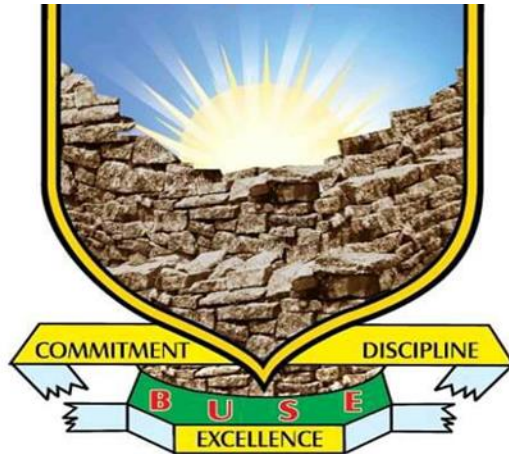


BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE



DEPARTMENT OF ACCOUNTING

**THE ROLE OF TAX CONSULTANTS IN ENHANCING THE SUCCESS OF
COMPANIES IN ZIMBABWE**

BY

B192145B

**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS OF A BACHELOR OF COMMERCE DEGREE IN ACCOUNTING**

APPROVAL FORM

To be completed by the student.

I certify that this dissertation meets the preparation guidelines as presented in the faculty guide and instructions for typing this dissertation.

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This dissertation is suitable for submission to the faculty.

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I certify to the best of my knowledge, that the required procedures have been followed and the preparation criteria has been met for this dissertation.

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DEDICATION

This research is dedicated to my friends and family members, especially my parents and siblings whose prayers and sacrifices keep me going.

ABSTRACT

The main purpose of this study was to determine the impact of tax consultants in enhancing success, particularly in Harare, Zimbabwe. This research adopts a qualitative methodology and the researcher made use of interviews. Focus group discussions and key informant interviews were used for the data collection. The study used an exploratory research design to gain new insights and details about the issue of concern so as to increase knowledge of the study with valid and updated information with respect to tax compliance through engagement with tax consultants. Non probability sampling techniques were used which involved a combination of convenience and purposive sampling methods. A sample of 20 SMEs was adopted for this purpose. This study determined success factors as a result of tax compliance through the incorporation of tax consultants based on reduced tax liability, good corporate reputation and up to date tax return preparation. The researcher adopted thematic analysis in analysing the data gathered which allowed the researcher to gather sufficient interpretations using various perspectives to the qualitative data collected. The research findings highlighted that tax consultants were hired mostly to assist with tax planning, preparation of tax remittances to ZIMRA and tax planning which resulted in positive responses as it help in the reduction of tax liability amongst other factors which contributed to the success of companies. Some of them however engaged in unethical behaviors in accomplishing this which had some impact on the companies and their profession as well.

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LIST OF ACRONYMS

SME

Small to Medium Enterprise

Contents

APPROVAL FORM	2
RELEASE FORM.....	3
DEDICATION.....	4
ABSTRACT	5
ACKNOWLEDGEMENTS	6
LIST OF ACRONYMS	7
CHAPTER I	12
INTRODUCTION.....	12
1.1 Introduction.....	12
1.2 Background to the Study	12
1.3 Statement of the Problem	15
1.4 Research Objectives.....	15
1.4.1 Sub objectives	15
1.5 Research Questions	15
1.6 Justification of the Study	16
1.6.1 The Academia.....	16
1.6.2 Small and Medium Enterprises	16
1.7 Assumptions.....	17
1.8 Delimitations of the Study	17
1.8.1 Time Scope Delimitations	17
1.8.2 Geographical Delimitations.....	17
1.9 Limitations of the Study	18
1.10 Definition of terms	18
1.11 Chapter Summary	19
CHAPTER II.....	20
LITERATURE REVIEW	20
2.0 Introduction.....	20
2.1 Purpose of literature review.....	20
2.2 Definition of key terms	20
2.2.1 Tax compliance.....	20
2.2.2. Small to medium enterprises (SMEs).....	21

2.3 Theoretical review	21
2.3.1 Economic Deterrence theory	21
2.4 Empirical literature	22
2.4.1 Conceptual framework	22
2.4.2 The role of tax consultants	23
2.4.3 Impact of tax advice on tax liability	23
2.4.4 Tax compliance and corporate reputation.....	24
2.4.5 Tax planning and future financial performance	24
2.4.6 Tax return preparation	25
2.4.7 Tax consultants as agents to the revenue authority	26
2.4.8 Unethical behaviors by tax consultants.....	27
2.4.9 Behavioral drivers for tax consultants	28
2.4 Chapter summary	29
CHAPTER III	30
RESEARCH METHODOLOGY	30
3.1 Introduction.....	30
3.2 Research Philosophy	30
3.3 Research Approach.....	31
3.4 Research Design	32
3.4.1 Advantages of explanatory research design	33
3.4.2 Justification	33
3.5 Target Population	33
3.6 Sampling techniques	34
3.6.1 Sample design	34
3.6.2 Justification of the sampling method in relation to the study	34
3.6.3 Sample size.....	35
3.7 Research instruments	35
3.7.1 Primary data.....	35
3.7.1.2 Interviews	35
3.7.1.3 Justification for the use of interviews.....	36
3.7.2 Secondary data	36
3.8 Data Collection Techniques.....	37

3.8.1 Key Informant Interviews	37
3.8.2 Focus Group Discussions.....	37
3.9 Data Analysis and Presentation	38
3.9.1 Justification	39
3.10 Ethical considerations	39
3.11 Reliability and validity.....	39
3.12 Chapter Summary	40
CHAPTER IV.....	41
DATA PRESENTATION, ANALYSIS AND DISCUSSION.....	41
4.0 Introduction.....	41
4.1 Data analysis and presentation tools	41
4.2 Interview results.....	41
4.3 Findings from Key informant interviews.....	42
4.3.1 Effect of tax advice on tax liability	43
4.4 Findings from focus group discussions	46
4.4.1 The role of tax consultants and their contributions	46
4.4.2 Impact of tax compliance on tax return preparation.....	47
4.4.3 Impact of tax compliance on corporate reputation.....	49
4.4.4 Effect of tax compliance on future financial performance.....	51
4.4.5 Unethical behaviors by tax consultants.....	54
4.2 Chapter summary	56
CHAPTER V	58
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....	58
5.0 Introduction.....	58
5.1 Summary of findings.....	58
5.2 Conclusions.....	59
5.3 Recommendations	60
5.4 Suggested further researches	62
5.5 Chapter summary	62
References.....	63
APPENDCIES	68
APPENDIX I	68

INTERVIEW GUIDE.....	68
APPENDIX II.....	69
REQUEST FOR PERMISSION.....	69

CHAPTER I

INTRODUCTION

1.1 Introduction

Taxation structures of an organization have a direct impact on activities like profitability which provides a strategic advantage on the economic growth of SME's (Small to Medium Enterprises) and developing countries as a whole. There is need for proper administration of the taxation system hence the need for a good taxation system and policy on the execution and efficiency of the system Ugwe (2020). The outcome might be the result of pressure from several interest groups, including the public, the government through the Zimbabwe Revenue Authority (ZIMRA), employees, the business and financial communities, and professional accounting societies. Most managers, particularly those of small businesses, lack sufficient knowledge of complex taxation concerns; as a result, they hire tax advisors to handle all tax planning matters to the company's greatest benefit Murphy (2003).

The study is aimed at assessing the constraints being faced by firms as a result of the demanding requirements of tax laws and regulations in operating a business. As a response to this, many firms have sorted the introduction and implementation of tax consultants thereby contributing to the success of companies.

1.2 Background to the Study

In order to address the tax issues that many businesses are having, tax consultants offer a range of services to the businesses. Some of these issues caused many small to medium enterprises in Zimbabwe to temporarily shut their doors in 2003 as a result of inadequate tax management (Daily newsletter dated 30 May 2003). Tax advisors commonly known as tax consultants assist firms with tax advice on the best taxation practices and are trained in the field of finance law and accounting processes which encourages better management of taxes Gupta (2022). Accurate knowledge in

terms of tax credits and deductibles can be of great influence in terms of finances of a firm as it can help in reducing the tax liability to an acceptable minimum if administered properly.

However, it cannot be guaranteed that hiring a tax professional will result in an error free tax compilation Nachbaur (2022). The failure of a tax agent results in a business incurring penalties for those actions and an amendment will have to be done on the errors made by the tax preparer. The penalties for failure to pay the liability or inaccurate preparation of the tax return are applied unless the failure is due to willful neglect Schenee (2017). These laws may however differ from country to country.

Prior research has shown that tax consultants have a strategic role in the taxation system to support tax payer compliance Mangoting et al. (2019) and tax consultants become more significant in taxation systems which are based on self-assessments. To place this into context, self-assessments are those kinds of taxation systems which grant the tax payer the full authority to carry out tax obligations this includes calculating, paying and reporting tax their due (Andon et al., 2015; Mangoting et al., 2019). In such a setup, self-assessments require the tax payer to be honest and have the technical know-how to carry out all the calculations necessary so that the tax payer makes accurate transactions when paying tax. However, according to studies by Martins (2013) and Mitu (2016) it seems difficult for tax payers to achieve independence and honesty in a case where they do not have the technical capacity to comprehend the tax provisions which contain high complexity and are constantly changing to adapt to the ever-changing business environment. Martins (2013) therefore opine that the complexity of the taxation system and the lack of technical capacity on part of companies and firms are the reasons which deter companies from self-assessments hence this is when the tax consultant becomes necessary.

Mangoting et al., (2019) writes that in a business environment that is usually politically charged which a number of regulatory policies in place especially on the taxation system, companies ought to avoid the difficulties of interpreting tax provisions as this would resulting in mitigation of chances of sanctions and tax administration fines hence to be on the safe side, companies incorporate a tax consultant into their system. Carley and Maxwell (2006) state that the main reason why companies (tax payers) use tax consultants is because they need assistance in the interpretation of tax provisions which are widely considered to be complicated and difficult to interpret. In the studies by Tan (1998) and Nienaber (2010) it was understood that companies seek

the competency of tax consultants because they are perceived to be the solution to solving the problem of uncertainty that is caused by tax provisions.

Having understood the crucial role that tax consultants play in mediating between the tax payer and the government, it is important to understand the role of tax consultants in the success of firms. Using rational thinking, it is crucial to understand that when firms get into business, they have to stay competitive hence everything they do is geared towards the success of the firm. Seeking the services of a tax consultant somehow can be understood as a move to enhance the success of a company (Bhalla et al., 2022). According to Susyanti and Askandar (2016) understanding taxes and having the right approach towards them are influential factors that can determine the success or failure of a company. A number of indicators and variables have been used to define success in the business fraternity and in literature by different scholars and some of the most important indicators relating to success of an organization include a reduction in tax liability, good corporate reputation and a favorable future financial performance. These factors are all important when considering the success of a company and using the stakeholder theoretical model; stakeholders are likely to invest their resources in an organization that protects their interests Harrison and Wicks (2009) therefore in this regard tax compliance becomes an entirely important factor.

According to an OECD Report of 2004, each business has specific tax requirements and these requirements different based on a multiplicity of factors which include size, business activity, location, form and nature (OECD, 2004). However, researchers concerned with the subject of tax compliance and tax obligations have had a continued realization over the years that many companies are often unaware of their tax obligations and this affects their operations and financial decisions (OECD, 2004; Bhalla et al., 2022). Inasius (2019) basing on the findings of his research in Indonesia contends that the solution to avert this problem is through proper tax planning with tax knowledge being a requisite but however research has brought it to attention that despite tax planning efforts in many firms especially SMEs, there is always a lack of technical expertise to handle tax issues. This stimulates the need for tax advisory from tax consultants as companies are always working with the laws of survival of the fittest.

Prior researches on the role of tax agents were done by Marshal et al (2006) and Shafer W. E, Simmons R.S (2006), in Australia and Hong Kong respectively and the researcher is going to

explore similar issues in Zimbabwe by articulating the real roles of tax consultants in enhancing the success of companies in Zimbabwe.

1.3 Statement of the Problem

This study focuses on the role of tax consultants in enhancing the success of companies in Zimbabwe. The tax consultants are participating aggressively in tax planning processes in attempting to reduce people's tax obligations. Large public accounting practices have recently come under investigation for encouraging client tax evasion through the promotion of hostile or suspicious tax evasion schemes (Scannell, 2005; Herman, 2004; Johnston, 2004), and businesses are frequently accused of forming in foreign "tax havens" with the specific intent of avoiding or evading their tax responsibilities Godar S.H, Taylor V.A, O'Connor P.J (2005). Hence the managers must be aware of some of these activities which might have short term benefits. Taxpayers are expected to understand the results of not submitting returns as they are supposed to. A lot of small to medium enterprises (SME's) in developing countries are facing the challenges of meeting tax obligations due to insufficient knowledge which has resulted in many firms engaging in several court cases and penalties. The inability to understand the implications of not meeting up to the requirements of tax obligations has therefore caused losses as it is not recommended to engage in business with firms that are not in good books with the Zimbabwe revenue authority. Purposefully, the study examines the role of tax consultants in success of companies in Zimbabwe, in this regard success is defined in terms of reduced tax liability, good corporate reputation and future financial performance since these three facets are crucial and critical to the sustenance of an organization, it becomes overly important to understand the role of tax consultants in influencing these success factors.

1.4 Research Objectives

The main research objective is to ascertain the role of tax consultants in the success of companies.

1.4.1 Sub objectives

- To assess the impact of tax advice on tax liability in companies
- To analyze the relationship between tax compliance and corporate reputation
- To examine the relationship between tax compliance and future financial performance

1.5 Research Questions

- What is the impact of tax advice on true tax liability?

- What is the relationship that exists between tax compliance and corporate reputation?
- What is the relationship between tax compliance and future financial performance?

1.6 Justification of the Study

Consequently the study is beneficial to a number of societal and interested groups that might find the outcome of the study to be purposeful to their cause and scope of work. The study seeks to ascertain the impact of tax consultants in organizational performance. This is important as many firms have been facing challenges in complying with the laws and regulations required by ZIMRA in meeting their tax obligations. The research contributes to the fulfillment of academic gaps on the subject in Zimbabwe.

1.6.1 The Academia

Through an extensive review of literature, the researcher understood that in the academic circles, the topic concerning the role of tax consultants in the success of companies has been largely ignored by other researchers and scholars. Of course, it is important to give credit to prior researchers on the fact that they have researched on the role of tax consultants in ensuring tax compliance but there has not been much done to find out how does seeking the services of tax consultants affect the success of a company. Using this background, it is clear that the significance of this study brought practical and empirical research findings to an area of study that has been largely ignored or rather has received less attention. The study resulted in more insights concerning how tax consultants have a role to play in the success of an organization and which roles they play which affect the success of an organization. Scholars, from this study can understand how tax compliance can affect future financial performance and the corporate reputation of companies and the role of tax advice on tax liability. It is essential to understand that findings from this study can be used for academic purposes that is developing arguments and demonstrating why tax consultants are important in companies and this can stimulate further research among scholars.

1.6.2 Small and Medium Enterprises

Since Small and Medium Enterprises (SMEs) are the main focus of this research, the findings from this study helped them in tax planning and accumulation of tax knowledge. Through empirical findings from the study, they are able to demonstrate how crucial tax consultants are in the success of SMEs and how SMEs can achieve sustained financial performance through tax compliance which comes as a result of using the role of the tax consultant. SMEs as they are still growing and

hoping to compete at the highest level with already established firms can get insights of how tax compliance has a positive effect on corporate reputation which has a multiplicity of effects such as increased market share and an increase in credibility ratings which are all cornerstones to the success of a firm. Hence considering the above discussed factors, one can sense the rationale of carrying out this study.

1.7 Assumptions

- The researcher assumed that all interviews and discussions were conducted with participants in the related field.
- The researcher assumed that the resources available were sufficient for the whole research
- All research participants answered the interview questions as honestly and truthfully as possible with the knowledge they had.

1.8 Delimitations of the Study

1.8.1 Time Scope Delimitations

The time scope of the study focuses on a four-year period that is from 2018-2022, the rationale for using this stipulated period is that the researcher can gather the most relevant data concerning tax payments and the particular roles that has been played by tax consultants in that period. Also, this time period allows the researcher to carry out an informed analysis hence being able to trace progressions in financial performance and tax compliance. The latest data also allows the researcher to have an appreciation of future financial performance of the companies under study and given that the role of the tax consultant is getting more prominent by the day, it is essential to have research that looks into the latest data.

1.8.2 Geographical Delimitations

The study was conducted mainly in Harare CBD because it is where the researcher can comfortably gain access to the study population and companies that can answer the specific interview questions posed by the researcher. Also, geographic mobility was limited by the availability of financial resources and time factors that have an impact on the research process. The geographical delimitation was done to allow the research to be feasible and allow the researcher to complete the study in record time.

1.9 Limitations of the Study

- The first limitation that the researcher faced is resource scarcity that is financial resources and time factor.
- The researcher faced challenges in data collection as respondents felt that they were revealing confidential information but the researcher through the informed consent form assured respondents of her adherence to research ethics.
- Finance professionals tend to be busy people hence this affected the focus group discussions but the researcher constantly conducted fieldwork in an efficient manner that allowed revisits to respondents who had not answered some interview questions
- The researcher intended to utilize quantitative research methods; however, such a research methodology does not result in detailed accounts.

1.10 Definition of terms

- Taxation- this is a mechanism developed by the government as a way of gathering financial resources from the general public for use by the state or the nation as a whole. It has also been described as a compulsory financial charge or some other type of levy imposed on a taxpayer by a governmental organization in order to fund government spending and public expenditures. According to Bird (1992), taxation is an independent right that the government can utilize to gather resources for the general populace in order to advance economic and political objectives
- Tax consultants- these are qualified personnel that have the ability to assist individuals and companies in dealing with any and every tax related issues. They have also been described as tax professionals who advise clients on tax law and financial planning. They help clients minimize their tax obligations and increase their savings. They also prepare tax returns, check for deductions, educate clients about taxes on different income sources, and assist with trusts and estates. A tax consultant is defined by the Directorate General of Taxes (2020) as a person who offers tax advising assistance to taxpayers in the interest of helping them exercise their tax rights and perform their tax responsibilities in line with tax laws and regulations.
- Tax evasion and tax avoidance- tax evasion can be described as the minimization of tax obligations through ways which are not in line with tax laws and regulations and is regarded to be illegal. Tax evasion is a universal phenomenon taking on different forms such as non-

declaration and underreporting of income/wealth, Tanzi and Shome (1993). Tax avoidance is the legal reduction of tax liability through the use of loopholes in the taxation system. Tax avoidance as legally exploiting tax-loopholes to minimize tax according to Fuest and Riedel (2009).

1.11 Chapter Summary

This chapter explains why the researcher deemed it necessary to undertake research on the impact of tax consultants in enhancing success and also looked at their impact in business involvement. The researcher has given background to the study and the impact of tax consultants in the business environment. The chapter has pointed out the statement of the problem, research objectives, research questions and justification.

CHAPTER II

LITERATURE REVIEW

2.0 Introduction

The chapter serves to contextualize and demonstrate knowledge of academic literature on the given subject of taxation, tax compliance and the effects of having tax consultants. The specific variables in this study, which examines how tax advisors can assist businesses succeed, were chosen from corporate ethics empirical research in the fields of accounting, auditing, management and marketing due to their potential relevance to taxation practices. A research on tax compliance was used to enhance the incomplete tax evidence in the area of study. These were categorized into sections of; individual tax consultants aside from that of a firm or an organization, tax practice situations and business ethics and compliance related literature in the area of study.

2.1 Purpose of literature review

A literature review is conducted so as to observe and analyze past and present views in the area of study which assists in obtaining insights on the research questions and objectives. Bovill (2022) considers this a literature review rather than a report as it involves a critical assessment of different sources. It also aims to define the gap between past and present studies through an indept analysis of what was and what is in the research area.

2.2 Definition of key terms

2.2.1 Tax compliance

Tax compliance has to do with a firm abiding by the rules and regulations of the authority in charge of tax laws. This can be described as the decision to adhere to tax laws and regulations of a particular country. Youde and Lim (2019) describe it as the ability of tax payers to pay their due taxes on time and accurately. In other studies, by Di Paolo (2009) have described it as an obligation, requirement and duty in terms of tax laws and regulations that needs to be fulfilled in doing business.

In a study on tax compliance by Andreoni et al (1998) this was described as an element that comprised of observed patterns of non-compliance and ways of reducing it. In this study, the researcher aimed at analyzing the ways in which tax consultants were improving the success of firms through incorporating tax compliance and minimizing non-compliance in daily operations.

2.2.2. Small to medium enterprises (SMEs)

Small to medium enterprises have been described by Liberto (2022) as firms that maintain revenue, assets or a number of employees below a certain threshold. This is however bound to differ from country to country as the measure given by developed countries cannot be the same ones for developing countries. According to the CFI Team (2020) firms can be placed into this category based on several characteristics which comprise of the country, annual sales, number of assets owned, market capitalization or a combination of these features.

In studies by the African Union Development (2022), SMEs compromise of most of the firms in Africa which consists of mostly developing countries like Zimbabwe. This makes them significant to the overall economic growth thus making their operations an issue of concern which also involves tax compliance amongst other issues.

2.3 Theoretical review

The theoretical review provides an insight of related literature on previous works that relate to the objective of the study. A reflection on the theories helps to understand the problem and evaluate the views of other scholars and researchers concerning the theory from a global perspective. This study drew its attention from two theories, i.e. The Economic Deterrence Theory and Norms model views from other researchers concerning the theories.

2.3.1 Economic Deterrence theory

The deterrence model was established as a means of preventing and discouraging taxpayers from underpaying and forgoing their tax obligations. This was made feasible by involvement of the risk of detection, audit, and punishment. The deterrence model's foundation consequently establishes a connection between the theory of tax compliance, highlighting the difficulties in dealing with tax compliance in an effort to enforce compliance. Based on economic deterrence theory, a negative correlation between compliance and a company's success of retail is evident. This is based on the fact that, if companies fear detection and penalties, they will comply and pay taxes

while those who choose to evade tax will face detection and incur additional costs in the form of penalties.

The maximization of expected benefit of successfully dodging taxes as opposed to the dangerous chance of discovery and fines is said to impact a taxpayer's tax compliance behaviors Cevik (2016). The deterrence hypothesis intuitively assumes that the greater the likelihood of being discovered, audited, and punished, the greater the likelihood of tax compliance and the lessening of the likelihood of tax evasion. William (2020) argues that the results of these findings are still conflicting and ambiguous despite the importance of the deterrence model. In his study, Doran (2009) found that tax penalties were the center of the deterrence model whereby imposing high cost on non-compliance would result in strict liabilities for those penalties.

In their study, Feld and Frey (2002) argued that improving deterrence tactics tends to lower tax evasion which was in contradiction with the findings of Kaplanoglou and Rapanos (2015) who found no conclusive link between the two but rather outlined that deterrence efforts encouraged noncompliance. In this study, the researcher aimed at analyzing how tax consultants were contributing to the success of companies through tax compliance amongst other aspects thus looking at the implementation of the deterrence model.

2.4 Empirical literature

2.4.1 Conceptual framework

Kombo and Tromp (2011) and Swaen (2015) concur that a conceptual framework is a tool that is utilized in research to show the relationship between variables under study. The study aims to describe the role of tax consultants in success of companies. In this regard the role of tax consultants becomes the independent variable whilst success which is defined in terms of tax liability, corporate reputation and future financial performance is dependent variable. A conceptual framework is of critical importance to a study because it helps to establish the main agenda of the study by showing the relationship between the different variables. The conceptual framework is responsible for explaining the possible relationship between the variables in the subject matter. Fig 2.1 below shows a diagrammatic framework of the role of tax consultants in success of companies.

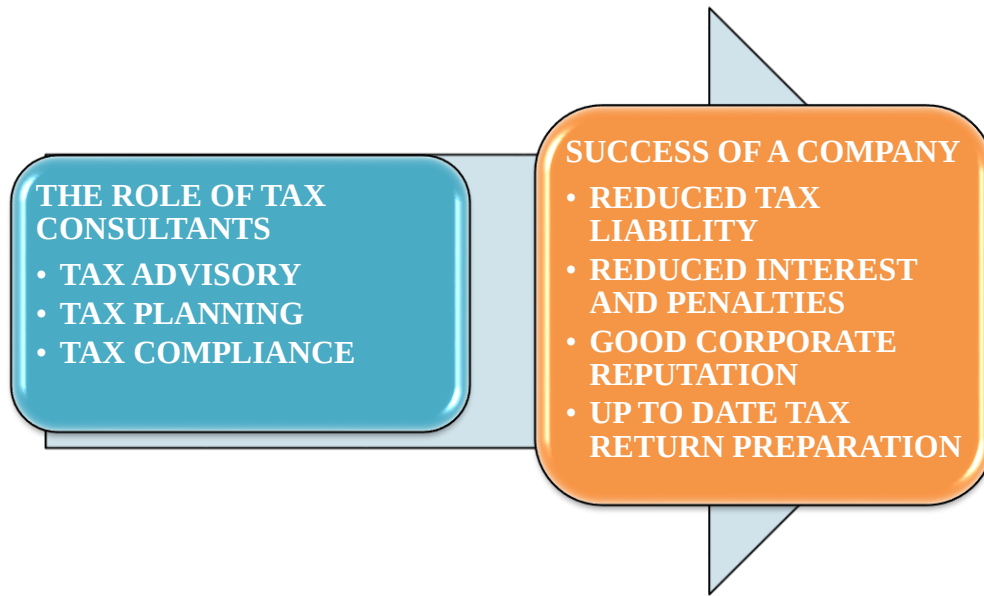


Fig 2.1 Conceptual Framework showing the role of tax consultants in company success

2.4.2 The role of tax consultants

Tax consultants can be described as tax preparers or tax advisors who are hired to assist firms and individuals in addressing any tax related issues that arise in the course of doing business. The Directorate General of Taxes (2020) views tax consultants as individuals in charge of providing tax consulting services to tax payers as a way of practicing their tax rights and adhering to their tax requirements in accordance with tax laws and regulations. In the context of this study, tax consultants were involved in tax planning, the evasion of taxes and acted as agents for firms in meeting up to the requirements of tax authorities. Tax consultants were also in charge of providing several services in areas of tax law, accounting and also provision of sophisticated tax advice.

2.4.3 Impact of tax advice on tax liability

In their study, Marshal et al. (2006) noted that the function of a tax professional was to help taxpayers generate transactions, design tax effective frameworks and discover key information as opposed to being restricted to demonstrations and descriptions of facts. Tax consultants have a duty to achieve a balance between customer's desire to a minimum and any likely implications on the integrity of the taxation system however tax consultants tend to focus mainly on the reduction of firm's tax liability in doing so. According to Murphy (2003) additional responsibilities result from the tax consultants' position as a qualified tax expert to ensure that the taxation structure operates well in accordance with the requirements of the revenue authority.

Ho and Wong (2008) however found that tax consultants tend to counsel taxpayers in techniques that frequently lead to tax evasion and the manipulation of outcomes in the process of minimizing tax liability, irrespective of the fact that they are not held accountable since taxpayers have the last say on all suggestions made. In his study, Rothengatter (2005) argued that tax advisors primarily care about their own returns while not keeping the general public's interest in mind. Additionally, he mentioned tax consultants actively engaged in tax evasion activities and filed false tax returns in order to reduce the client's tax bill, while being compensated for doing so. This is usually done as a way of reducing firm's true tax liability.

2.4.4 Tax compliance and corporate reputation

Say Youde and Seungho (2019) define tax compliance as a taxpayer's willingness to abide by tax laws and regulations by making timely and accurate tax payments. Tax laws and regulations must be complied with in order for firms to work towards precision, correctness and a thorough awareness of procedures involved which is attractive to other stakeholders involved in the operation of a firm as it is associated with having a positive corporate reputation.

Lewis (2001) argues that a company's reputation is influenced significantly by its conduct or actions instead of a good public relations effort. Actions or conducts of a firm include the preparation and remittance of taxes to ZIMRA which is a good conduct in relation to upholding a good corporate reputation. According to Indeed; Career Guide (2021), maintaining a good reputation is essential for a company because it draws stakeholders who can support desired outcomes of brand establishment, sales growth and of course profitability.

Baudot et al (2020) however found that there was no particular sequence pointing out that reputation was connected with particular tax behaviors. The field of taxation is broad and its compliance can result in certain behavioral responses which tend to have different outcomes in the corporate world.

2.4.5 Tax planning and future financial performance

Tax consultants were also involved in activities of tax planning as part of their tasks as tax experts. Kagan (2023) defines tax planning as the assessment of a financial plan to guarantee that every component operates effectively to ensure the payment of the least amount of taxes feasible. It involves all actions taken by businesses to reduce their tax obligations while working with tax professionals. These strategies are likely to involve both legal and illegal practices. A progressive

taxation planning procedure should aim to reduce all types of taxes including value added tax (VAT), income tax and capital gains tax.

Dabla-Norris et al. (2017) did empirical research to examine how the quality of tax planning affects firm performance for a large sample of firms in emerging market and developing economies. The study focused on postulating the different impacts that the quality of tax planning can have on small businesses using difference-in-difference approach. The study concluded that for small firms to realize a positive relationship between tax compliance and future financial performance, they should focus on factors that would lower compliance cost including such factors as access to tax payer information, payment, tax filling process, accountability and transparency on the part of tax authorities.

In many instances of this study, it was questionable whether the issues would hold up to a thorough factual and legal review. These disputed topics prompted questions about whether tax consultants were fulfilling their obligations in accordance with the requirements of the revenue authority in providing advice and drafting tax returns. In his study, Murphy (2003) discusses the effects of resentment towards the taxation system as a result of assessments given by taxpayers who participated in a widely publicized aggressive taxation planning scheme.

According to Auchincloss (2001) and Marshal et al (2006), the element that could affect tax consultants' aggressive tax planning was the amount involved (materiality of the amount). The researcher noted that aggressive tax planning may be influenced by the anticipated level of tax due. Tax consultants are likely to be hired if a firm has a substantial tax due in order to attempt to reduce the liability in methods that may or may not be lawful.

In a study by Resnick (2018) taxation was deemed to be fundamental for national and local governments to be able to provide services in a sustainable way. Zambia's 2017 Economic Growth and Stabilization Program aimed at strengthening tax compliance and modernize tax administration as a way of improving government future financial performance.

2.4.6 Tax return preparation

The majority of tax returns that were submitted to the Zimbabwe Revenue Authority were prepared by tax consultants that were hired to do the tax. According to Thomas (2017) tax consultants therefore serve as essential middleman between the government and taxpayers. Additionally, Thomas (2017) highlights that regardless of tax returns being prepared by qualified tax

professionals, there is usually no oversight on the work done which results in several tax returns being flawed each year. Tax consultants therefore are required to abide by the requirements of the revenue authority as a way of complying the taxation regulations which in turn contribute to the overall success of a firm.

According to Maseko (2014) SMEs tend to face different business conditions from large companies which cause them to incur higher tax burdens resulting in poor compliance in terms of tax return preparation and submission to the revenue authority. According to Goodman (2010), taxpayers have legal obligations to pay the appropriate tax and to rectify any mistakes or omissions in the tax return submission process. In order to reduce or even completely remove liability risks, tax professionals may be capable of taking corrective action. Erard (1993) discovered that hiring tax consultants reduces tax compliance since they are knowledgeable about both legal and illegitimate ways of reducing tax obligations. The tax experts have the ability to fraudulently lower the client's tax expenses by manipulating certain tax laws.

2.4.7 Tax consultants as agents to the revenue authority

Tax consultants assist largely in their practice as agents of firms to the revenue authority. In their studies in Nigeria, Okewole et al (2017) argued that tax consultants provided services of proper record keeping of tax records by registering tax payers to relevant authorities which allowed monitoring of taxes withheld. Gordhan (2008) also mentioned that tax consultants;

- Provided a communication bridge between taxpayers and the revenue authority as they had a platform which allowed them to communicate any rights and privileges of tax payers.
- Through a written declaration from the revenue authority, tax consultants could represent tax payers at any conference, hearing or meeting with the revenue authority.
- Had a duty in terms of preparation and filing of necessary documentation with the revenue authority for tax payers.

Mangoting et al (2019) described tax consultants as the synchronizer between tax payers and tax authorities. They went on to explain that tax consultants tend to carry out their duties in reliance to two clients that is the tax payers and tax authorities. This however makes their duty a difficult one as the relationships bring about different interests and objectives. An example would be a situation where the client that is the tax payer would want an aggressive tax avoidance scheme which provides lowered risk on tax savings on the other hand, they are officers for tax authorities with the aim of improving compliance in taxation.

2.4.8 Unethical behaviors by tax consultants

The importance of corporate ethics and social responsibility has been questioned in light of recent disclosures that tax professionals helped facilitate corporate tax avoidance and evasion schemes. Surprisingly, empirical studies haven't examined how tax professionals' views on social responsibility and business ethics affect their moral judgments. The majority of recent empirical research on tax ethics has concentrated on taxpayers rather than trained tax professionals, so it has not dealt with issues concerning business corporate responsibility (Henderson and Kaplan, 2005 and Wenzel, 2005).

In their investigation into the impacts of tax evasion, Alm and Sennoga (2011) argued against Allingham and Sandmo's methodology (1992). They contended that the strategy ignored market forces working to eliminate tax advantages brought about by possibilities for evasion through adjustments in both commodity and price factors as products and services, as products and resources flow from and to concerned activities. The only way to properly evaluate these forces is within the context of general equilibrium. The debate focused on changes in input costs and other manufacturing costs. These expenses might rise and wipe out any tax advantage obtained through tax evasion schemes. As a result, the desired benefit might not materialize.

Ways in which tax consultants facilitated tax evasion

In his investigation of tax offenses in Slovenia, Selinsek (2004) discovered that tax consultants encouraged tax evasion in a variety of capacities, including lying to tax authorities, failing to report returns to the revenue authority, and other purposeful and unintentional crimes.

- Corruption against the Tax Authority

Companies were assisted in falsifying documents and reports to the revenue departments by tax consultants. False information about the client's earnings, expenses and assets were included in the falsification of paperwork in order to minimize tax liability.

- Failure to make a required declaration

Tax return preparation was typically the responsibility of tax experts and these returns such as value added tax (VAT) remittances, were supposed to be filled to the revenue authorities on a regular basis. As a result of this, tax consultants may council the management of the company to withhold some returns from the revenue authority in an effort to conceal some items that were critical in determining that tax due.

- Substantial tax evasion

Tax evasion was grouped into two categories which were intentional and unintentional tax evasion. Unintentional tax evasion occurred when tax consultants not knowingly left out crucial information in the preparation of tax returns that could have reduced the company's tax obligation. Whereas purposeful tax evasion was when tax advisors knowingly withheld information from the IRS in order to decrease their client's tax obligations. When the revenue authority learned about the latter, tax payers faced harsh penalties.

2.4.9 Behavioral drivers for tax consultants

In as much as tax consultants had a responsibility of helping in the reduction of tax liability for firms, they assisted tax payers in avoiding mistakes and discouraged them from participating in aggressive and illegal behavior. They had certain behavioral characteristics in carrying out their work. The following were significant determinants of tax consultants' behavior in dealing with the revenue authority;

- Client and legal responsibility

Any tax consultants' client's needs came first, followed by their professional and ethical obligation under the law. The finest tax advice and representing their interest or the duty of loyalty were the legal obligations of tax consultants to their clients. Alm and Sennoga (2011) claim that the tax consultants' only obligation to the revenue authority is to follow the law when carrying out their duties within the organization.

- Personal obligations: governing the tax industry

According to Bobek, Hageman and Kelliher (2013), individual standards for ethical beliefs directly influenced tax compliance decisions by tax consultants. In some nations, the framework offered by the tax consultants were affiliated governed this industry. Tax consultants must abide by a number of rules and regulations established by professional bodies when carrying their duties as professionals. The revenue authority offers regulatory guidelines that tax professionals may abide by when doing their tasks.

- Professional fee's structure

In the past, tax consultants were paid according to the number of hours they spent providing their service. Depending on the number of hours spent providing tax services, companies charged a set cost, however value-based fee approach was later developed as a way of remunerating tax consultants based on their performance. Value-based fee was when tax

consultants' remuneration was linked to the success of the tax scheme in which advice was provided.

According to Gordhan (2008), some companies paid tax advisers based on the amount of tax benefits claimed which encouraged practitioners to engage in unethical behaviors. Tax consultants would use aggressive tax planning and tax evasion to try and reduce the client company's tax liability in order to minimize their current return payout. The adoption of the value-based pricing arrangements by tax advisors was regulated in nations like the USA and the UK.

2.4 Chapter summary

The goal of the chapter was to provide an overview of the studies conducted by previous researchers on the contribution of tax consultants to business performance. This chapter also reviewed more related studies and literature. The research revealed how tax consultants can assist in improving success attributes of a firm through tax planning procedures and strategies. The unethical actions of tax consultants were also examined to which some of them contributed to tax evasion in an effort to minimize tax obligations.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Introduction

This chapter puts emphasis on the research methods adopted for the study. Bryman (2008) defines research methodology simply as a practical way of conducting a research study, Kara, Glegen and Glegen (2015) underscore that a research methodology is a theoretical framework for conducting a study which guides the logical decisions that the researcher makes when conducting the study. Therefore, the emphasis of this chapter is on the research philosophy, research strategy, research design, target group, sample strategies, and data collection methodologies used for the study. Also, the chapter focused on the data analysis techniques, ethical considerations and issues of reliability and validity that were of concern with this study.

3.2 Research Philosophy

A research paradigm, as defined by Kuhn (2015), is more of a framework for theory that offers a set of speculations, a framework of knowledge, a theory of knowledge, and scientific research methodologies that are universally accepted by scholars. Scotland (2012) and Kuhn (2015) concur that a research philosophy lays ground for all philosophically based research thereby setting clear people's assumptions about reality and knowledge. For this study, the interpretivist paradigm was adopted because the researcher wanted to gain in-depth understandings about the impact of tax consultants on company performance rather than just getting mere generalizable ideas that come as a result of using the positivist philosophy. The naturalistic methods of data collecting, that include interviews and observations, are the foundation of the interpretivist paradigm. In these

types of investigations, interpretivism philosophy is also prevalent, and interpretations typically surface towards the conclusion of the study procedure. Weber and Henderson (2012) state that interpretivism was a reaction to positivism and it is rooted in symbolic interactionism and phenomenology, of which the two have a philosophical stance that value and theory neutral facts do not exist. Interpretivists argue that the nature of phenomena is based on how the people regard that phenomena or objects Junjie and Yingxin (2022). As put forward by Chen (1996) this research philosophy places more emphasis on getting different interpretations of phenomena and seek knowledge through people's experiences to gain an in-depth understanding of happenings in the social world.

In this study, the researcher having understood that it is not always that companies that engage tax consultants yield positive results concerning their performance, it became imperative to adopt an interpretivist paradigm which places much emphasis on getting different interpretations from different firms on how they have dealt with tax consultants and what has been the effect of tax consultants on the performance of their companies. The study also wanted to gain in-depth understanding of the impact with much emphasis on the experiences of the different selected themes therefore this explains why the interpretivist paradigm was adopted for this study. Another justification for the adoption of the interpretivist research philosophy is that data gathered from the qualitative data collection techniques that are championed by interpretivism is usually high in validity since responses to the research questions usually have depth and are more trustworthy (Myers, 2008).

3.3 Research Approach

Following the interpretivist philosophy that was adopted by the researcher, the most obvious research approach that was adopted for the study was the qualitative research approach. Bryman (2008) and Yin (2009) share common aspects on their definition of qualitative research as they note that qualitative research is an approach to research which involves the researcher being immersed into the natural setting of the research participants to understand phenomena through the lived experiences of the research participants. Lincoln and Guba (2006) therefore contend that qualitative research is a naturalistic enquiry in which the researcher needs to understand the lived experiences of the research participants to comprehend phenomena and happenings in any context. Therefore, this means that qualitative research produced context-based results with much more

detail. Qualitative research produces words as the data for analysis unlike quantitative research which produces numbers and statistics. Bryman (2008) writes that one of the main advantages of qualitative research is that a researcher can apply several methods (data collection techniques) on the same issue. This can be seen as a justification for adopting the qualitative research approach in this study because key-informant interviews and focus-group discussions were used to collect data as this led the researcher to gain deeper insights about the research phenomena.

Another reason for choosing qualitative research approach is that qualitative data collection methods are seen as more flexible as they allow the research participants to express themselves more rather than responding to a set of pre-defined answers already (Cohen et al., 2011). This was seen in the study since the semi-structured nature of the qualitative data collection techniques allowed the research participants to fully express their experiences responding to whether the role of tax consultants had a positive or negative impact on the performance of their companies. Bryman (2008) also takes note of one of the advantages of adopting a qualitative research approach by noting that the flexibility of the qualitative data collection methods allows for researchers to fully express their experiences in detail thereby allowing for a situation whereby issues which are critical to the research study are raised but at first might have not crossed the mind of the researcher. The researcher through probing, was able to gain deeper insights into the phenomena thereby allowing her to make realizations that had not crossed her mind in planning the study. The use of the qualitative approach allowed for the researcher gain a detailed and in-depth account on the role of tax consultants in success of firms thereby providing answers to the research questions. Also, qualitative approach allows the researcher to use follow up questions on issues that the researcher would have not gained a full understanding of thereby meaning that the researcher adopted the qualitative approach to gain a deeper understanding of the research concerns.

3.4 Research Design

Bryman (2008) opines that a research design is a framework for conducting a study. This study adopted the exploratory research design as it was understood to be best suitable for the topic under study. Burns and Groove (2001) define exploratory research as a type of research that is conducted to gain new insights and details about a particular issue of concern so as to increase knowledge of the phenomena. Similarly in this study, the main goal was to gain new insights concerning the role of tax consultants in facilitating the success of firms to increase knowledge on this subject matter.

In the current study, the ambition was to create knowledge, adding knowledge to a vacuum that was discovered by the researcher as pointed out in the literature review that there is lack of clarity of the role of tax consultants in the success of companies. Burns and Groove (2001) made a point that there has been a tendency in social science to link exploratory research with quantitative methods but due to advancements in social and business research, there has been a continued realization that exploratory research design can be consistent with qualitative research methods. To show that the research was exploratory, the data collection process was approached in a way in which the researcher set aside her biases and personal beliefs, thereby allowing the research participants to feed into her questions and from these responses, the research questions were answered.

3.4.1 Advantages of explanatory research design

- It allowed the researcher to gather information in her own actual environment which provided authenticity and honesty in the data collected.
- It allowed the researcher to become familiar with the area under study
- Provided the researcher with a platform to use the desired method. This therefore resulted in the provision of a lot of information which made it appropriate in carrying out the research.

3.4.2 Justification

The researcher chose to use the descriptive survey method as it was most suitable in pointing out the characteristics, behaviours and the impact that tax consultants have in contributing to the success of firms in the small to medium sector (SME's) in Zimbabwe. Previous researchers like Yin (2003) have used the explanatory research design where they argued that exploratory research designs are more consistent with qualitative research methodologies which are more focused towards knowledge creation rather than test of already existing theories. This therefore makes made it the most appropriate design to undertake.

3.5 Target Population

Glen (2008) describes a target population as a way of referring to a combination of related items used to gather sufficient information in a particular study. Kenton (2022) referred to a sample as a subset of a whole population. In this study, the researcher targeted a population of 100 SMEs in Harare registered in accordance with the Ministry of SMEs regulations and count. SMEs were

selected as the target population because these are the emerging small companies which often seek the services of tax consultants hence it is imperative to gain an understanding of the role of tax consultants on their success.

3.6 Sampling techniques

The researcher used non probability sampling methods as a way of coming up with a suitable sample size. A combination of convenience and purposive sampling methods were used. According to McCombes (2023), convenience sampling involves a selection of individuals or elements that are easily obtainable to the researcher whilst purposive sampling requires the researcher to use their own judgement as a way of identifying a suitable sample most appropriate for the research. The researcher therefore selected the sample to be used using the mentioned two methods.

3.6.1 Sample design

In coming up with the most appropriate sample for the study, the researcher identified and followed the following measures;

- Identified a target population
- Established an appropriate sampling frame
- Pinpointed a suitable sampling method
- Designed an operational plan for identifying sample units
- Executed the operational plan

3.6.2 Justification of the sampling method in relation to the study

The researcher chose the convenience sampling method was affordable to use in the collection of data on the contribution of tax consultants on the success of firms particularly the SMEs in Harare. Fleetwood (2022) in his own view argued that these methods were most appropriate in sampling as they have proven to be quick and convenient which enables the research to be carried out and completed in a short period of time. The objective of using this method was to minimize expenses and use time in the most effective and efficient manner. The purposive also known as the judgmental sampling method was selected by the researcher as it provided the platform to collect information first hand from the selected respondents of SMEs in Harare. This therefore allowed information to be collected efficiently within the specified time set by the researcher.

3.6.3 Sample size

The researcher used a sample of 20 SMEs in Harare to carry out a research on the contribution of tax consultants to the success of firms. The use of the whole population of SMEs was not suitable therefore a concentrated group was used. Kibuacha (2021) described a sample size as a way of using a set of identifying suitable elements to represent a stand for the whole population.

3.7 Research instruments

Research instruments are devices that can be adopted by a researcher as a method of gathering data and analysing it as argued by Annum (2017). The researcher aimed at using a research instrument that allowed enough data to be collected. In undertaking this study, the researcher used interviews as a way of collecting primary data. The researcher chose this method as it allowed her to gather information first hand from the related participants.

3.7.1 Primary data

This can be described as data that has been collected first hand by the researcher concerning the study in question, in this case, the role of tax consultants in enhancing success through the use of different research instruments which include questionnaires, interviews or surveys to come up with a valid conclusion. Wagh (2023) described it as data collected by researcher as a way of understanding and solving a research problem.

3.7.1.2 Interviews

The researcher chose interviews as the main instrument for data collection in carrying out the research. Amaresan (2022) describes interviews as constructed verbal interactions amongst participants whereby one asks the questions and the other responds. The researcher prepared interviews which were done to SMEs in Harare on the role of tax consultants in increasing success of firms.

The interviews were sectioned into three parts which are;

- Tax advice on tax liability
- Tax compliance and cooperate reputation
- Tax compliance and future financial performance

3.7.1.3 Justification for the use of interviews

The researcher chose to use interviews as a way of gathering research evidence as it was the most efficient and effective method. Research participants were offered the opportunity to respond to the interviews in ways which were convenient to them which allowed more relevant information to be collected. The use of interviews allowed more layered information to be collected which made the research a lot more sensible.

According to Choudhury (2020) the use of interviews has a lot of advantages which were in line with the researcher's findings;

- It allowed the researcher to gather first-hand information directly from the parties involved in the field of taxation which provided more relevant information
- It allowed the researcher to read and analyze the body language of the research participants thus allowing her to come up with a valid conclusion
- It allowed the researcher to ask for clarity in the responses given which provided follow up questions
- It allowed easier analysis of data from responses gathered thereby coming up with reliable results quickly

There were however several disadvantages that were associated with the use of interviews which were;

- The researcher was at risk of being biased which could have led to unfair evaluation of information provided.

3.7.2 Secondary data

It can be described as historical data that is data which was gathered before through other researchers, made available through journals, newspapers, the internet and books. Juneja (2022) describes it as data that is readily available which has been collected beforehand. The researcher incorporated both primary and secondary data in this research. These included;

- Taxation journals
- Newspapers
- The internet

3.8 Data Collection Techniques

According to Bryman (2008), data collection is the process of collecting data from the intended data sources for the purposes of generating answers to the research questions. Data collection in qualitative research focuses on gathering contextual information (Yin, 2009). In undertaking this study on the role of tax consultants in enhancing success the researcher used qualitative data collection techniques which involved key-informant interviews and semi-structured interviews to come up with a valid data that provided answers to the research questions.

3.8.1 Key Informant Interviews

According to the APPC (2016), key informant interview are qualitative in-depth interviews with persons that are believed to have vast knowledge and understanding of a specific issue. Yin (2009) in his study contends that they are best when one wants to understand a specific issue which needs knowledgeable people unlike the public. Key-informants are usually people who have firsthand information about a particular situation or certain issue. Finance Managers or finance personnel of the 20 selected SMEs were the ones who were selected as the participants for the study and a key-informant interview guide was used to facilitate the interview in ascertaining the role of tax consultants in enhancing the success of firms. The researcher used probing questions on the key-informant interview guide to collect primary data and follow up questions were developed during the interviews by the researcher due to the nature of the responses given by the research participants. Ali et al., (2014) underscores that the merit of using a key-informant interview is that the subject matter will be discussed intensely with greater detail and the discussion will be between the researcher and someone knowledgeable about the issue. Interviews lasted between 30-40 minutes, and some were extended depending on the depth of information being provided by the key informant and their willingness to proceed with the interviews. Another advantage about using the key-informant interview was that through body language (Ali et al., 2014), the researcher was able to ascertain some informant leading to further inquiry thus justifying why the researcher adopted the key-informant interviews. The researcher took on notes as the interviews proceeded and recorded using phone recordings so that the vital information provided by the key-informants was not lost.

3.8.2 Focus Group Discussions

Another primary data collection technique that was used by the researcher was the use of a Focus Group Discussion which is another qualitative data collection technique. Cornwall and Jawkes

(1995), Hayward et al (2004), Israel et al (1998) and Morgan (1996) agree with the notion that focus group discussions are a method where a researcher gathers a group of people to talk about a particular subject. The goal is to solicit the respondent's complicated unique experiences, opinions, thoughts, and perspectives by way of a regulated dialogue. For this study, only 12 participants were selected for the Focus group discussion and these 12 participants were selected from the pool of the key-informants who had been interviewed individually. Participation in the Focus Group Discussion was based on volunteerism from the research participants hence the researcher had to kick off the discussion once the required number of participants was met. The purpose of the discussion was to understand that in-group different experiences and perceptions of whether tax consultants were playing a positive role in the success of firms. The researcher was the moderator of the discussion and facilitated the discussion through asking questions in which participants would engage in discussions whilst the researcher paid particular attention whilst recording and taking notes. The probing questions were prepared on the FDG interview guide, which the questions developed were also more in line with the broader research questions.

3.9 Data Analysis and Presentation

Data analysis is an iterative process which begins in the field as the researcher gathers the data to when the researcher is done with the data collection process. In this study, qualitative data was analyzed using thematic analysis. Qualitative analysis includes thematic analysis. It analyses patterns that are connected to the data and interpretations to address topics while providing sufficient data visualization (Boyatzis 1998). For any study that aims to find utilizing interpretations, thematic analysis is seen to be the most suitable method. It gives data analysis a methodical component. It allows the researcher to connect a topic's frequency analysis to one of its whole contents. The research's overall importance will be strengthened with the addition of depth and accuracy. Understanding and acquiring a variety of information is necessary for qualitative research. Thematic analysis provides an opportunity to understand the potential outcomes of any problem from a larger viewpoint (Yardley and Marks, 2004). Thematic analysis enables the researcher to assess the duplicated data with the correlations connecting ideas in great detail. Theme analysis may be used to compare the various concepts and perspectives of opinions held by the participants against the data that was gathered in various situations during the investigation. In this study, the researcher first read through the transcripts and listened to the recordings to get familiar with the data which is a key step in thematic analysis. The researcher

then identified similar phrases, statements and key words across the different accounts given by the research participants. The researcher then put these words as themes then started to screen and select them against the main research concerns. The researcher then presented the data in a way in which verbatims, and discussion were supported by narratives from the accounts given by the participants.

3.9.1 Justification

The researcher chose the use of the thematic analysis in the presentation and analysis of data as it enabled her to bring out important aspects of the data gathered throughout the research. The use of this particular method allowed the researcher to apply her own knowledge combined with that of previous researchers as gathered from different theories. The data presentation methods adopted by the researcher also facilitated comparison of data collected by the researcher on the selected research participants.

3.10 Ethical considerations

The researcher had to take note of ethical considerations in carrying out the research. There was need to keep the anonymity of the research participants in order to gather efficient and reliable information from them. An informant concern form was signed by both the researcher and the research participants as a way of assuring that all ethical considerations were taken note of before the research began. Principles of voluntary participation and confidentiality were adhered to in carrying out the study.

3.11 Reliability and validity

The researcher aimed at maintaining data reliability and validity throughout the study so as to ensure that data gathered was relevant, consistent and meaningful. The researcher analyzed data gathered from different research participants in order to measure its consistency and accuracy throughout the research. The researcher adopted several methods to check for the reliability and validity of data which involved;

- Respondent validation- data collected from research participants was immediately analyzed checked for accuracy. The researcher had to observe the data in order to see if there was a pattern and some level of consistency in the data gathered.
- Triangulation- in establishing reliability, the researcher had to ensure dependability and creditability of data collected.

3.12 Chapter Summary

In this chapter, the researcher highlighted the validity, reliability and effectiveness of the research instruments, guided by the objectives of the topic under study. It also highlighted the sample, research instruments and the strategies employed by the researcher. This allowed the researcher to approach the next chapter which looked at the analysis and presentation of data collected.

CHAPTER IV

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

In this chapter, the researcher aimed at ascertaining all aspects in relation to the impact of tax consultants in enhancing the success of firms particularly the SMEs in the city of Harare. This was done through an analysis of the research questions which were answered as honestly and effectively as possible through the use of data that was gathered by the researcher during the survey conducted. The data collected from the interviews conducted by the researcher was presented in several ways which involved the use of table and graphs as illustrated in this chapter.

4.1 Data analysis and presentation tools

The researcher incorporated the use of Microsoft Excel spreadsheets and Microsoft word to present data in the most effective and efficient manner. This allowed the data to be presented in a meaningful way which enabled a much effective analysis. These were also used so as to allow the researcher to come up with an analysis from the interviews relating to frequencies as well as percentages involved.

4.2 Interview results

The researcher used interviews as a way of collecting data through the use of focus groups discussions and key informant interviews. There was an indication of a 91% response rate acquired from both the key informant interviews and the focus group discussions combined which was sufficient enough to produce appropriate conclusions on the role of tax consultants in enhancing the success of firms.

In a similar study on tax agents in Australia, Marshal et al (2006) had a much lower response rate of 23.6 % due to the use of questionnaires. In this study, researcher used interviews which allowed room for much more responsiveness therefore resulting in a much higher response rate.

Response rate

Table 1 below illustrates the proportion to which information was gathered through the use of interviews by way of focus groups and key informant interviews. It also indicates the proportion of interviews that the researcher was unable to conduct due to several unanticipated reasons from the research participants.

Interview	Response %
Focus group discussions	38
Key Informant interviews	53
Unconducted interviews	9

Table 1 Response rate in relation to the interviews conducted

4.3 Findings from Key informant interviews

Key informant interviews were conducted which involved finance managers and finance experts from the selected research participants. The purpose of the interviews was elaborated in chapter three which included establishing the significance of tax consultants to the success of companies and other insights concerning their involvement in such roles. Conducting these key informant interviews enabled the researcher to refine the interview questions for use in the qualitative focus group discussions. The involvement of tax consultants in operations and their necessity in terms of tax compliance was brought about for discussion through the questions posed by the researcher. The question was;

“Do tax consultants ensure tax compliance and how would you describe your experience with them as participants in ensuring tax compliance?”

A number of issues were highlighted concerning the hiring of tax consultants. Additionally, insights were revealed on how these issues may have risen and became of concern. One of the issues

that were of concern as analyzed by the researcher was the decision by other firms not to hire or involve tax consultants in their operations. The key informant interviews revealed that other companies regarded tax consultants as merely external parties to their operations therefore considered or rather observed that they did not have the best interest of the organizations at heart but were merely trying by all means to engage in ways of reducing tax liability for the companies which were in ways that are not regarded as honest and straight forward in the accounting profession.

The key informant interviews however indicated that the majority of the key informants particularly finance managers confirmed that they have in recent times sorted the services of tax consultants in conducting any tax related issues and the provision of professional financial advice. The study indicated that 65% of firms in Harare engaged in the services of tax consultants whilst 35% of them preferred the use of their own employees as they preferred their own employees over hired tax consultants whilst others had no finances to hire well learned and experienced accountants and tax personnel that could rise up to the task.

4.3.1 Effect of tax advice on tax liability

The key informant interviews allowed the researcher to have an in-depth understanding of how it is like to have and not to have tax consultants as agents in the compilation of taxes and provision of tax advice. The researcher had to gather information on how tax consultants had significantly brought change to the betterment of the companies thus contributing to its success. The question was;

“Ever since you started engaging tax consultants, has this improved any aspects of your company that you would consider a success factor?”

This allowed the research participants to talk about their past experiences which enabled the researcher to relate and also made the research participants feel more comfortable and open to talk about the whole experience. The researcher found that tax consultants had in many ways enabled companies to achieve great milestones through offering tax advice and the provision of tax planning services. This enabled companies that engage them to achieve a decrease in tax liability

over years as compared to previous years where they did not engage in tax consultancy services. The research participants confirmed this by offering the statements;

Respondent 1

“In the past we used to incur a lot of cost due to the insufficient knowledge that we had about the taxation system. We would incur penalties for late submission of returns and penalties for not submitting taxes that were specific for us as a business amongst others. This made it difficult for us as a firm to go by without incurring these cost on a monthly basis this however changed when we learnt of the services rendered by tax consultants. For us this was one of the best decisions that we made for the wellbeing of the company.”

Respondent 2

“The incorporation of tax consultants brought about a change in the way that we operated which enabled us to lower our liability by significant amounts. Besides the lowering of our tax liability through tax compliance as a result of the engagement with tax consultants, our liability was also lowered through the many business opportunities that were brought by these acts. This has proved to be worth it for us”

78% of the firms that engaged tax consultants agreed with the notion that they were of great assistance in the reduction of tax liability, computation of taxes and ensuring that it was done in a legal and safe way which Murphy (2003) emphasized on in his own study in this area. There was the incorporation of the general deduction formulae which involved the exclusion of deductions and exemptions from the computation of taxes. This was as a result of effective tax planning by the tax practitioners which was tailored in different ways in accordance with the amount in question directed to a particular firm. In a similar study, Auchincloss (2001) argued that tax

consultants provided an aggressive tax planning scheme in accordance with the level of tax due so as to lower the tax burden which the researcher confirmed in undertaking this study in Harare.

The ability of SMEs to receive tax advice from tax consultants enabled them to claim deductions and enjoy exemptions which in turn reduced their tax liabilities. In undertaking this study, the researcher found that up to 70% of firms that strongly agreed with tax consultants being responsible for the reduction in tax liability were receiving a deduction on withholding tax of 10% which was deducted on local business to business sales upon payment of a supplier without a valid tax clearance certificate. This was ideally enacted through the tax act specifically for SMEs.

In the study, it was observed that 80% of the focus group research participants that hired tax consultants were able to acquire valid tax clearance certificates as a result of the advice they received. The possession of their tax clearance certificates allowed the research subjects to forgo withholding tax on payments from customers. This therefore reduced the tax liabilities for them and rather gave more business opportunities. The availability of valid tax clearance certificates enabled these SMEs to qualify for rebates and importation incentives like the exemption of presumptive tax on importations thereby reducing tax liability. 5% of these SMEs were able to acquire and participate in most tenders especially those that involved the government. This therefore opened doors for more business opportunities as it enhanced the business compliance profile for the firms.

In addition to all this, all respondents strongly agreed that the incorporation of tax consultants was the major cause of the reduction of penalties and interest imposed by ZIMRA on non-compliance. The advice extended by tax consultants improved tax compliance within operations which in turn led to a reduction in the penalties and interest imposed on companies. Most of the tax consultants that participates in this study tended to carry out their duties with reliance and respect for the profession which enabled work to be done properly thus avoiding interest and penalties. In their study, Mangoting et al (2019) also observed this notion by mentioning that the engagement of tax consultants promoted a harmony amongst tax payers and tax authorities which limits the platform for penalties and interest for tax payers.

4.4 Findings from focus group discussions

The researcher selected 12 participants from those that she had conducted key interviews with from which a qualitative focus group discussion was done. Many of the roles and contributions of tax consultants were outlined by the researcher thereby confirming those that were mentioned by the researcher in chapter two. These were summarized below in table 1 below and the data analysis done by the researcher provided a clear picture of the roles and contributions of tax consultants in the success of firms.

The impact of tax consultants as contributors to the success of firms was analyzed in this section and ranked by the participants as having a very severe impact or severe impact to the success of firms. The ranking position was based on the number of participants who ranked as very severe or severe. Text summaries were done according to the following groupings where 100% of participants made the same point the term “all” is used, 90%–99% “almost all”, 75%–89% “the great majority”, 50%–74% “a majority”, 25%–49% “a minority”, 1%–24% “a few/only a few”, and 0% “none”. The researcher made sure that the results of the study consistent by explaining to all participants of the roles of tax consultants as illustrated in chapter two and how tax consultants have been defined for the purpose of this study.

Contributions	Impact
Tax planning	Reduced taxes liability
Tax advice	Reduced interest and penalties
Tax return preparation	Educate employees
	Improved corporate reputation
	Tax evasion (new threat)

Table 2: Contributions by tax consultants

4.4.1 The role of tax consultants and their contributions

In undertaking this study, the researcher found that 90% of the focus group research participants engaged the use of tax practitioners for tax planning amongst the many other roles that the tax

practitioners accommodated. Tax planning was aimed at reducing tax liability for the SMEs, and when done properly minimized all forms of taxes including VAT, capital gains tax and estate duty in existent. In a similar study undertaken by Marshal et al (2006) in Australia, it was argued that 57% of tax practitioners established aggressive tax planning activities so as to minimize tax liabilities for their clientele. They also mentioned that not all tax practitioners were involved in illegal acts as a way of reducing tax liability as this can be done legally while adhering to the laws and regulations of a particular country.

4.4.2 Impact of tax compliance on tax return preparation

70% of the focus group respondents mentioned that they particularly hired tax consultants for the preparation of tax returns which are submitted to ZIMRA thereby complying to its requirements. These included VAT remittances and quarterly payments submitted to ZIMRA which were prepared on a monthly basis and after every 3 months respectively. This procedure was in line with payments plan formulation whereby a set of elements were incorporated by firms so as to clear their arrears to ZIMRA in ways which did not attract any legal penalties or interests. This was amongst the many roles adapted by tax consultants. In their study in Hong Kong, Shafer and Simmons (2006) discovered that tax consultants also participated in the preparation of tax returns which was also in line with the findings of Marshal et al (2006) in Australia where 95% of companies submitted tax returns prepared by tax practitioners. These were some of the responses from the research participants;

Respondent 1

“When we started out, it was difficult to understand how the whole taxation system worked and so we had to resort to the hiring of tax consultants to assist us with their services. I admit that at first, we didn’t really appreciate their services but overtime we got to understand the importance of these tax return preparation. It really goes a long way. We have managed to minimize our liability while adhering to the regulations of the revenue authority through engaging tax consultants in the preparation of returns”

Respondent 2

“At first we were reluctant when it came to the topic of incorporating tax consultants as we saw it as an unnecessary expense for our growing company however we were beginning to notice a trend of an increase in the amounts that we were spending on taxes alone. Most our staff could prepare tax returns but they however lacked the expertise of tax consultants which therefore brought about the incorporation of tax consultants in our firm. Their engagement led to a significant decrease in the amounts we were spending as they could take advantage of exemptions and deductions in the best ways possible”

One of the most important traits that tax consultants possessed as assessed in this study was the ability to keep in touch with current trends and changes in the taxation world both locally and internationally. This allowed firms to stay updated and also take advantage and make use of the information provided for the betterment of their business ensuring that there were always in compliance with the demands of the revenue authority. Tax consultants were up to date and well informed on the most current tax rates, tax reforms and other amendments that were made to some sections of the act. This therefore allowed them to stay relevant and informed when preparing tax returns for their clients.

The researcher observed that tax consultants were responsible for making sure that their clients were compliant concerning their tax obligations. This involved making sure that all tax payments were made correctly and on time. Communication with their clients was the major task for making this possible as it included explaining tax issues and the implications that may arise from not complying. This was a major strategy in tax consultants undertaking their tasks to meet the client needs. This was discovered by the researcher after posing the question;

“Has your compliance in taxation improved since the hiring of tax consultants and do you consider them relevant parties to your operations?”

4.4.3 Impact of tax compliance on corporate reputation

56% of the respondents strongly agreed that the involvement of tax consultants resulted in good corporate reputation for companies. This study indicated that firms which hired tax consultants were associated with a positive business compliance profile which gave them a good corporate reputation in operating. The acts of complying with the requirements of ZIMRA by submitting well prepared tax returns and remitting taxes on time as a way of gaining a good corporate reputation were agreed on by Lewis (2001) who argued that a firm's reputation is induced by activities or operations and not perfect public corporate communication.

According to Harpaz (2013), reputation has recently become one of the factors that influence corporate taxation. The researcher found that corporate reputation was one of the most important factors that brought about growth and business for SMEs as it is all they can acquire at start to achieve greater success. The results of the research showed that tax compliance directly affected the corporate reputation of most firms as the revenue authority has the power to tarnish the reputation of firms that pose an inability to follow its regulations.

The research participants confirmed these findings by offering the statements;

Respondent 1

“Meeting up to the requirements of ZIMRA is of great importance in ensuring and maintaining a good corporate reputation. I am saying this because as small firms, it is difficult to survive if you are not meeting up to the standards of the industry runners which include the revenue authority. I personally have been able to instill this culture within my organization by incorporating tax consultants in what we do, encouraging tax compliance in the most respectful manner and making sure that our reputation is always uplifted and maintained in doing so.”

Respondent 2

“Many of the small companies overlook issues like corporate reputation which I would say in my opinion is one of the factors that makes us excel and become

noticeable. We have made it an objective for our firm to improve our corporate reputation in the best ways possible which we have been working on for a number of years now through tax compliance by way of incorporating of tax consultants. I would agree that this has put us on the “good list” of ZIMRA which I think is great for business”

Respondent 3

“When we started implementing and recognizing the importance of taxation and tax compliance, we were doing most of it aimlessly without much knowledge of what we were doing or the impact it was going to have on us as a firm. Overtime I discovered that aggressive tax planning could have a negative impact on business. Some clients do not like associating with such firms as it puts a doubt on the legitimacy of the system”

The researcher discovered tax consultants were involved in several ways as strategies of ensuring tax compliance. Many of the participants actually engaged tax consultants as their agents to ZIMRA to ensure that they were represented in the most respectable and efficient manner thereby giving them a good corporate reputation. These findings were in line with those of Gordhan (2008) who pointed out that tax consultants represented taxpayers at meetings and hearings with the revenue authority and were better placed in organizations to represent them in meetings concerning taxation matters. They had the ability to explain the outcomes of the meetings to the management of the organization in ways that can be easily understood. This therefore made the researcher understand how tax compliance through tax consultants had been a factor in determining success. The researcher found that tax compliance as a way of ensuring a good corporate reputation was also maintained by many of the participants through;

- Tax reminders by tax consultants to tax payers as a cost-effective strategy to increase short term compliance which when done properly provided the long tax effect of a good corporate reputation through achieved long term tax compliance
- Ensuring that all participants were aware of the tax laws applicable to them and the due dates of tax payments and the due date of filing returns

A few firms however went against the requirements of ZIMRA which had a negative impact on their corporate reputation. The researcher found out that many of them ended up receiving

penalties for their noncompliance actions which tarnished their overall image and standing in the industry. According to the ZIMRA 2021 Annual Report, the authority segments clients according to their ‘Willingness to Comply with Tax and Customs’ laws and applies tailor-made compliance and enforcement strategies. This involves application of tough enforcement measures to delinquent taxpayers who deliberately choose not to comply whilst enforcing light co-operative compliance strategies to those taxpayers who are willing to comply.

4.4.4 Effect of tax compliance on future financial performance

The researcher got to understand that hiring tax consultants does not necessarily guarantee a better future financial performance however complying to the requirements of the revenue authority might contribute to the betterment of firm’s financial performance. The majority of focus group participants agreed that the incorporation of tax consultants in tax related issues assisted in improving future financial performance but did not ascertain it. This was understood after posing the question;

“Does hiring a tax consultant guarantee better future financial performance?”

The respondents had this to say;

Respondent 1

“In my own opinion, I wouldn’t necessarily say that tax compliance through the incorporation of tax consultants is a guaranteed factor in determining an improved future financial performance. I say this because tax compliance is merely one of many factors that could determine such an impact which may be long term. It can however lead to reduced liability and increased profitability so yeah; we can agree that it is one of many factors that contribute to an improved future financial performance”

Respondent 2

“We have started to notice some of the results of tax compliance in our firm which include an increase in our overall profits. As a result of this, we have managed to secure more assets for our firm which I would say is an indication of growth in some aspects. These results have however been achieved in at least a period of 10 years, yes it doesn’t happen as soon as you might anticipate however it is worth the wait”

In understanding how the taxation system works, the researcher got to understand that a higher tax burden can reduce the overall net profit. Schoenmaker et al (2014) and Thanjunpong and Awirothananon (2019) agreed with this notion as they argued that tax burden can reduce the net profit of the business which they believed was a factor in non-compliance. The participants agreed that some of the tax consultants were able to accomplish an improved future through complying with the requirements of the revenue authority, however this was discovered to be a long-term effect by the researcher as she observed that it was practically impossible to achieve overnight.

Some of the factors that indicated a better future financial performance that were observed by the researcher were the decrease in the liability incurred by the companies under study through tax compliance. This involved a reduction in the taxes owed to the government and the revenue authority through taking advantage of exemptions and deductions which many of the companies got to effect through the incorporation of tax consultants. This ensured that the firms had an improved fiscal health which brought about growing revenues and stable cashflows.

In analyzing the participants under study, the researcher found that focusing on areas that lowered compliance cost which included as access to tax payer information, payment, tax filling process, accountability and transparency in terms of taxation issues had which a greater impact in improving future financial performance. These findings were consistent with those of Dabla-Norris et al. (2017) who discovered that quality of tax administration had a direct implication on firm cost which lowered compliance cost and improved productivity thereby encouraging better future financial performance. The respondents confirmed these findings by offering the following statements;

Respondent 1

“The ability to adhere to the requirements of ZIMRA has significantly lowered compliance cost for us as we do not incur unanticipated expenditure on taxes and penalties. Tax consultants tend to utilize their knowledge in the most effective and efficient manner possible which has improved productivity thereby encouraging better future financial performance.”

Respondent 2

“We have managed to utilize tax compliance in the most favorable ways for our firm which enabled us to grow our firm size. This has been directly and indirectly resulted from the application of proper taxation of our taxes as it put a good word for our firm enabling us to do business with the big companies in the industry. I have noticed these changes and so has my team. Being able to comply, remit taxes on time and keeping a good record with the revenue authority goes a long way. In this case, it has led to growth in our firm size thus contributing to improved future financial performance”

Indicators of better future financial performance:

- Effective tax administration
- Firm size
- Relative increase in total asset

In assessing how companies were bettering themselves in improving future financial performance, the researcher discovered that many firms were growing in size which is considered an indicator of success and in overall, profitability. This was backed by the studies of Rajan and Zingales (1995)

who understood that company size was an important factor for determining the profitability thus reflecting future financial performance.

4.4.5 Unethical behaviors by tax consultants

All of the focus group research participants however agreed that the incorporation of tax consultants in business operations had led to new threats for firms which when not handled properly could tarnish the reputation of companies. The researcher found that not all tax consultants were honest in undertaking their duties as they engaged in tax evasion schemes as a way of reducing taxes. This made many of the respondents not so sure about the contributions of tax consultants in doing business. During the focus group discussions, respondents mentioned that;

Respondent 1

“In as much as tax consultants are of great assistance in handling tax related issues, I am always anxious and inquisitive about the way that they handle some tax related issues. In this day and age these consultants are more focused on achieving a goal rather than how the goal is achieved which makes it difficult to trust them completely when undertaking their work.”

Respondent 2

“I have found it easier to undertake our daily operations since the incorporation of tax consultants. I can safely say that their incorporation has proved to be effective and efficient in improving future financial performance for us. There is however the need to remain informed and alert of every decision and action to make sure that it is in the best interest of the company”

These responses were obtained after the researcher had posed the question;

“Have you ever encountered an unethical behavior by tax consultants you hired? If so, what was the effect on your financial performance as an organization? Also, what was the effect on your company’s reputation?”

Table 3 below shows a summary of some of the unethical behaviors discovered by the researcher during the focus group discussions.

Unethical behaviors	Consequences
Advise companies to delay in paying taxes	Increased penalties
Falsify tax returns	Tarnished corporate reputation
Demand more fees to misrepresent information	Increased liability
Contribute in non-compliance for example tax evasion	

Table 3: Unethical behaviors by tax consultants and their consequences

According to the data the researcher acquired from the focus group conversations, a great deal of participants agreed that tax advisors urged businesses to postpone paying taxes to ZIMRA as a strategy to circulate cashflows and also engaged in tax evasion non-compliance activities. The involvement of tax advisers in illegal operations was regarded as immoral and, if detected, damaged the reputation of the accounting profession. The researcher supported study by Selinsek (2004) on tax-related violations in Slovenia, where tax advisers participated in tax evasion through a variety of purposeful and unintentional behaviors, including lying to the tax authorities and failing to disclose returns to the revenue authority.

The unethical behaviors by tax consultants had a greater impact on other SMEs as it brought about an increase in the penalties encountered thereby increasing liability which led to a few of the research participants agreeing that incorporation of tax consultants came with its own drawbacks. This enabled the researcher to agree with the thought of William (2020) in terms of the deterrence

model whereby he argued that the results of the deterrence model are disputing and conflicting despite its importance where it reflects that the greater the likelihood of being discovered, audited, and punished, the greater the likelihood of tax compliance and the lessening of the likelihood of tax evasion.

Participants recognized that these acts of falsifying returns and the delay of remitting taxes to ZIMRA led to greater consequences and in particular stated:

Respondent 1

“The inability to comply and operate legally by preparing accurate tax returns and remitting taxes to ZIMRA on time has been the downfall for most SMEs like us. In as much as we would want to low our liability in terms of taxes, it is more important to be in good books with the revenue authority. Competing in an industry with bigger firms is difficult as it stands and being on the ZIMRA raider of firms not complying with their tax laws is the last thing we would want however some of these tax consultants seem to have that at the back of their minds. They don’t understand the main objective and goal for us as small businesses.”

4.2 Chapter summary

The findings of this study unearthed that the tax consultants had critical roles in enhancing the success of companies. The roles which were discussed in this chapter were; tax advisory, tax return preparation, tax planning, updating on tax rates changes and taxation computation. The researcher found out that the advices of tax consultants contributed to the improvement of company’s profitability because the advices resulted in minimized tax expenses of the company hence improved operating income. The researcher also found out that the tax consultants contributed to the reduced penalties and interests imposed by ZIMRA on non-compliance due to improved compliance. However, few respondents noted some unethical behaviors by these tax consultants when discharging their duties. They argued that some participated in non-compliance activities such as tax evasion, falsified tax returns and advised firms to delay in paying taxes. These unethical

activities might be disastrous to the company and to tax consultants if discovered by the ZIMRA audit team and attracted heavy penalties and interests. This chapter paved way to chapter 5 which looked at the summary of findings, recommendations and conclusions of the research project.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter concentrated on a summary of the study findings that made it easier to formulate the research project's conclusions. The chapter also made several recommendations to the corporations, tax consultants, and the revenue authority. Additionally, the guidelines intended to enhance corporate performance and ethical behavior.

5.1 Summary of findings

In this project, the role of tax consultants in enhancing the performance of companies in Harare was examined. The research examined the responsibilities and contributions made by tax consultants when they get hired to provide consultative services to companies. The study continued by examining the unethical actions taken by these tax professionals while doing their professional duties. Interviews were used by the researcher to gather information using a combination of convenient and purposive selection procedures.

The literature review indicated that tax advisors engaged in tax planning with the goal of reducing the tax obligations of the businesses they were working for. According to Shafer et al. (2006), certain tax advisers in Hong Kong were aiding in aggressive tax planning. Aggressive tax planning was the practice of using methods that violated various tax laws and regulations in an effort to reduce the amount of tax that businesses had to pay. The literature also indicated that tax consultants were contributing in the preparation of tax returns and acted in some cases as agents for the company when discussed taxation matters with the revenue's bodies. The tax consultants

were described as company advisors in some literatures because they gave advices on taxation issues and the company would decide either to take the advices or not.

Additionally, research from Australian studies (Marshall et al., 2006) showed that tax consultants should not be relied upon because doing so increases the risk of falsifying returns to the revenue authority and contributing to non-compliance activities like tax evasion, which can be disastrous for businesses when discovered. The researcher's interviews yielded results that agreed with the relevant studies in the literature. The researcher discovered that in Zimbabwe, tax consultants were hired to help with tax planning, prepare tax remittances to ZIMRA (on a monthly basis for VAT and after every three months for quarterly payments), contribute to the calculation of taxation by employing the general deduction formulae, and provide updates on changes in tax rates and other taxation-related issues.

The study was able to also examine tax consultants' unethical actions and how they affected the businesses and their own professions. Some respondents stated that the tax consultants behaved unethically, according to the findings in these areas. Tax consultants participated in tax evasion, fabrication of tax returns and advised businesses to postpone tax payments, according to other respondents, who also agreed with this list of unethical actions. When ZIMRA learned about these unethical practices, it was terrible. The firm was hit with charges in the form of fines and interest, and the tax experts' reputation was tarnished as a result of the story being covered by the local news.

The findings were analyzed and presented in chapter four giving a much clearer picture on the role of tax consultants in enhancing success of companies

5.2 Conclusions

The researcher concluded that the tax consultants participated well in the execution of their duties in companies in Harare (Zimbabwe) when engaged to provide consultancy services. The tax consultants were engaged to give advice on crucial areas of tax management which was the most dangerous area if not properly administered. The tax consultants helped companies in tax planning, return preparation, computation of taxation and giving updates in changes in tax rates and other tax related issues. The companies which were not engaging tax consultants were being advised to engage them now in order to enjoy the above-mentioned benefits.

The major aim of engaging tax consultants was to ensure that tax expenses were minimized and according to the findings of this research tax minimization was met by the hired tax consultants who performed in the tax planning processes aimed at minimization of taxation. Basing on the findings of this study, the researcher concluded that, tax experts' advices and activities reduced the penalties and interests imposed by ZIMRA due to improved compliance. The companies were also urged not to rely too much on these tax consultants because they could falsify tax returns and misrepresent information to ZIMRA, this would result in tax evasion which was disastrous when discovered by the revenue authority audit team. Therefore, the final conclusion on an advice given by the tax consultant should rest on the taxpayer's hands. The taxpayer should assess the idea of tax advisors first before implementing it, this would lead to better decision making in taxation matters and reduce some negative impacts on the company from making blind moves.

5.3 Recommendations

The researcher made the following recommendations to the companies, to the revenue authority and to the tax consultants. The researcher believed that the following recommendations might be helpful if taken into consideration:

- The companies were recommended to look at the history of the tax consultants before engagement. This would help companies not to engage tax consultants with a bad image and if the consultants had some conflicts with other clients, these would likely to occur again if engaged with another company. If the tax consultants had bad reputation, the company would cancel the engagement in its early stages to avoid conflicts in the future.
- The companies were recommended to engage tax consultant who had the knowledge of the company's business. The knowledge of company business would help the tax consultants in devising a better taxation plan because taxation matters differ with the type of business under consideration.
- The experience and skills of the tax consultants are also important to be noted before engagement. This is because the quality of service depends on the qualifications, skills and experience acquired through training or having many years in the field addressing the same problems. Therefore, companies were recommended to take note of the qualifications, skills and experiences of the potential tax consultants before engaged them to do consultancy services.

- The companies were also recommended not to rely too much on tax consultants in return preparation and other activities. Too much reliance might give the tax consultants chances to have a direct influence on the company and they might falsify tax returns and also in a position to initiate tax evasion schemes which might negatively affect the company in future.
- The companies were recommended to have a final say on all advices given by tax consultants and they should be in a position to reject some advices they think might be disastrous.
- The companies were also recommended to have a closer look on the activities of the tax consultants when engaged because some would be unethical to the extent that the company would be driven into disaster. Some of the acts of tax consultants are illegal so these might adversely affect the company if caught by ZIMRA.
- The researcher recommended the tax consultants to act ethically when discharging their duties because unethical acts might damage their reputation and put their body into disrepute. Therefore, once reputation had been damaged it would be difficult to restore.
- Tax consultants were recommended to be independent when discharging their duties that is to say they must not be easily reproached by the management and told what to do because the management might be worried about the minimization of tax liability and do not take the issue of regulations into consideration. Therefore, the consultants must first assess the ideas of the management and if contradict with their code of conduct they must disagree in order not to breach the code which would be unethical and might also bring their profession into disrepute.
- The revenue authority was recommended to put in place some penalties which are directed towards tax consultants on any discovered misconduct or breach of regulations due to the advices they offered to their client companies. This might reduce the unethical acts by tax consultants and improve compliance on taxation issues.
- The revenue authority should audit financial records of companies on a regular basis in order to improve compliance because many companies were taking advantage of being not audited to evade from paying tax by creating some tax evasion schemes with the help of tax consultants.

5.4 Suggested further researches

The research was on the role of tax consultants in enhancing success of companies. The findings revealed that much of the activities of tax consultants and the companies they advised were centered on the minimization of taxation but much of the ways used to minimize tax were illegal. The question which remained unanswered after this study was why practicing tax evasion rather than minimizing tax in a legal manner? Therefore, this paves way for future researches on the investigation into factors causing tax evasion by companies.

5.5 Chapter summary

This chapter sought to give the summary of the research findings, conclusions made on the research objectives and the recommendations to the companies, revenue authorities and to the tax consultants.

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APPENDCIES

APPENDIX I

INTERVIEW GUIDE

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

RESEARCH TOPIC: AN ASSESSMENT OF THE ROLE OF TAX CONSULTANTS IN ENHANCING THE SUCCESS OF COMPANIES IN ZIMBABWE

Introduction

My name is Lisa Mpezeni, I am a student at Bindura University of Science Education pursuing a Bachelor of Commerce in Accounting. I am conducting a study titled “the role of tax consultants in enhancing success” as part of the requirements of the degree programme. May I kindly have your time to answer the following interview questions.

1. Does tax advice from tax consultants lessen tax liability?
2. Do tax consultants ensure that companies are tax compliant?
3. Ever since you started engaging tax consultants, has this improved the reputation of your company?
4. Have you ever encountered an unethical behavior by tax consultants you hired? If so, what was the effect on your financial performance as an organization? Also, what was the effect on your company’s reputation?
5. Do you think hiring a tax consultant makes your company profitable?
6. How does tax compliance affect the corporate image in the eyes of the public?
7. What is the effect of tax compliance on market share?
8. Does hiring a tax consultant guarantee better future financial performance?
9. Has tax compliance improved the profitability of your business?

APPENDIX II

REQUEST FOR PERMISSION

Bindura University of Science Education

P Bag 1020

Bindura

19 January 2023

RE: REQUEST FOR PERMISSION TO CARRYOUT A RESEARCH

Dear sir/ madam

I am an undergraduate student at Bindura University of Science Education studying towards a Bachelor of Accountancy Honors Degree. I am conducting a research project on **AN ASSESSMENT OF THE ROLE OF TAX CONSULTANTS IN ENHANCING THE SUCCESS OF COMPANIES IN ZIMBABWE** and I hereby appeal for permission to carry out research on your organization. The researcher is aware of the importance of confidentiality of internal information. Therefore, the information you provide is purely for academic purposes only and it will be treated as highly confidential.

I hope my request will be considered.

Yours faithfully

B192145B

