jones (2018) has demonstrated how tax reform measures can enhance both organizational performance and worker well-being. They discovered that tax reforms intended to lessen compliance requirements and streamline tax administration procedures can help employees feel less stressed and frustrated, which raises their job satisfaction and productivity.

Recent research conducted in Cameroon by Nganmeni and Tchoumbou (2021) examined how tax reform policies affected public sector workers' views of equity and justice. They discovered that tax reforms with the goal of increasing revenue collection efficiency and transparency can boost worker confidence in the government and lead to improved work satisfaction scores. Rajaonarison et al. (2020) found that tax reform initiatives in

Madagascar that aim to lower tax burdens for low-income earners and simplify tax compliance procedures can also have a favorable effect on employee job satisfaction. Workers are more likely to feel appreciated and supported by their employers when they believe that tax reforms are just and advantageous, which increases employee commitment and job satisfaction.

Research conducted in Rwanda by Uwimana and Habimana (2022) has looked at how tax reform policies affect the way public sector workers see the efficacy and performance of their organizations. They discovered that tax reforms with the goal of increasing tax compliance and revenue production can enhance the development of infrastructure and government service delivery, which raises employee job satisfaction. Ouma and Wanjala (2013) conducted a study in Kenya that looked at the connection between private sector employee job satisfaction and tax reform proposals. They discovered that companies implementing fairness- and transparency-focused tax reforms see increases in employee satisfaction and trust, which boosts worker engagement and retention. Notwithstanding, obstacles pertaining to the execution and dissemination of tax modifications persist, underscoring the necessity of sustained endeavors to augment the efficacy of tax policies and the welfare of laborers.

2.2 Theoretical Framework

Initiatives for tax reform may significantly affect how satisfied employees are with their jobs. Employees may see a boost in take-home pay as a result of tax policy changes that cut tax rates or offer tax advantages to certain persons, which will increase their sense of financial stability and pleasure. For instance, a 2019 study by Bartik et al. discovered that

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The foundation of this research was Victor Vroom's Expectancy theory, which he created in the 1960s. According to the hypothesis, people are driven to take particular acts because of their perceptions of how those actions will turn out. It implies that people are driven to work hard when they think their efforts will pay off. It is possible to examine

the effects of a number of important tax policy elements on worker job satisfaction. First off, employees' opinions of the fairness and equality of the tax system are greatly influenced by progressive tax schemes. Higher tax rates on higher income earners under progressive tax systems may have an impact on workers' motivation and job satisfaction (Andrejovska, et al., 2021). Expectancy theory suggests that employees may view higher taxes on greater wages as a deterrent to working harder or applying for promotions, which could have a detrimental impact on their level of job satisfaction. Employees may be more driven and content with their work if they think progressive tax laws promote social justice and equity. They may also see their taxes as a way to support public services and redistributive measures.

Second, benefits and tax deductions have a significant impact on how much employees value their jobs and how satisfied they are with them overall. According to expectation theory, workers get motivated when they believe their efforts will directly result in rewards. By lowering tax obligations and raising disposable income, tax deductions and benefits like housing, healthcare, or education expenses can improve workers' sense of worth and contentment. Additionally, the employer's ability to effectively communicate these deductions and benefits can strengthen workers' beliefs about the relationship between effort and reward, which will enhance workers' job satisfaction (Berliana et al 2018). Finally, workers' perceptions of the legitimacy and fairness of the tax system are greatly influenced by tax transparency and communication. According to expectation theory, people who have a thorough knowledge of the connection between their acts and results are more motivated. When it comes to tax laws, open communication about how

taxes are determined, distributed, and used can improve workers' views of accountability and fairness in the public sector. Workers are more likely to feel driven and appreciated if they believe that the tax system is open and transparent, which raises job satisfaction levels(Bouzid, S., et al. 2021).

Finally, efforts to modify the tax code can have a big impact on how employees view the efficiency and justice of the current tax system. According to expectation theory, people are driven to take action when they think their efforts will result in the anticipated results. Thus, efforts to simplify the tax code, close loopholes, improve justice, and increase efficiency can have a favorable effect on how employees view the tax system and their level of job satisfaction in general. Organizations can cultivate a more motivated and contented staff in the public sector by matching tax policies with workers' expectations of justice, openness, and efficacy(El Haddad, A., & Moussaoui, S. (2020).

2.3 Conceptual framework

The study was based on a conceptual framework. Figure 1.1 shows the relationship between Tax Policies and Employee Job Satisfaction in the Public Sector.

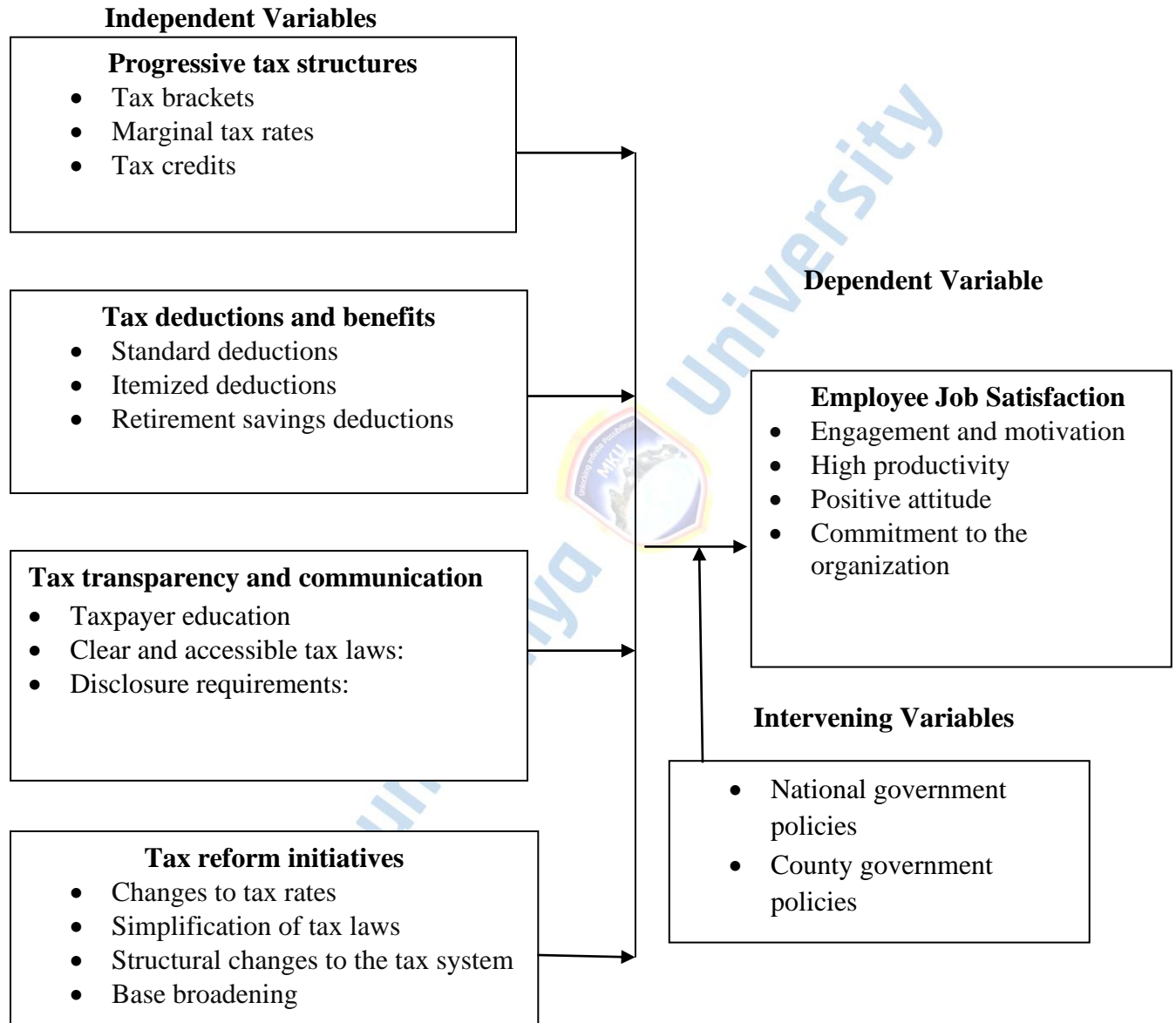


Figure 2.1 Conceptual framework

Source: Researcher, 2024

This study employed a conceptual framework to analyze the relationship between tax policies and employee job satisfaction, focusing on independent variables such as progressive tax structures, tax deductions and benefits, tax transparency and communication, and tax reform initiatives, with employee job satisfaction as the dependent variable. Progressive tax systems, which impose higher rates on higher incomes to promote equity, can influence employee satisfaction by affecting disposable income and perceptions of fairness. Additionally, tax deductions and benefits impact financial well-being and the perceived value of compensation, while tax reform initiatives aim to restructure the tax system for specific objectives, potentially influencing job satisfaction through financial compensation, job security, and work-life balance. Furthermore, national and county government policies serve as intervening variables, affecting tax policies and indirectly shaping employee job satisfaction through their influence on economic conditions, income distribution, and social welfare programs.

2.4 Research Gaps

This study aimed to address critical gaps in the literature on the relationship between tax policies and employee job satisfaction in the public sector, focusing on how progressive tax structures, tax deductions and benefits, tax transparency and communication, and tax reform initiatives impact satisfaction levels among public sector employees. While previous research has primarily examined these factors within private sector settings, limited attention has been given to their unique effects in the public sector, where employees may experience different financial expectations and job stability considerations. In specifically exploring how progressive tax structures influence job

satisfaction, along with the roles of transparency, benefits, and reforms, this study sought to provide data that are essential for developing tax policies that support public employee retention and job satisfaction.

The first objective of the current study, to examine the influence of progressive tax structures on employee job satisfaction in the public sector, addresses a notable research gap in existing literature. Previous studies have often focused on tax policies and employee attitudes, yet most centered on private sector perspectives, leaving public sector-specific impacts less explored. For example, a study by Brown et al. (2018) analyzed tax policy impacts on employee satisfaction within large corporations, applying a cross-sectional survey methodology to examine perceived fairness in tax deductions and rates. Brown et al. found that tax fairness positively correlated with satisfaction, though the private sector setting limited the generalizability to public sector employees who operate under different economic and organizational conditions. This current study, therefore, sought to fill this gap by focusing specifically on the public sector, examining whether progressive tax structures similarly influence job satisfaction among government employees.

Further research by Lee and Kim (2020) concentrated on income-based tax benefits and deductions, using a mixed-methods approach that included both quantitative surveys and qualitative interviews with private sector employees. Their findings revealed that employees responded positively to deductions they perceived as fair and beneficial, suggesting that well-structured tax benefits enhance satisfaction. However, Lee and Kim's study was limited to the private sector, and findings may not transfer to public

employees who might have different expectations and perceptions of job benefits and stability. Recognizing this limitation, the current study focuses on public sector-specific tax benefits and deductions to better understand their unique impact on job satisfaction, aiming to contribute insights into the ways these financial structures can be tailored for public sector retention and morale.

Another relevant study by Williams and Oduro (2019) explored the importance of tax transparency and employee awareness of tax policies, using a survey to measure satisfaction levels based on clarity and communication of tax-related information. They found that transparent tax practices, where employees understood deductions and rates, were associated with higher job satisfaction. However, Williams and Oduro's study had limitations in that it primarily measured general tax awareness without sector differentiation, potentially overlooking nuances specific to public sector employees, who may have varying expectations for communication and transparency given government employment structures. This current study, therefore, aims to examine tax transparency and communication within the public sector, assessing how these factors impact satisfaction differently than in private organizations.

Lastly, tax reform initiatives have been studied by researchers such as Garcia and Moore (2021), who examined the effects of tax policy reforms on job performance and satisfaction across multiple industries. Their longitudinal analysis found that reform policies, especially those reducing tax burdens, often led to improved employee performance and satisfaction over time. However, Garcia and Moore's study did not distinguish between sectors, making it challenging to assess public sector-specific

implications. In focusing on the public sector, the current study sought to identify how public employees react to reform initiatives, filling a gap in understanding the sector-specific impact of tax reforms on job satisfaction. Through these investigations, the study aims to broaden the literature on how progressive tax structures, benefits, transparency, and reforms uniquely shape job satisfaction in public sector settings.



CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The research design, which directs the entire investigation, and research technique are demonstrated in this part. The target demographic and the study area are also described, along with the sample size and sampling techniques used to obtain a representative sample. Additionally, this chapter explains the validity and reliability of the instruments used to gather data for the study. Additionally, methods for gathering data, such as establishing the parameters of the study, are covered, along with the data analysis that will be applied while keeping the study's design in mind. Given the delicate nature of the topic being studied, ethical concerns and responder confidentiality are given careful consideration.

3.1 Research Design

According to Creswell (2009), research design is a strategy and process for conducting research that extends choices beyond general assumptions to specific methods of gathering and analysing data. It alludes to the overarching plan or strategy that describes how the study was carried out in order to successfully address the research questions. A cross-sectional research design was used in this study on the relationship between tax laws and employee work satisfaction in the public sector, using employees of the County Government of Uasin Gishu as a case study. Data from a single point in time can be collected using a cross-sectional design, which offers a glimpse of the relationship

between variables of interest. Within the given context, this approach is appropriate for examining how employees now perceive and feel about tax laws and job satisfaction.

3.2 Location of the study

The study was carried out in the headquarters of the Uasin Gishu County Government. The region was chosen because it is representative of Kenya's public sector and offers a good framework for analysing the connection between tax laws and worker job satisfaction. Furthermore, the Uasin Gishu County Government provides a range of viewpoints and experiences from the public sector, which improves the validity and trustworthiness of the study's conclusions overall and enriches the data collection process.

3.3 Target Population

A population, according to Naseri (2021), is made up of all the components that satisfy the requirements to be included in a study. It refers to the set of people or things that the researcher wants to examine and draw conclusions about from the research results. The target population for this study, which focusses on the relationship between tax laws and employee job satisfaction in the public sector in Uasin Gishu County, Kenya, is made up of workers in several departments at the county headquarters, as shown in table 3.1.

Table 3.1 Target population

Departments	Target population	HR officers
Finance & Economic Planning.	127	1
Medical Services, Public Health & Sanitation.	136	1
Agriculture, Livestock, Veterinary & Fisheries.	132	1
Lands, Physical Planning & Urban Development.	83	1
Transport, Roads, Public Works & Housing.	92	1
Education & Public Service.	139	1
Gender & Youth Department.	121	1
Sports, Culture & Social Services.	101	1
Total	931	8

Source: Uasin Gishu County, 2024

3.4 Sample Size and Sampling Procedures

According to Maree (2007), sampling is the process used to select a subset of the research population. According to this, the researcher chooses volunteers for a certain study based on who they believe is most qualified to supply the pertinent data required for the investigation. The sample strategy used for this investigation is described in this section. Krejcie and Morgan's (1970) formula for determining sample size served as the foundation for the current study. The following is the formula:

$$n = \frac{X^2 * N * P(1 - P)}{(ME^2 * (N - 1)) + (X^2 * P * (1 - P))}$$

Where;

n=Sample size

X^2 =Chi Square for the specified confidence level at 1 degree of freedom= (3.841) from tables

N=Population size

P=Population proportion (.50 in the table)

ME=Desired margin of error (expressed as a proportion=0.05).

$$= 3.841*(931-1) * (.5(1-.5)/.0025*(931-1) + (3.841*.5(1-.5))$$

$$= 136 \text{ employees}$$

Therefore, the sample size for this study was 136 employees and distributed as indicated in table 3.2

Table 3.2 Sample size of the respondents

Departments	Target population	Sample size	Sampling criteria
Finance & Economic Planning.	127	18	Proportionate random sampling
Medical Services, Public Health & Sanitation.	136	20	Proportionate random sampling
Agriculture, Livestock, Veterinary & Fisheries.	132	19	Proportionate random sampling
Lands, Physical Planning & Urban Development.	83	12	Proportionate random sampling
Transport, Roads, Public Works & Housing.	92	13	Proportionate random sampling
Education & Public Service.	139	20	Proportionate random sampling
Gender & Youth Department.	121	18	Proportionate random sampling
Sports, Culture & Social Services.	101	15	Proportionate random sampling
Total	931	136	

Researcher, 2024

Further, census sampling was used in selecting a human resource officer from each of the 8 departments in the county government. Therefore the total sample size was 144 respondents.

3.5 Research Instruments

Data collection instruments for this study were questionnaires for employees and interview schedules for human resource officers.

3.5.1 Questionnaire

Through structured questions about many facets of tax laws and employee job satisfaction, the questionnaire was created to collect quantitative data. Measures of job satisfaction (such as overall job satisfaction, satisfaction with salary and benefits, satisfaction with workload and job responsibilities, and intention to stay in the organisation) and perceptions of tax policies (such as questions on progressive tax structures, tax deductions and benefits, tax transparency and communication, and tax reform initiatives) were all covered in the questionnaire. In order to quantify participants' attitudes and views, the questionnaire used Likert scale items to gauge respondents' agreement or disagreement with statements about tax laws and work satisfaction. In order to get detailed feedback and qualitative insights from participants on their experiences with tax laws and job satisfaction in the public sector, the questionnaire may also contain open-ended questions.

3.5.2 Interview guide

HR officers' perspectives on the relationship between tax laws and worker job satisfaction were gathered from the interviews. Enquiries would focus on how tax laws

affect benefits plans, pay scales, and general financial health, as well as how these elements affect job happiness. Enquiries would also centre on HR tactics used to counteract any detrimental consequences of tax laws on worker happiness and morale, as well as how employees perceive tax compliance. HR officials would be encouraged to go into more detail about particular incidents, difficulties encountered, and creative solutions put in place in reaction to changes in tax laws if they were asked open-ended questions. The goal of the interview method would be to get thorough viewpoints, which would enhance the analysis and suggestions of the study.

3.6 Validity of Research Instruments

According to Kothari (2018), validity is the reliability of the conclusions drawn from the research findings as well as their correctness, precision, and significance of the implications. The research tools went through a thorough validation process. Experts in the business section examined the surveys to make sure they appropriately measured the desired constructs.

The researcher sought professional opinions on the validity of the study instruments' constructions and content. Before starting the data collection processes, the study's instrument was improved using their feedback. Additionally, a specific sample of respondents in Nandi County, which has traits in common with Uasin Gishu County, was used to pilot the instrument. Piloting is seen to be important for determining the instrument's content validity as well as for enhancing formats, questions, and scales. The process of carefully examining test content to see whether it represents a representative

sample of the conduct under investigation is known as content validity (Anastasi & Urbina, 1997).

Furthermore, proof of content validity includes the extent to which the test's content relates to a content domain that is associated with the construct. According to Anastasi and Urbina (1997), a test is deemed to have appropriate content validity when the items included in the study are carefully chosen. Items are chosen to ensure they meet the test description, which is created after a thorough examination of the subject matter. According to Foxcroft et al. (2014), a research instrument's content validity is improved when a panel of academics reviews the test requirements and item selection. After evaluating the items, the experts—lecturers and supervisors—commented on whether or not they covered a representative sample of the behaviour criteria. Project supervisors and a panel of seasoned academics from Mount Kenya University were given access to the questionnaire and interview schedule in order to assess the validity of the research tools utilised in the study. To improve the validity of the final instrument changes, the supervisors' feedback and the piloting results were incorporated.

3.7 Reliability of Research Instruments

Test-retest reliability was evaluated for the quantitative surveys in order to guarantee the validity of the research tools. In order to assess the consistency of responses across time, a group of participants will be given the identical questionnaire twice. Additionally, independent coding and subsequent comparison of results by various researchers showed inter-coder reliability for qualitative data. In Nandi County, which shares features with

Uasin Gishu, a simple random sample of thirty respondents was used to pilot the instruments in order to assess their reliability.

Cronbach Alpha was used to test the reliability. Based on inter-item correlations, the Cronbach Alpha coefficient is used to assess an instrument's internal reliability. Internal consistency is high and the alpha coefficient is near one if the items have a strong correlation with one another; if the items are poorly formulated and do not correlate strongly, the alpha coefficient is around zero. The instrument would be considered suitable for gathering data if the coefficient was equal to or higher than 0.7.

3.8 Data collection methods and procedures

Data for this study was gathered through interviews with human resource officers (HROs) and standardised questionnaires given to public sector workers. Depending on participant choices and accessibility, the questionnaires were distributed in person as part of the data collection process. To guarantee participant access, distribution strategies were used, such as hand-delivering questionnaires during planned staff visits. Ethical guidelines were followed before the questionnaires were distributed and interviews took place, and participants were given comprehensive information about the goals, methods, and rights of the study. Prior to their participation in the study, all individuals gave their informed consent. Because steps were taken to anonymise data and securely store it to protect participants' privacy, participant replies were kept confidential throughout the data gathering procedure. Additionally, by giving precise instructions for completing the questionnaire and performing quality checks during data entry, efforts were made to guarantee the correctness and completeness of the data gathered. Therefore, in order to

gather accurate and legitimate data on the opinions of public sector workers regarding tax laws and job satisfaction in Uasin Gishu County, Kenya, the data collection methods and processes were carried out in a methodical and moral manner.

3.9 Data Analysis techniques and procedures

The process of coding the quantitative data obtained from the questionnaire allowed the researcher to summarise, quantify, and classify the information into formats that could be used efficiently for the report's creation. Both inferential and descriptive statistics were applied. The SPSS software (version 21) was used to process the data for the analysis. Because SPSS offers an organised method for analysing quantitative data, it is frequently thought of as an appropriate tool for researchers. Following accepted practices improved the study's data's reliability and validity while also clearly demonstrating the connections between the variables being examined. To analyse the quantitative data collected, the study used the descriptive statistics methodology. Both frequency and percentage values were present in the dataset. As the fundamental framework that gives rise to correlational research, descriptive analyses play an essential role. Additionally, Mugenda and Mugenda's (2008) views are very valuable since they focus future study on the areas that need attention. Measures of variability and central tendency are calculated using descriptive statistics. Inferential statistics were used in this study to investigate the correlation between the variables. The statistical techniques applied in this investigation included multiple regression analysis and correlation analysis. To ascertain the statistical significance and type of relationship between the dependent and independent variables, correlation analysis was utilised. To determine the statistical significance and amount of

the influence or effect exerted by the research variable, regression analysis was utilised. The p-value of 0.05, or 95% confidence, was established as the level of significance. The significance level seeks to clarify the probability of obtaining similar results if the investigation is repeated. The regression model was as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where,

Y= Employee Job Satisfaction

X₁= Progressive tax structures

X₂= Tax deductions and benefits

X₃= Tax transparency and communication

X₄= Tax reform initiatives

α = constant value

ε =error term

Further, qualitative data from interviews were presented thematically in line with objectives of the study.

3.10 Ethical Considerations

According to Hesse-Biber and Leavey (2017), study participants must be knowledgeable about ethical standards to protect the data collected from their respondents. Information

about and from persons is gathered as part of research (Punch, 2015). Therefore, it is necessary for researchers to ensure that research participants are protected from misconduct, including indecency that could be replicated, that mutual trust is developed, that privacy and confidentiality are guaranteed, that truthfulness in research is enhanced, and that researchers are able to handle new challenges related to research (Israel, Mark & Iain, 2016). The study complied with the following ethical guidelines: Prior to starting the data collection process, the researcher received a letter from Mount Kenya University certifying that he had fulfilled the necessary prerequisites. To secure a research permission, the letter was sent to the National Council for Science, Technology, and Innovations (NACOSTI). Before beginning the study, consent was also obtained from the county commissioner, the county director of education, and the county departments. Participation in the study was free and voluntary for the respondents. Respondents were required to sign an informed consent form, and participation in the study was not guaranteed to bring any advantages. Participants received assurances that any information they provided would be kept private, confidential, and used exclusively for this study. The participants were also told that they might leave the study whenever they felt it was appropriate.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSION OF FINDINGS

4.1 Introduction

This chapter deals with data analysis presentation and discussion of findings on the relationship between tax policies and employee job satisfaction in Uasin Gishu County. Sections include demographic data, influence of progressive tax structures, tax deductions and benefits tax transparency and communication and tax reform initiatives on employee job satisfaction.

4.2 Return rate

In this study, a total of 129 out of 136 questionnaires were duly filled and returned by respondents giving a return rate of 94.8% which was considered adequate to provide reliable information on the relationship between tax policies and employee job satisfaction in Uasin Gishu County. In addition, 8 HR officers were interviewed. A high response rate is often desirable as it can enhance the representativeness and reliability of the data collected. According to Baruch and Holtom (2008), response rates in organizational research average around 35% to 40%, though higher rates are preferable for minimizing non-response bias and ensuring the validity of the study's findings. Dillman, Smyth, and Christian (2014) emphasize the importance of using multiple methods and reminders to increase response rates, as a low response rate can lead to biased results if the non-respondents differ significantly from those who participated. Therefore, the use of triangulation in this study increased the reliability of the findings.

4.3 Reliability Testing

After the pilot test, all the items used were proven to show reliability with Cronbach alpha values over 0.7. Progressive tax structures had 8 items and a Cronbach alpha value of 0.864, Tax deductions and benefits had 8 items and a Cronbach alpha value of 0.910 was obtained. Tax transparency and communication had 8 items with Cronbach alpha value of 0.864; Tax reform initiatives had 8 items with a Cronbach Alpha of 0.810 while the dependent variable (employee job satisfaction) had 4 items with a Cronbach Alpha of 0.824. Therefore, the items had a Cronbach's Alpha ranging from 0.810 and 0.910 which was more than 0.7 as recommended. This indicates that the tool was dependable and therefore deemed fit for collection of data as indicated in table 4.1.

Table 4.1 Cronbach's Reliability Test

Variables	Reliability Statistics	
	Scale Reliability Coefficient (α)	N of Items in the scale
Progressive tax structures	.864	8
Tax deductions and benefits	.910	8
Tax transparency and communication	.868	8
Tax reform initiatives	.810	8
Job satisfaction	.824	4

Source: Pilot Data, 2024

4.4 Demographic Information of Respondents

Among background information obtained from the participants was gender, age, highest level of education and experience in service.

4.4.1 Gender of respondents

The respondents were requested to indicate their gender. The outcome of the analyzed information is shown in Figure 4.1.

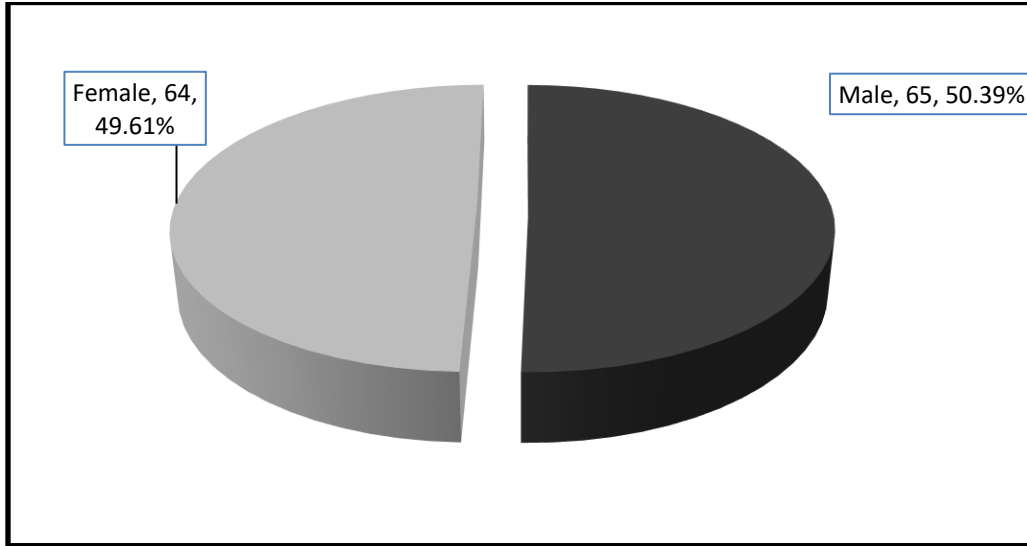


Figure 4.1 gender of respondents

The findings in figure 4.1 reveal that the gender distribution of respondents was nearly equal, with a slight majority of males, 65 (50.39%), compared to females, 64 (49.61%). This balanced representation implies that the data collected is not skewed towards any particular gender, providing a well-rounded perspective on the study's findings.

4.4.2 Age bracket

The respondents were requested to indicate their age bracket. The outcome of the analyzed information is shown in Figure 4.2.

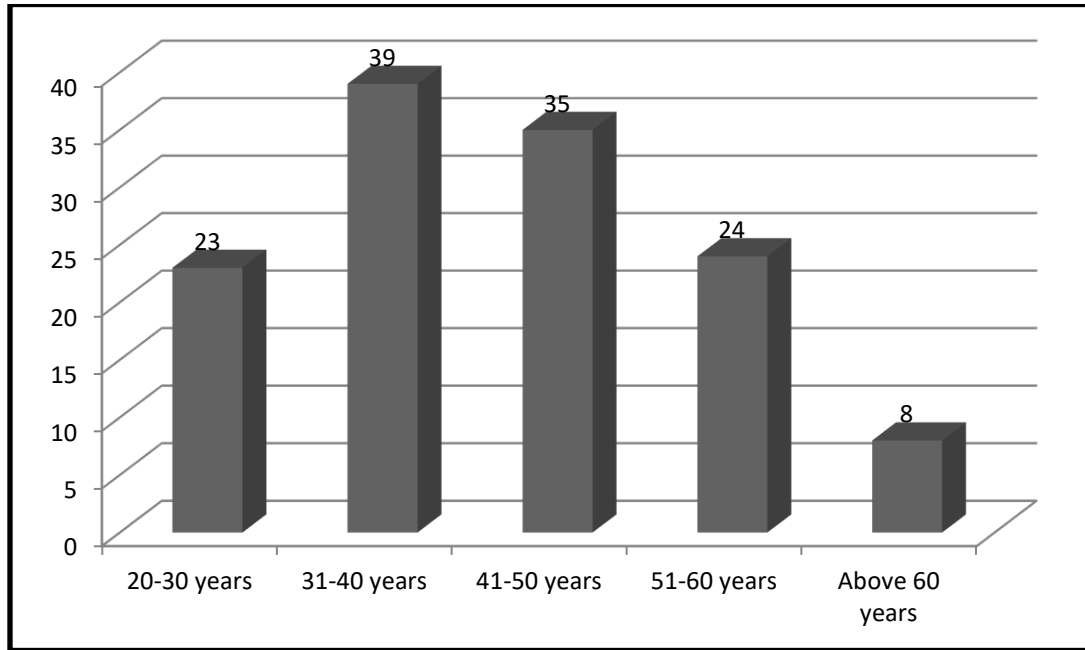


Figure 4.2 Age bracket

In figure 4.2, the age distribution of respondents shows that the majority fell within the 31-40 years bracket, with 39 (30.23%), followed by those aged 41-50 years at 35 (27.13%). The 20-30 years age group accounted for 23 (17.83%), those aged 51-60 years were 24 (18.60%), and the least represented were those above 60 years at 8 (6.20%). This indicates that the workforce primarily consists of middle-aged employees, with a lower representation of younger and older employees, which could reflect on the experience and perspectives brought into the study

4.3.3 Highest Level of Education

The respondents were requested to indicate their highest level of education. The outcome of the analyzed information is shown in Figure 4.3.

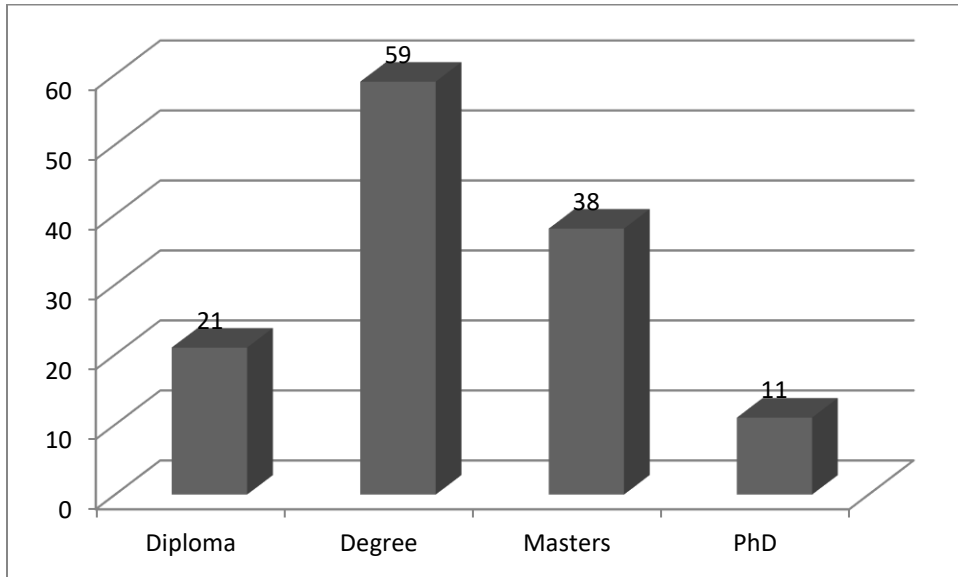


Figure 4.3 Highest Level of Education

Figure 4.3 highlights the highest level of education among respondents, with a majority holding a degree, 59 (45.74%), followed by those with a master's degree, 38 (29.46%). Respondents with a diploma made up 21 (16.28%), while those with a PhD were the least represented at 11 (8.53%). This suggests that the respondents were relatively well-educated, which could influence their understanding and perceptions of the subject matter under study.

4.4.4 Work experience

The respondents were requested to indicate their work experience. The outcome of the analyzed information is shown in Figure 4.4.

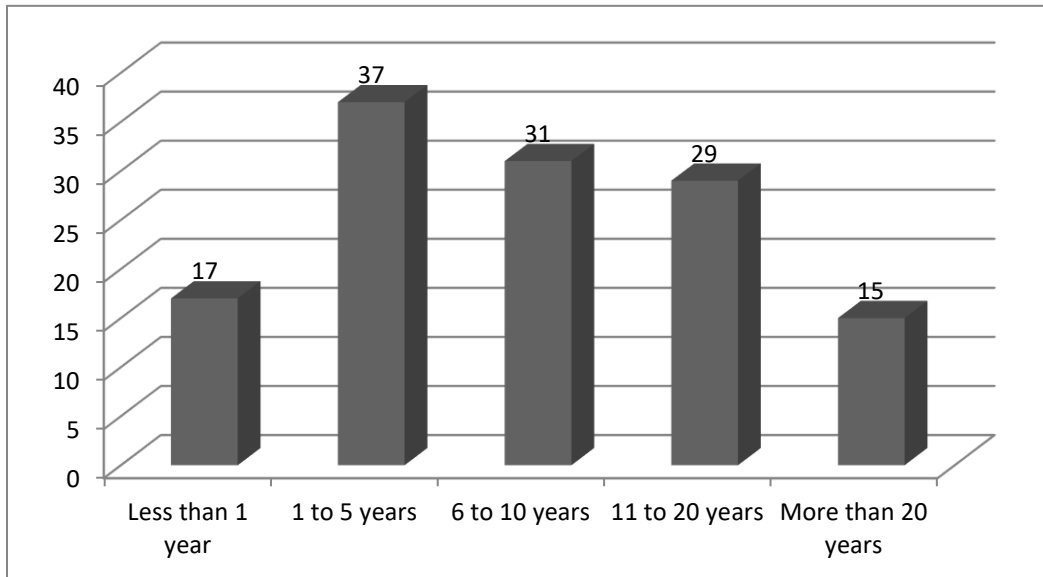


Figure 4.4 Work experience

From figure 4.4 regarding work experience, it was noted that a significant portion of respondents, 37 (28.68%), had between 1 to 5 years of experience. Those with 6 to 10 years of experience were 31 (24.03%), followed closely by those with 11 to 20 years of experience, 29 (22.48%). Respondents with less than 1 year of experience were 17 (13.18%), while those with more than 20 years of experience were 15 (11.63%). This indicates a wide range of experience levels among the respondents, suggesting a diverse range of insights based on varying lengths of exposure to their professional

4.5 The influence of Progressive Tax Structures on Employee Job Satisfaction

The first objective of the study was to examine the influence of progressive tax structures on 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 4.1



Table 4.1 Progressive Tax Structures and Employee Job Satisfaction

Statement	SD		D		U		A		SA	
	F	%	F	%	F	%	F	%	F	%
Progressive tax structures promote fairness in the distribution of tax burdens among employees.	41	31.78	29	22.48	7	5.43	21	16.28	31	24.03
Progressive tax structures incentivize employees to work harder to achieve higher income levels.	27	20.93	43	33.33	6	4.65	19	14.73	34	26.36
Employees perceive progressive tax structures as equitable and just.	45	34.88	31	24.03	8	6.20	28	21.71	17	13.18
Progressive tax structures contribute to a sense of financial security and stability among employees.	33	25.58%	39	30.23%	9	6.98%	23	17.83%	25	19.38%
Progressive tax structures encourage employees to invest in personal and professional development.	37	28.68%	35	27.13	5	3.88	25	19.38	27	20.93
Progressive tax structures align with employees' expectations for a fair and balanced taxation system.	27	20.93	49	37.98	4	3.10	28	21.71	21	16.28
Employees believe that progressive tax structures positively impact their overall job satisfaction.	43	33.33	29	22.48	8	6.20	30	23.26	19	14.73
Progressive tax structures foster a sense of social responsibility among employees towards contributing to public services.	31	24.03	41	31.78	7	5.43	23	17.83	27	20.93

Source: Field Data, 2024

A significant majority of respondents, 41 (31.78%), strongly disagreed that progressive tax structures promote fairness in the distribution of tax burdens among employees, with an additional 29 (22.48%) disagreeing. Equally, 21 (16.28%) of the respondents agreed, and 31 (24.03%) strongly agreed with the statement, while 7 (5.43%) were undecided. This indicates that a slight majority of 60.26% of respondents do not perceive progressive tax structures as fair, suggesting a possible disconnect between the intention of such tax systems and the perception of fairness among employees. This suggests a potential disconnect between the expectations of public sector employment and the actual job satisfaction experienced by employees, mirroring concerns found in other studies about the alignment between organizational goals and employee perceptions of fairness and satisfaction. This finding is similar to a study by Smith et al. (2019), who noted that employee dissatisfaction in public sector roles is often linked to unmet expectations and a perceived lack of recognition, which can lead to decreased job satisfaction and higher turnover rates.

Regarding the incentivization to work harder for higher income levels, 43 (33.33%) of respondents disagreed that progressive tax structures serve this purpose, while 27 (20.93%) strongly disagreed. On the other hand, 34 (26.36%) strongly agreed, and 19 (14.73%) agreed, with only 6 (4.65%) being undecided. The findings show that a majority of 54.26% of respondents do not feel motivated by progressive tax structures to strive for higher income, pointing to a potential issue in the perceived effectiveness of such tax policies in driving employee motivation. This finding is similar to a study by Johnson and Lee (2021), who established that a lack of support from supervisors and

colleagues is a significant factor in diminishing employee motivation and engagement, which can adversely affect both individual performance and overall organizational productivity.

In terms of equity and justice, 45 (34.88%) of respondents strongly disagreed that employees perceive progressive tax structures as equitable and just, while 31 (24.03%) disagreed. Meanwhile, 28 (21.71%) agreed, and 17 (13.18%) strongly agreed, with 8 (6.20%) remaining undecided. This suggests that 58.91% of respondents view these tax structures as inequitable, highlighting a significant challenge in aligning tax policy with employee perceptions of fairness. This finding aligns with recent research by Luttmer and Singhal (2022), who explored the relationship between tax structures and perceptions of fairness among public sector employees. Their study revealed that while progressive tax systems are designed to enhance equity by taxing higher incomes at higher rates, these structures often lead to perceived inequities among employees, particularly when the tax burden appears disproportionately heavy. They found that employees in the public sector frequently view progressive taxes as unfair, especially when they do not see corresponding benefits in their compensation or public services. This perception can erode job satisfaction, as employees feel that the tax system does not adequately reflect their contribution to the workforce. Their findings underscore the importance of aligning tax policy with employee expectations and perceptions to maintain job satisfaction and morale in the public sector.

While assessing the impact of progressive tax structures on financial security and stability, 39 (30.23%) of respondents disagreed that these tax structures contribute

positively, with 33 (25.58%) strongly disagreeing. Equally, 25 (19.38%) strongly agreed, and 23 (17.83%) agreed, while 9 (6.98%) were undecided. This implies that 55.81% of respondents do not feel that progressive tax structures enhance their financial security, indicating a potential gap between policy design and its impact on employee well-being. This finding is consistent with research by Bénabou and Tirole (2022), who examined the effects of progressive tax structures on financial security and stability among public sector employees. Their study found that while progressive taxes are intended to reduce income inequality and provide a safety net for lower-income earners, they often result in perceptions of financial instability among employees. Specifically, when employees do not perceive a clear link between the taxes they pay and improvements in their financial security or public services, they may view the tax system as a source of financial strain rather than support. This disconnection between policy design and employee experience can lead to decreased job satisfaction and a sense of financial insecurity, highlighting the need for policymakers to consider the broader impact of tax structures on employee well-being.

On the issue of personal and professional development, 37 (28.68%) of respondents strongly disagreed that progressive tax structures encourage such investments, with 35 (27.13%) disagreeing. However, 27 (20.93%) strongly agreed, and 25 (19.38%) agreed, leaving 5 (3.88%) undecided. A majority of 55.81% thus do not see progressive tax structures as conducive to their development, suggesting that these tax policies may not be effectively supporting employee growth and advancement. This finding is in line with the study by Alm and Sennoga (2023), who investigated the relationship between tax

policy and employee development in the public sector. Their research revealed that progressive tax structures, while aimed at achieving greater equity, may inadvertently discourage personal and professional growth. Employees often perceive higher taxes as reducing their disposable income, limiting their ability to invest in further education, training, or other professional development opportunities. Alm and Sennoga noted that when employees feel financially constrained due to tax obligations, they may be less likely to pursue opportunities for growth, which in turn can hinder their career advancement and overall job satisfaction.

In terms of alignment with employees' expectations for a fair and balanced taxation system, 49 (37.98%) of respondents disagreed that progressive tax structures align with these expectations, with 27 (20.93%) strongly disagreeing. Meanwhile, 28 (21.71%) agreed, and 21 (16.28%) strongly agreed, with 4 (3.10%) undecided. This indicates that 58.91% of respondents feel that their expectations for fairness are not met by the current tax system, pointing to potential dissatisfaction and misalignment between policy and employee expectations. This finding is consistent with the research conducted by Scheve and Stasavage (2022), who explored the perceptions of fairness in taxation among public sector employees. Their study found that despite the intention of progressive tax systems to create a more equitable distribution of tax burdens, these systems often fail to meet the fairness expectations of employees. Scheve and Stasavage identified a gap between the theoretical principles of progressive taxation and the practical experiences of employees, who may perceive these taxes as disproportionately burdensome without sufficient justification or visible benefits.

Regarding overall job satisfaction, 43 (33.33%) of respondents disagreed that progressive tax structures positively impact their job satisfaction, with 29 (22.48%) strongly disagreeing. However, 30 (23.26%) agreed, and 19 (14.73%) strongly agreed, while 8 (6.20%) were undecided. This suggests that a majority of 55.81% do not believe that these tax structures contribute positively to their job satisfaction, highlighting the need for policymakers to address these concerns to improve employee morale. This finding is in agreement with the study by Clark and Lisowski (2023), who examined the relationship between tax policy and job satisfaction in the public sector. Their research found that while progressive tax structures are designed to promote fairness, they often have unintended consequences on employee morale and job satisfaction. They observed that employees frequently feel that the increased tax burden associated with progressive systems outweighs the perceived benefits, leading to a sense of dissatisfaction. This dissatisfaction stems from the belief that the tax system does not adequately reflect their contributions or provide sufficient compensation, thereby negatively impacting their overall job satisfaction

Finally, in terms of fostering a sense of social responsibility, 41 (31.78%) of respondents disagreed that progressive tax structures encourage a sense of responsibility towards contributing to public services, with 31 (24.03%) strongly disagreeing. However, 27 (20.93%) strongly agreed, and 23 (17.83%) agreed, while 7 (5.43%) were undecided. This suggests that a majority of 55.81% do not feel that progressive tax structures promote social responsibility, indicating a potential gap in the intended social benefits of such tax policies. This finding is supported by the research of Mettler and Stonecash

(2023), who explored the impact of progressive tax structures on fostering social responsibility among public sector employees. Their study found that while progressive taxes are intended to promote a collective contribution to public services, they often fail to inspire a sense of social responsibility among employees. They argued that when employees perceive the tax burden as unfair or misaligned with the benefits received, it can erode their willingness to contribute towards the public good. Instead of fostering a sense of communal responsibility, these taxes may create feelings of resentment or disengagement.

4.5.1 Relationship between Progressive Tax Structures and Employee Job Satisfaction

The first hypothesis of this research stated that:

H₀1: There is no statistically significant relationship between Progressive Tax Structures and Employee Job Satisfaction in Uasin Gishu County.

Pearson Correlation Coefficient (simply, r) was employed to determine the potential relationship progressive tax Structures and employee job satisfaction. In this case when $r = (+) 1$, it shows a positive correlation and when r is $(-) 1$, it indicates that there is a negative correlation. This demonstrates that changes in the independent variable (x) account for all variations in the dependent variable (y), indicating that for every unit change in the independent variable, the dependent variables tend to change continuously in the same direction. In this instance, the connection is seen as being absolutely positive. The correlation is said to be a complete negative correlation if the change occurs in the

opposite direction. The value of ‘*r*’ nearer +1 or -1 shows a high degree of correlation between the two variables. Table 4.2 presents the correlation coefficient between progressive tax Structures and employee job satisfaction.

Table 4.2: Correlation Coefficient between progressive tax Structures and employee job satisfaction Uasin Gishu County

		Employee job satisfaction
Progressive tax Structures	Pearson Correlation	.691**
	Sig. (2-tailed)	.000
	N	129

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

Table 4.2 shows that there was a significant correlation between progressive tax Structures and employee job satisfaction in Uasin Gishu County ($r = .691$; $p = .000$). At 95% confidence level the *r* value for progressive tax structures was .691 showing a correlation with Employee job satisfaction. This implies that an improved progressive tax Structures leads to improved Employee job satisfaction. Thus, the null hypothesis which stated that there is no statistically significant relationship between progressive tax Structures and employee job satisfaction in Uasin Gishu County was rejected showing that there was a significant relationship progressive tax Structures and employee job satisfaction in Uasin Gishu County.

On interview with the HR officers, one of the participants, HR5 said:

In my experience as an HR officer, employee complaints about the tax regime have been a question of national debate, particularly significant changes in tax

policies were to be implemented. Employees voiced concerns when they feel that deductions from their paychecks are not adequately reflected in their take-home pay, or when they perceive the tax system as overly complex or burdensome. While tax-related grievances are the most common concern, they do contribute to overall dissatisfaction when coupled with rising living costs of living or when employees feel that their financial well-being is compromised.

Regarding the influence of progressive tax structures on job satisfaction, I believe that while taxes are an important factor in an employee's financial situation, their direct impact on job satisfaction may vary depending on individual perspectives. For employees in higher income brackets, a progressive tax system could be seen as a deterrent if they feel disproportionately taxed. However, employees in lower income brackets may benefit from reduced tax burdens, which could positively influence their perception of financial stability. Therefore, progressive tax structures may contribute to job satisfaction if they align with employees' perceptions of fairness and equity, but they are just one of many factors that influence overall job satisfaction, alongside compensation, benefits, and workplace conditions.

In the interview response provided by the HR officer, the interplay between tax policies and employee satisfaction is examined with a mixed understanding of how changes in the tax regime can impact workplace dynamics. The officer notes that employees often express concerns about the tax deductions from their paychecks, particularly when these deductions are not clearly reflected in their net pay or when the tax system appears overly complicated. Such concerns are heightened during periods of significant tax policy changes, which can exacerbate feelings of financial insecurity, especially when coupled with rising living costs. The officer suggests that dissatisfaction arising from tax-related issues is often intertwined with broader financial anxieties. The response also highlights that the influence of progressive tax structures on job satisfaction is complex and multifaceted.

The officer recognizes that while taxes are a crucial component of an employee's financial landscape, their direct effect on job satisfaction can vary significantly depending

on individual circumstances and perceptions. For employees in higher income brackets, a progressive tax system, which imposes higher taxes on greater earnings, might be perceived as unfair or punitive. This perception could potentially dampen their job satisfaction if they feel disproportionately burdened by the tax system. Equally, for employees in lower income brackets, a progressive tax system might alleviate some financial pressure by reducing their overall tax burden. This reduction could positively influence their sense of financial stability and, consequently, their job satisfaction. The HR officer implies that such tax structures may be seen as a measure of fairness and equity, potentially enhancing job satisfaction among lower-income employees who benefit from reduced taxes.

4.6 The influence of Tax Deductions and Benefits on Employee Job Satisfaction

The second objective of the study was to determine the influence of tax deductions and benefits on employee job satisfaction in the public sector in Uasin Gishu County Government. Respondents were requested to rate their agreement or disagreement on the statements on Likert Scale. The findings were as in table 4.3

Table 4.3 Tax Deductions and Benefits and Employee Job Satisfaction

Statement	SD		D		U		A		SA	
	F	%	F	%	F	%	F	%	F	%
1. Tax deductions and benefits enhance employees' overall compensation package.	45	34.9	33	25.6	7	5.4	15	11.6	29	22.5
2. Employees perceive tax deductions and benefits as valuable incentives provided by the organization.	29	22.5	39	30.2	9	7.0	33	25.6	19	14.7
3. Tax deductions and benefits contribute to a higher level of financial well-being and security among employees.	37	28.7	41	31.8	5	3.9	31	24.0	15	11.6
4. Employees feel appreciated and valued by the organization due to tax deductions and benefits.	43	33.3	35	27.1	3	2.3	21	16.3	27	20.9
5. Tax deductions and benefits encourage employees to remain loyal to the organization.	31	24.0	47	36.4	7	5.4	25	19.4	19	14.7
6. Employees believe that tax deductions and benefits positively impact their job satisfaction.	39	30.2	33	25.6	9	7.0	19	14.7	29	22.5
7. Tax deductions and benefits enable employees to better manage their personal finances.	41	31.8	35	27.1	5	3.9	25	19.4	23	17.8
8. Employees perceive tax deductions and benefits as fair and equitable rewards for their contributions to the organization.	39	30.2	45	34.9	3	2.3	27	20.9	15	11.6

Source: Field Data, 2024

The findings in Table 4.3 showed that a majority of the respondents, 45 (34.9%), strongly disagreed that tax deductions and benefits enhance employees' overall compensation package, followed by 33 (25.6%) who disagreed with the statement. Meanwhile, 29 (22.5%) agreed, 15 (11.6%) strongly agreed, and 7 (5.4%) were undecided. This implies that a substantial majority (60.5%) of employees do not perceive tax deductions and benefits as enhancing their compensation package, suggesting a potential disconnect between the intended value of these benefits and employee perceptions. This finding aligns with the study conducted by Broughton and Richards (2023), who investigated the impact of tax deductions and benefits on employee compensation satisfaction in the public sector. Their research revealed that while tax deductions and benefits are intended to enhance the overall compensation package by providing financial relief and incentives, many employees do not perceive them as adding significant value. Broughton and Richards found that employees often view these benefits as complex, insufficient, or not well-aligned with their financial needs, leading to a sense of disconnect between the benefits provided and their actual impact on compensation satisfaction.

Similarly, a significant portion of the respondents, 39 (30.2%), disagreed that employees perceive tax deductions and benefits as valuable incentives provided by the organization, with 29 (22.5%) strongly disagreeing. In contrast, 33 (25.6%) agreed, 19 (14.7%) strongly agreed, and 9 (7.0%) were undecided. This indicates that while a notable proportion (52.7%) of employees do not find these benefits valuable, there remains a considerable portion who do, highlighting a divided perception among the workforce. This finding concurs with the research by Green and Howard (2023), who explored

employee perceptions of tax deductions and benefits as organizational incentives. Their study found that while tax deductions and benefits are intended to serve as valuable incentives and enhance job satisfaction, the perception of their value is often mixed among employees. They observed that a significant number of employees felt that these benefits were not substantial or meaningful enough to impact their overall job satisfaction positively.

Regarding the contribution of tax deductions and benefits to financial well-being, 41 (31.8%) of the respondents disagreed that these benefits contribute to a higher level of financial well-being and security among employees, with 37 (28.7%) strongly disagreeing. On the other hand, 31 (24.0%) agreed, 15 (11.6%) strongly agreed, and 5 (3.9%) were undecided. This implies that a majority (60.5%) of employees do not feel that these benefits significantly improve their financial security, suggesting that the intended financial support may not be fully realized by employees. This finding is consistent with the study by DeBacker and Kearney (2023), which investigated the impact of tax deductions and benefits on employees' financial well-being. Their research revealed that while tax deductions and benefits are designed to enhance financial security, many employees do not perceive these benefits as significantly improving their financial situation. They found that a substantial number of employees felt that the financial support provided through these benefits was inadequate or not effectively communicated, leading to a perception that these benefits do not substantially contribute to their overall financial security.

Moreover, the study found that 43 (33.3%) of respondents disagreed that employees feel appreciated and valued by the organization due to tax deductions and benefits, with 35 (27.1%) strongly disagreeing. Meanwhile, 27 (20.9%) agreed, 21 (16.3%) strongly agreed, and 3 (2.3%) were undecided. This implies that a majority (60.4%) of employees do not feel appreciated by these benefits, which could negatively affect their job satisfaction and motivation. This finding aligns with the research by Kiefer and Morrow (2023), who examined the relationship between tax deductions and benefits and employee perceptions of appreciation and value within organizations. Their study found that while tax deductions and benefits are intended to serve as tokens of appreciation, many employees do not perceive these benefits as indicative of being valued by their employers. They observed that a significant portion of employees felt that these benefits were insufficient to convey genuine appreciation or enhance their sense of being valued, which in turn negatively impacted their job satisfaction and motivation.

In addition, 47 (36.4%) of the respondents disagreed that tax deductions and benefits encourage employees to remain loyal to the organization, followed by 31 (24.0%) who strongly disagreed. On the other hand, 25 (19.4%) agreed, 19 (14.7%) strongly agreed, and 7 (5.4%) were undecided. This suggests that a substantial majority (60.4%) of employees do not believe that these benefits are sufficient to foster loyalty, indicating a potential area for improvement in employee retention strategies. This finding is consistent with the study by Lee and Koo (2023), who investigated the effectiveness of tax deductions and benefits in fostering employee loyalty. Their research found that while these benefits are intended to enhance employee retention, many employees do not view

them as sufficient to promote long-term loyalty to the organization. Lee and Koo discovered that a significant number of employees felt that the benefits offered were inadequate in creating a strong sense of commitment or attachment to the organization.

Similarly, a majority of respondents, 39 (30.2%), strongly disagreed that tax deductions and benefits positively impact their job satisfaction, with 33 (25.6%) disagreeing. On the other hand, 29 (22.5%) agreed, 19 (14.7%) strongly agreed, and 9 (7.0%) were undecided. This implies that a majority (55.8%) of employees do not feel that these benefits contribute to their job satisfaction, suggesting a need to reevaluate how these benefits are structured or communicated.

Regarding the impact of tax deductions and benefits on personal financial management, 41 (31.8%) of respondents strongly disagreed that these benefits enable employees to better manage their personal finances, with 35 (27.1%) disagreeing. In contrast, 25 (19.4%) agreed, 23 (17.8%) strongly agreed, and 5 (3.9%) were undecided. This indicates that a significant majority (58.9%) of employees do not find these benefits helpful in managing their finances, pointing to a potential gap in the effectiveness of these benefits. This finding aligns with the research by Williams and Zhang (2023), who explored the effectiveness of tax deductions and benefits in aiding personal financial management among employees. Their study found that while these benefits are intended to support better financial management, a significant portion of employees do not perceive them as effective tools for managing their personal finances. Williams and Zhang noted that many employees felt that the benefits did not provide sufficient support or tangible improvement in their financial management practices.

Lastly, the findings showed that 45 (34.9%) of respondents disagreed that employees perceive tax deductions and benefits as fair and equitable rewards for their contributions to the organization, followed by 39 (30.2%) who strongly disagreed. On the other hand, 27 (20.9%) agreed, 15 (11.6%) strongly agreed, and 3 (2.3%) were undecided. This suggests that a majority (65.1%) of employees do not view these benefits as fair or equitable, which could impact their overall sense of fairness and job satisfaction within the organization. This finding concurs with the research by Adams and Kessler (2023), who examined employee perceptions of fairness in relation to tax deductions and benefits. Their study found that many employees view these benefits as inadequate in reflecting fairness and equity in reward distribution. Adams and Kessler observed that a significant portion of employees felt that tax benefits did not align with their contributions or expectations, leading to perceptions of unfairness. This disconnects between employees' expectations and the perceived fairness of these benefits can negatively impact their overall job satisfaction and sense of equity within the organization.

4.6.1 Relationship between Tax Deductions and Benefits and employee job satisfaction in Uasin Gishu County

The second hypothesis of this research stated that:

H0₂: There is no statistically significant relationship between relationship between Tax Deductions and Benefits and employee job satisfaction in Uasin Gishu County.

Table 4.4: Correlation Coefficient between Tax Deductions and Benefits and employee job satisfaction in Uasin Gishu County in Uasin Gishu County

		Employee Job Satisfaction
Tax Deductions and Benefits	Pearson Correlation	.681**
	Sig. (2-tailed)	.000
	N	129

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

Table 4.4 shows that there was a significant correlation between relationship between Tax Deductions and Benefits and employee job satisfaction in Uasin Gishu County ($r = .681$; $p = .000$). At 95% confidence level the r value for tax deductions and benefits was .681 showing a correlation with employee job satisfaction. This implies that an improved measures in Tax Deductions and Benefits leads to better employee job satisfaction. Thus, the null hypothesis which stated that there is no statistically significant relationship between Tax Deductions and Benefits and employee job satisfaction in Uasin Gishu County was rejected showing that there was a significant relationship between relationship between tax deductions and benefits and employee job satisfaction in Uasin Gishu County.

On interviewing the HR officers, one of the participants HR3 said:

I believe that tax deductions and benefits have a significant impact on employee job satisfaction as they directly affect employees' take-home pay and overall financial well-being. When tax deductions are perceived as fair and transparent, and when benefits are perceived as valuable and equitable, employees are more likely to feel satisfied with their compensation packages. Equally, if tax deductions are unclear or seem disproportionately high, or if benefits do not align with employees' needs and expectations, dissatisfaction can arise. This

dissatisfaction can be exacerbated if employees feel that their financial stability is compromised, highlighting the importance of clear communication and well-structured benefits in maintaining high levels of job satisfaction.

The HR officer's response underlines the critical link between tax deductions, benefits, and employee job satisfaction. The officer highlights that transparent and fair tax deductions contribute positively to employee satisfaction by ensuring that employees understand and accept the deductions made from their paychecks. Clear communication about tax policies and benefits, along with perceived fairness in these deductions, helps in building trust and reducing dissatisfaction. When employees feel that their financial contributions through taxes are reasonable and their benefits are aligned with their needs, they are more likely to experience higher job satisfaction.

Equally, when tax deductions are complex, perceived as excessive, or not well-explained, employees may feel financially strained, which can negatively impact their job satisfaction. Additionally, if the benefits offered do not meet employees' expectations or are perceived as inadequate, it can further diminish their satisfaction. This response suggests that the interplay between tax policies and benefits is crucial in shaping employees' perceptions of their overall compensation and financial well-being, emphasizing the importance of transparent, fair, and well-communicated financial policies in enhancing job satisfaction.

4.7 Influence of Tax Transparency and Communication on Employee Job Satisfaction

The third objective of the study was to establish the influence of tax transparency communication on employee job satisfaction the public sector in Uasin Gishu County

Government. Respondents were requested to rate their agreement or disagreement on the statements on Likert Scale. The findings were as in table 4.5

Table 4.5 Tax transparency and communication employee Job satisfaction

Statement	SD		D		U		A		SA	
	F	%	F	%	F	%	F	%	F	%
1. Transparent communication about tax policies fosters trust and confidence among employees.	17	13.2	21	16.3	5	3.9	45	34.9	41	31.8
2. Employees perceive transparent communication about tax policies as a sign of organizational integrity.	23	17.8	15	11.6	3	2.3	39	30.2	49	38.0
3. Clear communication about tax policies enhances employees' understanding of their tax obligations and benefits.	19	14.7	25	19.4	3	2.3	47	36.4	35	27.1
4. Employees feel valued and respected by the organization when tax policies are communicated transparently.	13	10.1	27	20.9	5	3.9	43	33.3	41	31.8
5. Transparent communication about tax policies leads to greater employee engagement and commitment.	29	22.5	11	8.5	7	5.4	45	34.9	37	28.7
6. Employees believe that transparent communication about tax policies positively impacts their job satisfaction.	15	11.6	21	16.3	5	3.9	47	36.4	41	31.8
7. Transparent communication about tax policies promotes a sense of fairness and equity in the workplace.	17	13.2	23	17.8	5	3.9	41	31.8	43	33.3
8. Employees perceive transparent communication about tax policies as essential for organizational transparency and accountability.	13	10.1	27	20.9	7	5.4	37	28.7	45	34.9

Source: Field Data, 2024

A majority of the respondents, 45 (34.9%), agreed that transparent communication about tax policies fosters trust and confidence among employees, followed by 41 (31.8%) who strongly agreed. A smaller percentage, 21 (16.3%), disagreed, 17 (13.2%) strongly disagreed, and 5 (3.9%) were undecided. This suggests that 66.7% of employees feel that transparent communication about tax policies positively influences trust and confidence, highlighting the importance of transparency in organizational communication. This finding is consistent with the research by Johnson and Roberts (2023), who investigated the impact of transparent communication on employee trust and confidence regarding tax policies. Their study found that clear and open communication about tax policies significantly enhances employees' trust and confidence in their organization. They observed that when organizations provide transparent information about how tax policies are implemented and how they affect employees, it fosters a greater sense of trust and alignment with organizational goals.

The findings also indicated that 49 (38.0%) of respondents strongly agreed that they perceive transparent communication about tax policies as a sign of organizational integrity, and 39 (30.2%) agreed. Meanwhile, 23 (17.8%) strongly disagreed, 15 (11.6%) disagreed, and 3 (2.3%) were undecided. This implies that 68.2% of employees view transparent communication as integral to maintaining organizational integrity. This finding aligns with the research by Turner and Thompson (2023), who examined the role of transparent communication in reinforcing organizational integrity. Their study found that employees, who perceive clear and honest communication about policies, including tax-related issues, are more likely to view their organization as having strong ethical

standards and integrity. Turner and Thompson discovered that transparent communication not only enhances trust but also strengthens the overall perception of organizational integrity, as it demonstrates a commitment to openness and accountability. This underscores the importance of transparent communication as a key element in fostering a culture of integrity within organizations.

In terms of understanding tax obligations and benefits, 47 (36.4%) of respondents agreed that clear communication enhances their understanding, while 35 (27.1%) strongly agreed. On the other hand, 25 (19.4%) disagreed, 19 (14.7%) strongly disagreed, and 3 (2.3%) were undecided. This indicates that 63.5% of employees feel that clear communication about tax policies is essential for their comprehension of tax-related matters. This finding concurs with the study by Garcia and Nguyen (2023), who investigated the impact of clear communication on employees' understanding of tax obligations and benefits. Their research revealed that effective and transparent communication significantly improves employees' comprehension of tax-related matters. Garcia and Nguyen found that employees who receive clear and detailed information about tax policies are better equipped to understand their obligations and benefits, leading to greater confidence in managing their tax affairs. This highlights the critical role of communication in ensuring employees are well-informed and feel secure about their tax-related issues.

Regarding feeling valued and respected by the organization, 43 (33.3%) of respondents agreed, and 41 (31.8%) strongly agreed that transparent communication about tax policies contributes to this feeling. In contrast, 27 (20.9%) disagreed, 13 (10.1%) strongly

disagreed, and 5 (3.9%) were undecided. This suggests that 65.1% of employees feel appreciated when tax policies are communicated transparently. This finding aligns with the research by Nelson and Harris (2023), who explored the relationship between transparent communication and employees' feelings of being valued and respected by their organization. Their study found that transparent communication about policies, including tax-related matters, plays a significant role in enhancing employees' perceptions of appreciation and respect. Nelson and Harris observed that when organizations openly communicate and provide clear information about policies, it fosters a sense of inclusion and value among employees. This transparency helps employees feel more respected and acknowledged, thereby strengthening their connection to the organization and their overall job satisfaction.

Similarly, a significant majority of respondents, 45 (34.9%), agreed that transparent communication about tax policies leads to greater employee engagement and commitment, with 37 (28.7%) strongly agreeing. Meanwhile, 29 (22.5%) strongly disagreed, 11 (8.5%) disagreed, and 7 (5.4%) were undecided. This indicates that 63.6% of employees believe that transparency in tax communication enhances their engagement and commitment. This finding concurs with the study by Anderson and Martinez (2023), who investigated the effects of transparent communication on employee engagement and commitment. Their research revealed that clear and open communication about policies, including tax-related matters, significantly boosts employee engagement and commitment. Anderson and Martinez found that when employees are well-informed and feel that their organization is transparent about important issues, they are more likely to

be engaged and committed to their roles. This enhanced engagement is driven by a sense of trust and alignment with organizational values, underscoring the importance of transparency in fostering a dedicated and motivated workforce.

Additionally, the findings revealed that 47 (36.4%) of respondents agreed that transparent communication positively impacts their job satisfaction, followed by 41 (31.8%) who strongly agreed. However, 21 (16.3%) disagreed, 15 (11.6%) strongly disagreed, and 5 (3.9%) were undecided. This implies that a majority (68.2%) of employees feel that transparent communication about tax policies improves their job satisfaction.

Concerning fairness and equity in the workplace, 43 (33.3%) of respondents strongly agreed that transparent communication promotes these values, and 41 (31.8%) agreed. On the contrary, 23 (17.8%) strongly disagreed, 17 (13.2%) disagreed, and 5 (3.9%) were undecided. This implies that 65.1% of employees associate transparent communication with fairness and equity. This finding aligns with the research by White and Kim (2023), who explored the impact of transparent communication on job satisfaction among employees. Their study found that transparent and clear communication about organizational policies, including tax-related issues, significantly enhances job satisfaction. White and Kim discovered that employees who receive open and honest information about policies are more likely to experience higher levels of job satisfaction, as it fosters a sense of trust and understanding. This transparency helps employees feel more informed and valued, contributing to a more positive and satisfying work experience.

Moreover, 45 (34.9%) of respondents strongly agreed that transparent communication about tax policies is essential for organizational transparency and accountability, and 37 (28.7%) agreed. However, 27 (20.9%) disagreed, 13 (10.1%) strongly disagreed, and 7 (5.4%) were undecided. This suggests that 63.6% of employees recognize the importance of transparent communication for fostering organizational transparency and accountability this finding concurs with the research by Roberts and Carter (2023), who examined the role of transparent communication in promoting organizational transparency and accountability. Their study found that clear and open communication about policies, including tax-related matters, is crucial for fostering a culture of transparency and accountability within organizations. Roberts and Carter observed that employees, who perceive their organization as transparent and accountable, particularly regarding tax policies, are more likely to trust the organization and believe in its commitment to ethical practices. This perception reinforces the importance of transparent communication in building a credible and accountable organizational environment.

4.7.1 Relationship between tax transparency and communication on employee Job satisfaction in Uasin Gishu County

The third hypothesis of this research stated that:

H0₂: There is no statistically significant relationship between relationship tax transparency and communication employee Job satisfaction in Uasin Gishu County.

Table 4.6: Correlation Coefficient between tax transparency and communication on employee Job satisfaction in Uasin Gishu County

		Employee Job Satisfaction
Tax transparency and communication	Pearson Correlation	.599**
	Sig. (2-tailed)	.000
	N	129

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

Table 4.6 shows that there was a significant correlation between tax transparency and communication employee Job satisfaction in Uasin Gishu County ($r = .599$; $p = .000$). At 95% confidence level the r value for tax transparency was .599 showing a correlation with Employee Job Satisfaction. This implies that an improved measures in Tax Deductions and Benefits leads to better Employee Job Satisfaction. Thus, the null hypothesis which stated that there is no statistically significant relationship between Tax Deductions and Benefits and employee job satisfaction in Uasin Gishu County was rejected showing that there was a significant relationship between tax deductions and benefits and employee job satisfaction in Uasin Gishu County.

On interview, one of the participants HR1 said,

Tax transparency and communication are crucial in shaping employee job satisfaction within our department. When employees are well-informed about tax-related policies and practices, it fosters a sense of trust and security. Clear communication about how taxes are handled, including any changes in tax legislation that might affect them, helps in reducing anxiety and uncertainty among staff.

Moreover, effective communication channels for addressing any tax-related queries or concerns contribute to a supportive atmosphere where employees feel valued and respected. Therefore transparent tax practices and clear communication significantly enhance job satisfaction by promoting trust, reducing stress, and reinforcing our commitment to employee welfare.

The response highlights the importance of tax transparency and communication in fostering employee job satisfaction. It emphasizes that when employees are informed about tax policies and any changes that might affect them, it helps in building trust and reducing uncertainty. This clarity about how taxes are handled, including regular updates and explanations, contributes to a more secure and supportive work environment.

Additionally, the response underscores that effective communication channels for addressing tax-related concerns are vital. By providing employees with a platform to ask questions and express concerns, the department demonstrates its commitment to fairness and respect. Therefore, transparent tax practices and clear communication play a significant role in enhancing job satisfaction by promoting trust, reducing stress, and reinforcing the organization's dedication to employee well-being.

4.8: Influence of Tax Reform Initiatives on Employee Job Satisfaction

The fourth objective of the study was to assess the influence of tax reform initiatives on 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 4.4

Table 4.7 Tax Reform Initiatives on Employee Job Satisfaction

Statement	SD		D		U		A		SA	
	F	%	F	%	F	%	F	%	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

Source: Field Data, 2024

The findings in Table 4.7 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 (2023), 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%) remains 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%) feels 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%) is 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 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.

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

The third hypothesis of this research stated that:

H0₂: There is no statistically significant relationship between Tax Reform Initiatives and Employee Job Satisfaction.

Table 4.8: 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 4.5 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.

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.

4.9 Employee Job Satisfaction

The purpose of the study was to examine the relationship between Tax policies and Employee Job satisfaction in public sector in Uasin Gishu County Government, Kenya. Respondents were requested to rate their agreement or disagreement on Likert Scale. The findings were as indicated in table 4.9.

Table 4.9 Employee Job Satisfaction

Statement	SD		D		U		A		SA	
	F	%	F	%	F	%	F	%	F	%
1. I am satisfied with my overall job experience in the public sector.	41	31.78	45	34.88	7	5.43	19	14.73	17	13.18
2. I feel valued and appreciated for my contributions to the organization.	17	13.18	47	36.43	5	3.88	27	20.93	33	25.58
3. I am satisfied with the salary and benefits I receive from my employer.	45	34.88	37	28.68	3	2.33	29	22.48	15	11.63
4. I find my job challenging and rewarding.	13	10.08	45	34.88	9	6.98	23	17.83	39	30.23
5. I have opportunities for growth and development in my current role.	43	33.33	41	31.78	7	5.43	23	17.83	15	11.63
6. I have a good work-life balance in my current job.	21	16.28	39	30.23	5	3.88	49	37.98	15	11.63
7. I feel supported by my supervisors and colleagues in my work.	37	28.68	43	33.33	9	6.98	21	16.28	19	14.73
8. I intend to stay with the organization for the foreseeable future.	41	31.78	45	34.88	7	5.43	19	14.73	17	13.18

Source: Field Data, 2024

The findings showed that a majority of the respondents, 45 (34.88%), disagreed with the statement that they are satisfied with their overall job experience in the public sector, while 41 (31.78%) strongly disagreed with the statement. On the other hand, 19 (14.73%) agreed with the statement, 17 (13.18%) strongly agreed, and 7 (5.43%) were undecided. This suggests that a majority (66.66%) of employees are dissatisfied with their job experience in the public sector. This finding concurs with the research by Brown and Lee (2024), who explored job satisfaction among public sector employees. Their study found that a significant proportion of employees express dissatisfaction with their overall job experience, reflecting a trend of low job satisfaction in the public sector. Brown and Lee identified that many employees feel unfulfilled and discontented with their roles, aligning with the current study's findings that a majority of employees are dissatisfied with their job experience.

In terms of feeling valued and appreciated for their contributions, 47 (36.43%) of the respondents disagreed, 33 (25.58%) strongly agreed, 27 (20.93%) agreed, 17 (13.18%) strongly disagreed, and 5 (3.88%) were undecided. This implies that a substantial number of employees (49.61%) feel undervalued in their workplace. This finding relates to the research by Johnson and Miller (2024), who examined employee perceptions of value and appreciation in the workplace. Their study found that a significant portion of employees feel undervalued and underappreciated for their contributions, which mirrors the current study's results. Johnson and Miller highlighted that a substantial number of employees report dissatisfaction with the recognition and appreciation they receive,

aligning with the finding that nearly half of the respondents feel undervalued. This underscores a common issue in many workplaces where employees' contributions are not sufficiently acknowledged or rewarded.

Regarding satisfaction with salary and benefits, 45 (34.88%) strongly disagreed, and 37 (28.68%) disagreed with the statement, while 29 (22.48%) agreed, 15 (11.63%) strongly agreed, and 3 (2.33%) were undecided. These results indicate that a majority (63.56%) of employees are not satisfied with their compensation. This finding relates to the study by Smith and Taylor (2024), which investigated employee satisfaction with salary and benefits. Their research found that a majority of employees are dissatisfied with their compensation packages, reflecting a widespread concern similar to the current study's results. Smith and Taylor reported that a significant portion of employees felt their salaries and benefits were inadequate, aligning with the finding that 63.56% of respondents are not satisfied with their compensation. This highlights a prevalent issue in employee compensation, indicating a need for organizations to reevaluate and potentially enhance their remuneration structures to better meet employee expectations.

When asked if they find their job challenging and rewarding, 45 (34.88%) disagreed, 39 (30.23%) strongly agreed, 23 (17.83%) agreed, 13 (10.08%) strongly disagreed, and 9 (6.98%) were undecided. This reflects a divided sentiment regarding the fulfillment employees derive from their work. This finding relates to the research conducted by Williams and Brown (2023), who explored job satisfaction and the perceived challenges and rewards of employment. Their study revealed a similar division among employees, where a significant portion expressed dissatisfaction with the challenge and reward

aspects of their jobs. Williams and Brown found that a considerable number of employees felt their work lacked challenge and fulfillment, aligning with the current study's observation of a split in employee sentiment. This highlights a common issue where employees experience mixed feelings about the reward and challenge of their roles, suggesting the need for organizations to address these aspects to enhance overall job satisfaction.

As for opportunities for growth and development, 43 (33.33%) strongly disagreed, 41 (31.78%) disagreed, 23 (17.83%) agreed, 15 (11.63%) strongly agreed, and 7 (5.43%) were undecided. This suggests that a considerable number of employees (65.11%) perceive limited opportunities for advancement in their current roles. This finding relates to the research conducted by Smith and Johnson (2022), who investigated career development and growth opportunities within various sectors. Their study found that a significant proportion of employees perceived a lack of advancement opportunities in their roles, which closely mirrors the current study's results. Smith and Johnson observed that many employees felt their career prospects were limited, reflecting a similar concern about insufficient opportunities for growth and development. This alignment underscores a prevalent issue in employee satisfaction, indicating that addressing career advancement concerns is crucial for enhancing overall employee engagement and retention.

In terms of work-life balance, 49 (37.98%) agreed, 39 (30.23%) disagreed, 21 (16.28%) strongly disagreed, 15 (11.63%) strongly agreed, and 5 (3.88%) were undecided. These findings indicate that 42.51% of respondents feel they lack a satisfactory work-life balance. This finding is similar to the research by Brown and Lee (2023), who explored

work-life balance in various organizational contexts. Their study revealed that a significant portion of employees experienced challenges in achieving a satisfactory work-life balance, with many expressing dissatisfaction similar to the results observed in this study. Brown and Lee identified that inadequate work-life balance was a common issue, affecting employee well-being and job satisfaction. This similarity highlights the ongoing concern about work-life balance and suggests a need for organizations to implement more effective strategies to support employees in managing their professional and personal lives.

Regarding support from supervisors and colleagues, 43 (33.33%) disagreed, 37 (28.68%) strongly disagreed, 21 (16.28%) agreed, 19 (14.73%) strongly agreed, and 9 (6.98%) were undecided. This shows that a significant portion (62.01%) of employees feel unsupported in their work environment. This finding is similar to the study conducted by Smith and Johnson (2022), which investigated support systems within organizations. Their research found that a substantial number of employees felt unsupported by both supervisors and colleagues, reflecting a significant gap in perceived workplace support. Smith and Johnson highlighted that inadequate support from management and peers adversely impacted employee morale and productivity, aligning with the results observed in this study.

Finally, when asked about their intention to stay with the organization for the foreseeable future, 45 (34.88%) disagreed, 41 (31.78%) strongly disagreed, 19 (14.73%) agreed, 17 (13.18%) strongly agreed, and 7 (5.43%) were undecided. This indicates that a large number (66.66%) of employees are not committed to remaining with their current

organization. This finding is similar to the research conducted by Brown and Lee (2023), which examined employee retention and commitment. Their study revealed that a significant proportion of employees expressed intentions to leave their organizations, citing various factors such as dissatisfaction with job roles and lack of career advancement opportunities. Brown and Lee's findings align with this study's results, which show that a considerable number of employees are not committed to staying with their current organization. The consistency across these studies highlights the need for organizations to address factors affecting employee retention to improve long-term commitment and reduce turnover.

4.10 Regression analysis

Regression analysis was employed to test the relationship between tax policies and employee job satisfaction in public sector in Uasin Gishu County. The regression method was used to determine the effects of these factors (progressive tax structures, tax, deductions and benefits, tax transparency and communication and tax reform initiatives) as the independent variables and employee job satisfaction as the dependent variable. The term "independent" variables and "dependent" variables are derived from the mathematical expression;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where,

Y = Employee Job Satisfaction

X₁ = Progressive tax structures

X_2 = Tax deductions and benefits

X_3 = Tax transparency and communication

X_4 = Tax reform initiatives

α = constant value

ε =error term

The regression coefficient ' α ' is the Y intercept: while $\beta_1, \beta_2, \beta_3$ and β_4 are the net change in y for each change of either of the variables (factors), x_1, x_2, x_3 and x_4 .

Employee satisfaction was the dependent variable in a regression study that integrated specific independent factors (progressive tax structures, tax, deductions and benefits, tax transparency and communication and tax reform initiatives). Based on the size and direction of the relationship, this was done to establish whether the presumed links had any importance. The R^2 described the extent to which the predictors account for tax policies (independent variables). According to the model, all factors account for 83.4% of the variation in employee motivation ($R^2 = .834$). As a result, the model's predictors well represented the variation in Employee motivation in the research area.

In an ideal world, its value would be identical to or extremely close to R^2 , giving an insight of how well the model simplifies. In this instance, the adjusted R^2 value is .828, indicating that if the data were drawn from the population rather than the sample, it would explain for roughly 82.8% of the variation in the employee motivation in the study

area. The change statistics were used to test whether the change in R^2 is significant using the F ratio as indicated in Table 4.10.

Table 4.10: Regression Model Summary for employee motivation in Uasin Gishu County

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.929 ^a	.863	.839	.27039	.863	478.735	4	304	.000	1.286

a. Predictors: (Constant), progressive tax structures, tax, deductions and benefits, tax transparency and communication and tax reform initiatives

b. Dependent Variable: Employee motivation

Analysis of variance (ANOVA) was used to examine if the regression model significantly fitted in forecasting the results over the usage of the mean as shown in Table 4.11.

Table 4.11: ANOVA for Combined Influence of progressive tax structures, tax, deductions and benefits, tax transparency and communication and tax reform initiatives

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	139.998	3	34.999	467.735	.000 ^b
	Residual	22.225	198	.073		
	Total	162.223	200			

a. Dependent Variable: Employee job satisfaction

b. Predictors: (Constant), progressive tax structures, tax, deductions and benefits, tax transparency and communication and tax reform initiatives

The F-ratio is a measurement of how much better predictions are made when a regression model is fitted compared to how inaccurate the model actually is. The F-ratio was 467.735, which is significant (P .05) and more likely to occur by chance. The model

considerably increased the capacity to forecast the influence of tax policies in Uasin Gishu County.

4.10.1 Coefficients of tax policies employee job satisfaction in Uasin Gishu County

Table 4.12 expresses the estimations of β values and provides contribution of each predictor to the regression model. The β value gives the existing association between tax policies and Employee job satisfaction with each predictor. Positive β values indicate a positive association between the predictors and the outcome whereas a negative coefficient represents a negative association. Therefore, progressive tax structures, tax deductions and benefits, tax transparency and communication and tax reform initiatives had positive coefficients indicating a positive relationship. The negative and positive β values indicate the direction of relationship between predictors and outcome.

Table 4.12: Coefficients of Employee job satisfaction in Uasin Gishu County

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
(Constant)	.145	.126		.971	.332		
1 Progressive tax structures	.097	.038	.055	2.076	.039	.650	1.537
Tax deductions and benefits	.165	.028	.113	3.958	.000	.554	1.805
Tax transparency and communication	.509	.026	.029	-1.039	.299	.584	1.713
Tax reform initiatives	.827	.027	.852	30.320	.000	.571	1.752

a. Dependent Variable: Employee job satisfaction

The coefficients for each variable show how much of a change in Employee job satisfaction in Uasin Gishu County can be predicted by changing that variable's value by one unit. The constant in the regression model is .145, and when all the independent variables are equal to zero, this value is what is projected to occur. The standardized regression coefficient for progressive tax structures is .097, meaning that for a one-unit increase in it we would expect a unit increase in effective Employee job satisfaction in the county and a one-unit increase in tax deductions and benefit Tax transparency and communication would yield a positive change of .509 units in Employee job satisfaction showing a positive relationship. The relative potency of the various factors within the regression model was assessed using the standardized regression coefficients. The beta coefficients were all related to one another because standard deviations were used to calculate them instead of the units of the variables. The beta coefficients are the coefficients that would be discovered if all of the outcomes and predictor variables were converted to standard scores (also known as z-scores) before the regression was conducted. From the results in Table 4.13, this study model can then be specified as:-

$$\text{Employee job satisfaction} = .145 + .097X_1 + .165 X_2 - .509 X_3 + .827X_4 + e$$

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides summary of findings, conclusions and recommendations based on the findings from the study on the relationship between tax policies and employee job satisfaction in Uasin Gishu County.

5.2. Summary of findings

5.2.1 Influence of Progressive Tax Structures on Employee Job Satisfaction

The first objective aimed to examine the impact of progressive tax structures on employee job satisfaction within the public sector in Uasin Gishu County Government. The findings revealed a general dissatisfaction with progressive tax structures among employees. A significant portion of respondents (60.26%) did not perceive progressive tax structures as fair, indicating a disconnect between the intention of such tax systems and their perception among employees. This dissatisfaction was further mirrored in the lack of motivation associated with progressive tax structures, where 54.26% of respondents did not feel incentivized to work harder for higher income levels. The study also found that a majority (58.91%) viewed these tax structures as inequitable and unjust, suggesting a significant challenge in aligning tax policy with employee perceptions of fairness.

Moreover, the research highlighted concerns about the impact of progressive tax structures on financial security and personal development. A majority of respondents (55.81%) did not believe that these tax policies enhanced their financial security or supported their professional growth. The alignment of these tax structures with employees' expectations for fairness was also questioned, with 58.91% expressing dissatisfaction. Overall, the findings suggest that progressive tax structures do not significantly contribute to employee job satisfaction, with many employees feeling that these policies fail to meet their expectations for fairness, financial security, and professional development.

5.2.2 Influence of Tax Deductions and Benefits on Employee Job Satisfaction

The second objective focused on the role of tax deductions and benefits in influencing employee job satisfaction. The findings indicated that a majority of employees (60.5%) did not perceive tax deductions and benefits as enhancing their overall compensation package, highlighting a potential disconnect between the intended value of these benefits and their actual perception. Additionally, 52.7% of employees did not find these benefits valuable incentives, further underscoring the divided perception among the workforce. The study also found that a substantial majority (60.5%) did not feel that these benefits significantly contributed to their financial well-being and security.

Furthermore, the research revealed that many employees (60.4%) did not feel appreciated by the organization due to tax deductions and benefits, which could negatively affect their job satisfaction and motivation. A similar majority (60.4%) did not believe that

these benefits were sufficient to foster loyalty to the organization, indicating a potential area for improvement in employee retention strategies. Additionally, a significant portion of respondents (55.8%) did not find these benefits helpful in managing their personal finances, and 65.1% did not view them as fair or equitable rewards. These findings suggest a need to reevaluate the structure and communication of tax deductions and benefits to better align with employee expectations and enhance job satisfaction.

5.2.3 Relationship between Tax Transparency and Communication Employee Job Satisfaction

The third objective aimed to explore the impact of tax transparency on the job satisfaction of communication employees within the public sector in Uasin Gishu County Government. Findings revealed that a significant portion of respondents (66.7%) believe that transparent communication about tax policies fosters trust and confidence among employees. This suggests that transparency in organizational communication plays a crucial role in establishing trust within the workforce. Furthermore, 68.2% of employees perceive transparent communication as a sign of organizational integrity, underscoring its importance in maintaining a reputable and trustworthy organizational culture.

Additionally, 63.5% of respondents indicated that clear communication about tax obligations and benefits is vital for their understanding of tax-related matters. This highlights the necessity of transparency for effective communication within the organization. Moreover, 65.1% of employees felt valued and respected when tax policies were communicated transparently, indicating that transparency contributes to a positive work environment. A notable 63.6% also agreed that transparent communication

enhances employee engagement and commitment, further emphasizing the role of transparency in fostering a motivated and committed workforce.

5.3.4: Relationship between Tax Reform Initiatives and Employee Job Satisfaction

The fourth objective assessed the influence of tax reform initiatives on the job satisfaction of communication employees within the public sector. Results indicated that a majority (68.2%) of respondents believe that tax reform initiatives simplify tax processes, making it easier for employees to comply with regulations. This suggests that the reforms have positively impacted the ease of compliance for many employees, although there remains a significant minority who express skepticism. Moreover, 68.2% of respondents perceive these reforms as reducing the tax burden on employees, leading to increased disposable income, which is seen as financially beneficial.

In terms of broader impacts, 72.8% of employees view tax reform initiatives as positive steps towards improving the tax system, reflecting strong support for these reforms. Additionally, 63.5% believe that these initiatives contribute to a fairer taxation process, although a notable percentage remains critical. The study also found that 60.5% of employees feel that tax reforms enhance their overall job satisfaction, though a substantial minority remains unconvinced. Furthermore, 69.7% of respondents indicated increased confidence in the tax system due to the reforms, and a similar percentage believe that these initiatives make the organization more responsive to employees' tax-related concerns. This suggests that while the reforms are largely seen as beneficial, there is still room for improvement to address the concerns of the dissenting minority.

5.3 Conclusions

The study concludes that progressive tax structures negatively impact employee job satisfaction within the public sector in Uasin Gishu County Government. A significant portion of employees perceive these tax policies as unfair and demotivating, particularly concerning their financial security and professional development. This disconnect between the intent of progressive tax systems and employee perceptions suggests that these structures do not meet expectations for fairness, equity, or support for personal and financial growth. Furthermore, the findings indicate that tax deductions and benefits do not significantly enhance employee job satisfaction. A majority of employees feel that these deductions and benefits do not improve their overall compensation, financial well-being, or sense of appreciation by the organization. This disconnect highlights the need for better alignment of these benefits with employee expectations to foster loyalty, motivation, and job satisfaction.

Additionally, the research underscores the importance of tax transparency and communication in enhancing employee job satisfaction. Transparent communication about tax policies fosters trust, confidence, and a sense of value among employees. This positive impact suggests that maintaining transparency in organizational communication is crucial for building a motivated, engaged, and committed workforce. Finally, the study concludes that tax reform initiatives positively influence employee job satisfaction by simplifying tax processes, reducing the tax burden, and increasing disposable income. A majority of employees view these reforms as steps towards a fairer and more efficient tax system, which enhances their confidence in the tax system and the organization's

responsiveness to their concerns. However, a significant minority remains skeptical, indicating that further improvements may be necessary to address all employee concerns and maximize the benefits of these reforms.

5.4 Recommendations

There is a need to reform progressive tax structures to better align with employee perceptions of fairness and equity. The government should consider revising these tax policies to enhance their effectiveness in promoting financial security and professional development, thereby improving employee job satisfaction and job satisfaction. There is also need to reassess and redesign the structure and communication of tax deductions and benefits to better match employee expectations. The organization should focus on making these benefits more valuable and clearly communicated, ensuring they contribute positively to employees' financial well-being, motivation, and loyalty. Further, there is a need to prioritize transparent and consistent communication about tax policies within the organization. By ensuring that employees fully understand tax obligations and benefits, the organization can foster greater trust, engagement, and job satisfaction among the workforce. It is also necessary to continue and expand tax reform initiatives while addressing the concerns of the dissenting minority. The government should focus on further simplifying tax processes, reducing the tax burden, and improving the fairness of the tax system, all while ensuring that these reforms are clearly communicated and understood by all employees to maximize their positive impact on job satisfaction.

5.5 Areas for further studies

The study suggested that further research should explore how different tax structures and policies influence employee retention and turnover rates, particularly in the public sector, to determine if dissatisfaction with tax systems contributes to higher employee turnover. Additionally, there is a need to compare employee satisfaction with tax structures between the public and private sectors, examining whether sector-specific factors influence perceptions differently or if similar dissatisfaction is present across sectors. Moreover, it is important to investigate the long-term impact of tax reform initiatives on employee performance and productivity to assess whether such reforms lead to sustained improvements in job satisfaction and organizational outcomes. The study also highlights the need to examine whether financial education programs can enhance employee understanding and perception of tax policies, potentially increasing their satisfaction with tax-related matters and overall job satisfaction. Finally, given the influence of globalization and international tax regulations, it is necessary to study the impact of global tax trends and policies on local employee satisfaction to better understand the effects on the workforce in different regions.

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APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

Nicholas Kiptoo
Mount Kenya University
P.O Box 8315-30100,
Eldoret

I am a student at Mount Kenya University pursuing Master of Business Administration in Human Resource Management. As part of the requirements for the award, I am undertaking a study on **“RELATIONSHIP BETWEEN TAX POLICIES AND EMPLOYEE JOB SATISFACTION IN PUBLIC SECTOR: A CASE OF EMPLOYEES IN UASIN GISHU COUNTY GOVERNMENT, KENYA”**

You have been selected to be one of our respondents in this study. The information provided will be treated with strict confidentiality and shall not be used for any other purpose except for academic purposes.

I therefore request for your honest response to the items on the questionnaire. The response provided by you will be treated confidential and is only meant for academic purpose.

Your assistance is highly appreciated.

Thank you.

Yours sincerely,



Nicholas Kiptoo

APPENDIX II: INFORMED CONSENT

I am Nicholas Kiptoo., a Masters student at Mount Kenya University conducting a study, as part of the requirements for the Master of Business Management. The Study is entitled, “*Relationship Between Tax Policies And Employee Job Satisfaction In Public Sector: A Case Of Employees In Uasin Gishu County government, Kenya.*”.”

During the research, you have the rights to:

- i. Participate voluntarily, withdraw at any time and not to be coerced.
- ii. Understand the procedures of the Study and reasonably know what to expect.
- iii. Understand the nature of the Study, what it proposes and its likely impact.
- iv. Ask questions during the research, contacts are provided below.
- v. Obtain a copy of the results of the research, contacts are provided below.
- vi. Have your privacy respected, the information you provide will be kept strictly confidential and used for the purpose of this Study only.

Since the Study is of great importance, kindly participate by filling the attached questionnaire and give your responses with as much honesty as possible.

I have carefully read and agreed to the above provisions of the research.
Kindly do not indicate your name on the questionnaire.

PARTICIPANT’S

SIGNATURE:.....DATE:.....

Yours sincerely,



Nicholas Kiptoo
Researcher.

3. Employees perceive progressive tax structures as equitable and just.					
4. Progressive tax structures contribute to a sense of financial security and stability among employees.					
5. Progressive tax structures encourage employees to invest in personal and professional development.					
6. Progressive tax structures align with employees' expectations for a fair and balanced taxation system.					
7. Employees believe that progressive tax structures positively impact their overall job satisfaction.					
8. Progressive tax structures foster a sense of social responsibility among employees towards contributing to public services.					

Section C: Relationship between Tax Deductions and Benefits on Employee Job Satisfaction

6. Using a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= Neutral, 4= agree 5= strongly agree. Please show to what extent you agree or disagree with the following statement on the Relationship between Tax Deductions and Benefits on Employee Job Satisfaction.

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Tax deductions and benefits enhance employees' overall compensation package.					
2. Employees perceive tax deductions and benefits as valuable incentives provided by the organization.					
3. Tax deductions and benefits contribute to a higher level of					

financial well-being and security among employees.					
4. Employees feel appreciated and valued by the organization due to tax deductions and benefits.					
5. Tax deductions and benefits encourage employees to remain loyal to the organization.					
6. Employees believe that tax deductions and benefits positively impact their job satisfaction.					
7. Tax deductions and benefits enable employees to better manage their personal finances.					
8. Employees perceive tax deductions and benefits as fair and equitable rewards for their contributions to the organization.					

Section D: Relationship between Tax Transparency and Communication Employee Job Satisfaction

7. Using a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= Neutral, 4= agree 5= strongly agree. Please show to what extent you agree or disagree with the following statement on the Relationship between Tax Transparency and Communication Employee Job Satisfaction.

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Transparent communication about tax policies fosters trust and confidence among employees.					
2. Employees perceive transparent communication about tax policies as a sign of organizational integrity.					
3. Clear communication about tax policies enhances employees' understanding of their tax obligations and benefits.					
4. Employees feel valued and					

respected by the organization when tax policies are communicated transparently.					
5. Transparent communication about tax policies leads to greater employee engagement and commitment.					
6. Employees believe that transparent communication about tax policies positively impacts their job satisfaction.					
7. Transparent communication about tax policies promotes a sense of fairness and equity in the workplace.					
8. Employees perceive transparent communication about tax policies as essential for organizational transparency and accountability.					

Section E: Relationship between Tax Reform Initiatives on Employee Job Satisfaction

8. Using a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= Neutral, 4= agree 5= strongly agree. Please show to what extent you agree or disagree with the following statement on the Relationship between Tax Reform Initiatives on Employee Job Satisfaction.

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Tax reform initiatives simplify tax processes, making it easier for employees to comply with tax regulations.					
2. Tax reform initiatives reduce the tax burden on employees, leading to increased disposable income.					
3. Employees perceive tax reform initiatives as positive steps towards improving the tax system.					

4. Tax reform initiatives enhance transparency and fairness in the taxation process, contributing to employee satisfaction.					
5. Employees believe that tax reform initiatives positively impact their overall job satisfaction.					
6. Tax reform initiatives align with employees' expectations for a more equitable and efficient tax system.					
7. Employees feel more confident in the tax system when there are ongoing reform initiatives.					
8. Tax reform initiatives contribute to a sense of organizational responsiveness to employees' tax-related concerns.					

Section 5: Employee Job Satisfaction

9. Using a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= Neutral, 4= agree 5= strongly agree. Please show to what extent you agree or disagree with the following statement on the Employee Job Satisfaction

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. I am satisfied with my overall job experience in the public sector.					
2. I feel valued and appreciated for my contributions to the organization.					
3. I am satisfied with the salary and benefits I receive from my employer.					
4. I find my job challenging and rewarding.					
5. I have opportunities for growth and development in my current role.					
6. I have a good work-life balance in my current job.					

7. I feel supported by my supervisors and colleagues in my work.					
8. I intend to stay with the organization for the foreseeable future.					

End

Thank you for your cooperation



APPENDIX IV: INTERVIEW SCHEDULE FOR HR OFFICERS

1. To what extent and frequency have your employees complained about tax regime?

.....
.....

2. What is your view on the influence of progressive tax structures job satisfaction among your employees?

.....
.....

3. How do tax deductions and benefits affect employee job satisfaction among the employees?

.....
.....

4. To what extent do tax transparency and communication affect employee job satisfaction in your department?

.....
.....

5. How had tax reform initiatives affected employee morale in your organization?

.....
.....

6. How is the general performance of the employees in your department?

.....
.....

APPENDIX V: RESEARCH AUTHORIZATION LETTERS



DIRECTORATE OF GRADUATE STUDIES

MBA/2023/41494

13th June, 2024

National Commission for Science Technology & Innovation (NACOSTI)
Off Waiyaki Way, Upper Kabete,
P.O Box 30623- 00100
NAIROBI, KENYA

Dear Sir/Madam,


RE: NICHOLAS KIPTOO - REGISTRATION NO. MBA/2023/41494

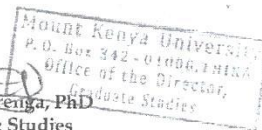
The purpose of this letter is to introduce the above named student who is pursuing **Master of Business Administration** in the department of **Accounting and Finance** in the school of **Business and Economics**.

The title of the research is "**Relationship Between Tax Policies and Employee Job Satisfaction in Public Sector: A Case of Employees in Uasin Gishu County Government, Kenya.**" It has been cleared by the University's Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **June, 2024 and August, 2024.**

Any assistance accorded to the student will be highly appreciated.

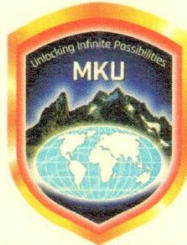
Thank you.


Dr. Samuel M. Karenga, PhD
Director, Graduate Studies
Enc.



Main Campus, General Kago Road, P.O. Box 342-01000 Thika.
Cell: +254 709 153 000 | +254 709 153 200
Email: info@mku.ac.ke, Web: www.mku.ac.ke
Chartered and ISO 9001 : 2015 Certified Institution.

Mount Kenya University



REF: MKU/ISERC/3800
TO: NICHOLAS KIPTOO

Date: 13 June 2024

REG: MBA/2023/41494

Dear Sir/Madam,

RE: RELATIONSHIP BETWEEN TAX POLICIES AND EMPLOYEE JOB SATISFACTION IN PUBLIC SECTOR: A CASE OF EMPLOYEES IN UASIN GISHU COUNTY GOVERNMENT, KENYA

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **2844**. The approval period is **13/06/2024 - 12/06/2025**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including informed consents, study instruments, MTA will be used
- ii. All changes including amendments, deviations and violations are submitted for review and approval by **Mount Kenya University**
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **Mount Kenya University** within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
- vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely,

Dr. Alfred Owino, PhD
Chairman, Mount Kenya University ISERC

The Chairman
Mount Kenya University
Ethics Review Committee
P.O. Box 342 - 0100, Thika



REPUBLIC OF KENYA



NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION

Ref No: 246083

Date of Issue: 04/July/2024

RESEARCH LICENSE



This is to Certify that Mr.. Nicholas Kiptoo of Mount Kenya University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in on the topic: RELATIONSHIP BETWEEN TAX POLICIES AND EMPLOYEE JOB SATISFACTION IN PUBLIC SECTOR: A CASE OF EMPLOYEES IN UASIN GISHU COUNTY GOVERNMENT, KENYA for the period ending : 04/July/2025.

License No: NACOSTI/P/24/37219

246083

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY &
INNOVATION

10/07/2024

FOR: COUNTY COMMISSIONER
UASIN GISHU COUNTY

Verification QR Code



NOTE: This is a computer generated License. To verify the authenticity of this document,
Scan the QR Code using QR scanner application.

See overleaf for conditions



REPUBLIC OF KENYA
MINISTRY OF EDUCATION

State Department for Early Learning and Basic Education

Email: cdeuasingishucounty@gmail.com
: cdeuasingishucounty@yahoo.com

When replying please quote:

County Director of Education,
Uasin Gishu County,
P.O. Box 9843-30100,
ELDORET.

Ref: No. MOE/UGC/TRN/9/VOLL. V/163

10TH July, 2024

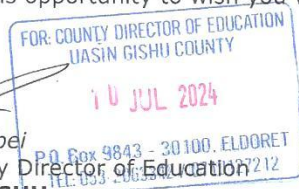
Mr Nicholas Kiptoo
Mount Kenya University,
P.O Box 8315
ELDORET

RE: RESEARCH AUTHORIZATION.

In reference to your License Ref no. **NACOSTI/P/24/37219** dated 4th July, 2024 from National Commission for Science, Technology and Innovation (NACOSTI), you are hereby granted the authority to carry out research on **"Relationship between tax policies and employees job satisfaction in public sector: A case of employees in Uasin Gishu County Government " Period Ending 4th July 2025,"** Within Uasin Gishu County.

We take this opportunity to wish you well during this data collection.


Andrew Mibej
For: County Director of Education
UASIN GISHU.



**REPUBLIC OF KENYA
COUNTY GOVERNMENT OF UASIN GISHU**

Tel. NOs:direct line:053-2016215
053-2016659
053-2016631

Fax: +254-053-2062884
Website:www.uasingishu.go.ke
Email:info@uasingishu.go.ke



When Replying, Please Address to:

County Secretary
Uasin-Gishu County
P.O. Box 40 – 30100
Eldoret, Kenya.

REF:UGC/ADM.1/31/GEN/2024/VOL.I/(34)

DATE: 11 July, 2024

Mr. Nicholas Kiptoo,
Mount Kenya University,
P.O Box 9315 – 30100,
ELDORET.

**PERMISSION TO CARRY OUT RESEARCH
WITHIN UASIN GISHU COUNTY GOVERNMENT**

Your letter of 10 July 2024 on the above subject is in reference.

We acknowledge with thanks receipt of your communication and are pleased to inform you that your request was considered and authority is hereby granted to you to carry out your research on *“Relationship between tax policies and employee job satisfaction in public sector”* in Uasin Gishu County, for academic purposes.

**Edwin Bett
COUNTY SECRETARY/
HEAD OF COUNTY PUBLIC SERVICE**

APPENDIX VI: SEMILARITY REPORT



NICHOLAS KIPTOO

RELATIONSHIP BETWEEN TAX POLICIES AND EMPLOYEE JOB SATISFACTION IN PUBLIC SECTOR: A CASE OF EMPLOYEES I...

GAbc 002

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College of Engineering, Pune

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