

Improving knowledge management efficiency and tax administration performance through leadership styles and skills

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ABSTRACT

Developing countries are characterised by low tax administration performance. However, leadership styles and skills can improve knowledge management (KM) efficiency and tax administration performance in developing countries. This study examines the connectivity of leadership styles and skills to knowledge management efficiency and tax administration performance in developing countries. Tax officers were interviewed face-to-face in a case study of the Federal Inland Revenue Service (FIRS), Nigeria. Participants in the face-to-face interview include the director, deputy director, assistant director, senior manager, manager, tax officer I and tax officer II. The interview data were supported by a documentary study of FIRS gauge magazine. A smart voice recorder was used to record the face-to-face interview which employed semi-structured and open-ended interview questions as a guide. Qualitative data were collected from twenty (20) tax officers who are leaders that are involved in the knowledge management process in tax administration. The data was analysed thematically with NVivo 10 qualitative software. In the analysis, themes were identified and reported based on the research objectives and participants' responses. Two main themes which are leadership styles and leadership skills were identified. Furthermore, five sub-themes were identified with respect to the two main themes. The five sub-themes consist of democratic leadership, transactional leadership, communication skill, creative skill and commitment skill. This study found that democratic and transactional leadership styles can improve knowledge management efficiency and tax administration performance. Also, communication, creative and commitment leadership skills can improve knowledge management efficiency and tax administration performance. This study recommends the motivation of leaders for optimum performance in order to improve knowledge management efficiency and tax administration performance.

Keywords: Leadership styles, leadership skills, knowledge sharing, knowledge management, efficiency, tax administration, performance

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INTRODUCTION

Tax administrations in developing countries are inefficient and ineffective. Both empirical and theoretical studies have demonstrated the inefficiency and ineffectiveness of tax administrations in developing countries. According to Bird (2015), low tax revenue generation in developing countries is a result of administrative inefficiency and ineffectiveness. In the same vein, Okoh et al. (2020), Mansor and Tayib (2015) affirmed that inefficiency and ineffectiveness of tax administration negatively affect its performance. According to Organisation for Economic Cooperation and Development (OECD, 2019), low tax revenue generation as a result of administration inefficiency and ineffectiveness in developing countries resulted in a low tax revenue ratio to Gross Domestic Product (GDP) of 26 African countries. A study carried out by OECD (2019) showed average tax revenue ratio to GDP of 26 African countries between 2008 and 2017 are low compared to the minimum requirement by United Nation to attain development.

In addition, International Monetary Fund (IMF, 2018) stated that low tax revenue generation negatively affects government objectives of growth expansion, vital expenditure and job creation for unemployed citizens in developing countries. Hence, tax administrations in developing countries need improvement in order to improve revenue generation and performance. Several studies have been carried out to improve tax administration performance in developing countries but have not yielded the desired result.

However, studies have shown that knowledge management (KM) improves tax administration efficiency and performance in general (Umale et al., 2019; Heisig, 2016; Rosdi et al., 2016; Sejdija, 2012). According to Rosdi et al. (2016), KM improved tax revenue generation and performance at the Inland Revenue Board of Malaysia. In the same vein, Heisig (2016) affirmed that KM improves tax and customs administration performance in Austria. In addition, Sejdija (2012) said KM improves tax administration performance in Germany. Tax administration is a knowledge-based organisation, hence, KM is critical to its efficiency and performance in general (Sejdija, 2012). Therefore, there is a need to implement KM in tax administrations in developing countries to improve efficiency and performance in general.

Efficient and effective implementation of KM in an organisation required leadership to direct, control, coordinate and stimulate its process. Thus, leadership is required as an input factor for the efficient and effective implementation of KM in tax administration. Farrell (2017) said organisations need leaders to encourage and support KM. Additionally, Donate and Pablo (2015) stated that leadership behaviour is critical in KM successful implementation. Furthermore, good leadership behaviour creates an enabling environment that stimulates knowledge creation, transfer and application in an organisation. On the other hand, bad leadership behaviour creates an environment that affects KM adversely. Leadership influences knowledge sharing and the entire KM process in an organisation (Merat & Bo, 2013). According to Nguyen and Mohamed (2011), leaders greatly impact KM direction and effectiveness in an organisation. Birasnav et al. (2011) posit that leader stimulates interpersonal relationships which enhanced knowledge sharing, transfer and application.

Despite the important roles of leadership in KM efficiency and effectiveness, studies on leadership-specific styles and skills are limited (Donate & Pablo, 2015). According to Merat and Bo (2013), there is limited study on the connectivity between KM and organisational leadership. Also, Nonaka and Konno (1998) who stated there is limited research on leadership in KM, established the need for further studies to clarify the important roles of leadership in the KM process. Hence, this study filled the research gap by studying KM leadership styles and skills in tax administration. Studies on leadership in KM include Farrell (2017), Donate and Pablo (2015), Merat and Bo (2013), Von Krogh et al. (2012), Birasnav et al. (2011). Based on the literature review, no study on KM leadership focuses on leadership styles and skills in tax administration. Therefore, this study is different from other studies on KM leadership.

This study provided an answer to two research questions which are: (i) How do leadership styles improve KM efficiency, and tax administration performance? (ii) How do leadership skills improve KM efficiency, and tax administration performance? In line with research questions, the objectives of this study are: (i) To understand how leadership styles are connected to KM efficiency, and tax administration performance. (ii) To understand how leadership skills are connected to KM efficiency, and tax administration performance. This study is structured into six sections. The present section is an introduction that explains the research problem statement. Section two reviews literature on KM and organisational leadership. Section three explains the research methodology. Section four presents the results of the data collected. Section five discusses the result of the data collected and section six is the conclusion.

BACKGROUND OF STUDY

This section reviewed the literature on organisational leadership and KM. Also, it includes literature on leadership styles, skills and KM. The next section presents literature on organisational leadership and KM.

Organisational Leadership and Knowledge Management

The importance of leadership to KM implementation in organisations has been emphasised in literature (Farrell, 2017; Busanad, 2016; Donate & Pablo, 2014; Buheji, 2013; Yousif, 2012; Girard & McIntyre, 2010). There are

diverse assertions regarding the importance of KM leadership in an organisation. The assertions showed that leadership is critical to successful KM implementation in organisations. In this regard, Farrell (2017) said the success of KM in an organisation required leadership with certain characteristics to stimulate interactions and processes. Also, Donate and Pablo (2015) argued that a knowledge-oriented leader enhances knowledge creation, transfer and application. Also, Buheji (2013) said KM successful implementation requires a leader that is strong to change an organisation to embrace KM as a strategy to improve performance. Furthermore, people's attitude is difficult to change to share knowledge in an organisation, hence, requires a strong leader that will institute social interaction among people in the organisation. Birasnav et al. (2011) argued that leadership is the greatest potentials for KM efficiency and effectiveness.

In continuation, Williams and Sullivan (2011) said managers who are knowledge-oriented are role models, inspires learning, stimulate knowledge workers' intellect, encourage inter-discipline and functional engagement, enhance knowledge storage, transfer and application. Girard and McIntyre (2010) stated that leadership is vital in KM. According to them, a leader should be an expert in the field where he/she leads. In addition, four characteristics of a successful leader in KM implementation as posited by Girard & McIntyre (2010) include (1) leader that provides reason and rationale of KM to the led; (2) leader who plans the event; (3) leader who encourages the lead to work toward excellence, and (4) leader that is result-oriented. Teece (2009) explained that a knowledge-oriented leader maximises KM for purpose of innovation and organisational performance. Hence, KM initiative, channel and development of knowledge exploration and exploitation are championed by knowledge-oriented leaders (Teece, 2009).

In continuation, leaders drive KM plan in an administration and align it with administrative strategies, objectives, mission and vision (APO, 2013). The leader develops and implements policies that institute a good working environment that fosters knowledge sharing, acquisition and application in an organisation. Also, Busanad (2016) opines that the leadership role is critical as leaders developed and implement KM initiatives. Furthermore, leaders impact directly on administrative culture, approaches and dealings with KM initiatives, and lead by example (Birasnav et al., 2011).

Leadership Styles, Skills and Knowledge Management

In literature, different leadership styles influence KM efficiency and effectiveness. The influence of leadership styles on KM could be positive or negative depending on the style. For example, Aragon-Correa et al. (2007) and Crawford (2005) said the transformation leadership style enhances organisational learning by encouraging documentation of successes and failures which create and manage knowledge and information. Politis (2002) asserts that the transformational leadership style (intellectual stimulation & charisma) enhances knowledge acquisition. Xue et al. (2011) reported that empowering leader stimulates knowledge sharing. Also, Merat and Bo (2013) reported Pearce (2004) and Grant (1996) that share leadership is more effective in knowledge dissemination. Donate and Pablo (2015), and Ribiere and Sitar (2003) emphasised mixed leadership styles of transactional and transformational approaches as essential for knowledge creation and its management.

Furthermore, leaders need to recognise and reward knowledge workers who share, transfer and apply knowledge (Ribiere & Sitar, 2003) and discourage negative behaviour that affects knowledge sharing, transfer and application adversely (Lakshman, 2009). According to Teece (2009), a knowledge-oriented leader promotes KM best practices through leadership styles such as motivation. In the same vein, Chang et al. (2012) said leadership style that motivates knowledge workers through reward engender KM efficiency and effectiveness. Ho (2009) posits that leaders employed a reward system to develop and facilitate the KM process through planning and implementation. This study focuses on two types of leadership styles that can improve KM efficiency and tax administration performance. The two types of leadership styles that can improve KM efficiency and tax administration performance are democratic and transactional leadership styles.

Democratic leadership style is one of the major determinants of employee performance in an organisation (Dike & Madubueze, 2019). According to Dike and Madubueze (2019), the democratic leadership style emphasised human values. Thus, participation in decision-making, rights and respect of employees are emphasised. Democratic leadership style assumes that employees are trustworthy, take responsibilities, challenging the work environment, are self-motivated and involved in teamwork that fosters satisfaction and organisational performance (Dike & Madubueze, 2019). Gastil (1994) identified three functions of democratic leaders which include distributing responsibilities within members, empowering members and aiding deliberation among members. Allafchi (2017) said democratic leaders employed a managerial and behavioural style that emphasised: (1) inputs from subordinates in decision making, (2) allow subordinates to take responsibilities, (3) limited

interference in skill worker's line of responsibility, (4) deliberation, (5) involvement of subordinates in decision making, (6) decency and decentralisation, and (7) encourage teamwork. Kılıçoğlu (2018) said features of democratic leadership style include group participation and guidance, involvement of subordinates in decision making and motivation of subordinates which facilitates human potentials, growth and development.

The transactional leadership style is employed to facilitate incremental change in an organisation (Bowers & Seashore, 1996; Laohavichien et al., 2009). Furthermore, the transactional leadership style employed reward and punishment as principles (Webster & Litchka, 2020). Thus, employees that perform excellently are rewarded while poor performance attracts punishment (Webster & Litchka, 2020). The transactional leadership style clarifies organisational goals and how to accomplish such goals (Hartog et al., 1997; Laohavichien et al., 2009). According to Awamleh et al. (2005) and James and Ogbonna (2013), the transactional leadership style entails the exchange of processes as leaders either reward or sanction subordinates. In the transactional leadership style, the desired behaviour is rewarded while undesired behaviour is sanctioned (Hartog et al., 1997; Laohavichien et al., 2009; James & Ogbonna, 2013).

Also, the literature showed that there are different leadership skills for KM efficiency, effectiveness and organisational performance. According to Farrell (2017), skills are required to nurture and advance KM in an organisation. In the same vein, Barnes and Rennie (2021) said there are diverse leadership skills that enhance team performance. Furthermore, the skill to communicate information and data collected is required by KM leaders because knowledge is created based on information and communication (Farrell (2017). Leaders need to be committed to ensure knowledge is shared through minutes of the meetings, reports, published policies and documentation. On this note, Donate and Pablo (2015), and Ribiere and Sitar (2003) reported that leadership skill such as communication is critical to KM efficiency, effectiveness and organisational performance. Leadership skill of communicating the importance of KM to knowledge workers is essential as it enables knowledge workers to support KM which engenders its success (DeTienne et al., 2004).

In addition, DeTienne et al. (2004) posit that leadership skill of commitment to support learning and knowledge activities is essential to the knowledge-based organisation. Teece (2009) asserts that leader promotes KM best practice through communication as a skill. This study explores three leadership skills for KM efficiency and tax administration performance. These three leadership skills are communication, creative and commitment. This study referred to these three leadership skills as "3Cs" of leadership skills for KM efficiency and tax administration performance.

Tax Administration Performance, Leadership Styles and Skills

Studies have emphasised the need to improve the performance of tax administration (Bird, 2015; Mansor and Tayib, 2015; Ocheni, 2015; Das-gupta et al., 2016; OECD, 2019). According to Bird (2015), improving tax administration performance has been long a concerning issue. Also, OECD (2019) demonstrates the need to improve tax administration performance for the growth and development of economies globally. Other researchers including Ocheni (2015), Mansor and Tayib (2015), Das-Gupta et al. (2016) and Pantamee et al. (2017) confirmed that tax administration performance is critical.

There are several types of research aimed at improving tax administrative performance. On this note, Bird (2015) emphasised eight factors including (1) knowledge of context, (2) principle of simplicity, (3) strategy reformation, (4) consider taxpayer a customer, (5) emphasis on low compliance cost, (6) proper management of IT, (7) focus, and (8) non-compliance should be handled properly. Furthermore, Pantamee et al. (2017) developed a performance-governance framework to improve tax revenue generation. Mansor and Tayib (2015) combined an integrated framework and an open system as a performance management framework to enhance tax administration performance. Das-Gupta et al. (2016) studied the influence of tax administration effectiveness on tax revenue generation. However, literature on leadership styles and skills in tax administration is limited.

METHOD

A qualitative paradigm was employed to understand how leadership styles and skills are connected to KM efficiency and tax administration performance. According to Yin (2009), the qualitative approach is suitable for research that provided answers to "how" and "why" research questions. Therefore, the use of a qualitative approach for this study is justified as it provided an answer to how leadership styles and skills improve KM efficiency and tax administration performance. Furthermore, a single case study of Federal Inland Revenue

Service (FIRS) Abuja in Nigeria was employed to represent developing countries. Gerring (2007) and Mansor (2011) said that the use of a single case study is appropriate when it represents a “critical case” to test the circumstances under study. Therefore, FIRS Abuja can represent a “critical case” in testing how leadership is connected to KM efficiency and tax administration performance in developing countries. This is because KM implementation in tax administration in developing countries is limited. Moreover, the selection of FIRS Abuja is because of low tax revenue generation. A study conducted by OECD (2019) shows tax revenue generation in Nigeria is one of the lowest compared to other developing countries.

This research was conducted in FIRS Abuja which is the body in charge of federal taxes and revenue in Nigeria. Also, FIRS Abuja determines the tax system and process employed in Nigeria. Ethical consideration is very important in any qualitative research. Hence, the application was written to chairman FIRS for data collection and approved. A copy of the interview protocol used for this study was attached to the application. The approved application was forwarded to the head of planning, research and statistics who selected tax officers based on their experience and knowledge in KM from different cadres and departments for the interview session.

Data were collected through face-to-face interviews with twenty (20) leaders who are involved in the KM process in FIRS. Thus, the sample for this study is twenty (20) KM leaders in FIRS. The leaders include head of IT, technical session, “train the trainer”, taxpayer’s information/services, e-tax registration, e-filing, e-stamp duty, e-tax payment, e-receipt, e-tax clearance certificate, training, career and skill development, information exchange, joint tax board, integrated tax administration system, federal engagement and enlightenment tax teams, electronic document and records management system, taxpayer’s education and enlightenment programmes, publishing and disseminating tax teams and knowledge coordinator.

The sample size is based on the saturation level of the case study interview by Bernard (2013). According to Bernard (2013), a sample size between 10 and 20 participants is a saturated level for a case study interview. Data collection via face-to-face interview which employed semi-structured and open-ended interview questions lasted for six months. Participants in the interview were given the interview protocol to study and understand the aims and objectives of the study prior to the interview session. Also, the aims and objectives of the study were explained to the participants before the interview section. Assurance of information confidentiality was given to participants in the interview.

The twenty tax officers were interviewed face-to-face in their offices at FIRS. Depending on responses from tax officers, the interview duration was between 30 and 40 minutes. Sub-themes for leadership styles and skills emerged during the face-to-face interview with tax officers. Sub-themes of leadership styles include democratic and transactional styles while leadership skills are communication, commitment and creativity. Creswell (2007) said the process for qualitative research is emergent. Thus, new processes and themes can emerge because the basic idea behind qualitative research is to learn about a problem or an issue from participants to address research questions and objectives (Creswell, 2007). The face-to-face interview was recorded with a smart voice recorder. Additionally, notes were taken with a pen to complement the recorded interview.

For purpose of validity and reliability of data, the interview data were submitted to each participant after transcription to ensure conformity with their statements. All participants affirmed conformity of the transcribed data with their statements. Moreover, the data collected through interviews were validated with the documentary study of FIRS gauge magazine. Thus, data triangulation was employed for this study.

In addition, NVivo 10 qualitative research software was employed for the analysis of data. The data collected were thematically analysed. The process of the analysis entails interview transcription, data coding, themes selection and identification of connectivity between themes. Based on participants’ responses and objectives of the study, data collected were grouped into two main themes as leadership styles and leadership skills. The two main themes (leadership styles and skills) were further grouped into five sub-themes. On this note, leadership styles are grouped into democratic and transactional styles while leadership skills are grouped into communication, creative and commitment. The next section presents the results of data collected through a face-to-face interview for this study.

RESULTS

This section presents the results of the data collected for this study. Twenty tax administrators were interviewed face-to-face. Table 1 presents the demographic information of participants in the interview. The demographic

information includes gender, age, educational qualification, department/group, employment status and working experience.

Table 1: Demographic Information of Interview Participants

	Items	Frequency
Tax Officers:		
Gender	Male	11
	Female	9
	Total	20
Age	20-30 years	0
	31-40 years	9
	41-50 years	6
	51 years and above	5
	Total	20
Educational Qualification	BSc/HND	11
	MSc/MBA	9
	PhD	0
	Total	20
Department/Group	Domestic taxes group (DTG)	3
	Enforcement group (EG)	3
	Modernisation group (MG)	8
	Compliance group (CG)	3
	Corporate development group (CDG)	3
	Total	20
Employment Status	Permanent	20
	Non-permanent	0
	Total	20
Working Experience	6-10 years	5
	Above 10 years	15
	Total	20

Table 1 shows that 11 males participated in the interview at FIRS while females were 9. Furthermore, 9 participants are between the age of 31 to 40 years, 6 participants are between 41 to 50 years and 5 participants are 51 years and above. As for qualification, 11 participants have BSc/HND as educational qualification and 9 participants obtained MSc/MBA. In continuation, 8 participants were from the modernisation department/group and 3 participants each from domestic taxes, enforcement, compliance and corporate development departments/groups, respectively. All the 20 participants in the interview in FIRS are permanent staff. Lastly, 5 participants have working experience between 6 to 10 years in FIRS and 15 participants have the working experience above 10 years in FIRS.

Leadership Styles and Skills

Leadership styles and skills are critical input factors for KM efficiency and organisational performance. Leadership styles and skills required to improve KM efficiency and performance in organisations vary. Hence, organisations employed different leadership styles and skills to improve KM efficiency and organisational performance. Results of the data collected for this study showed that leadership styles and skills are critical to KM efficiency and tax administration performance. Specifically, participants in the interview identified two leadership styles and three leadership skills that are critical to KM efficiency and tax administration performance. The two leadership styles are democratic and transactional styles while the three leadership skills are communication, creative and commitment. According to the participants, the leadership styles and skills enhance knowledge sharing, creation, transfer and application which improves tax administration performance.

Participants’ responses demonstrated strong connectivity between democratic, transactional styles and leaders that support, promote and stimulate knowledge sharing, transfer, creation and application. Also, there is a strong connection between communication, creativity, commitment skills and leaders that enhanced KM processes in tax

administration. The leadership styles and skills that enhance KM efficiency and tax administration performance according to participants in the interview are discussed in detail below. Data were collected from twenty (20) leaders that are involved in the KM process in tax administration. However, the explanations of the four participants are not in line with the main themes and sub-themes in respect to leadership for this study. Leadership and its main themes and sub-themes are presented in Figure 1.

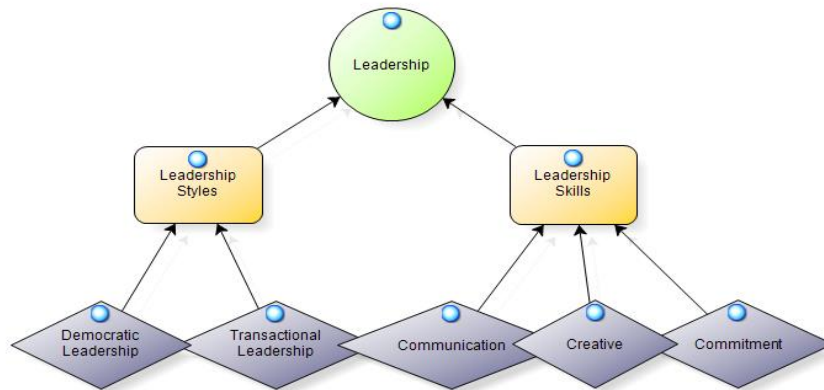


Figure 1: Leadership main themes and sub-themes for KM efficiency and tax administration Performance, Source: NVivo Analysis

Leadership Styles

Effective leadership style is vital for KM efficiency and tax administration performance. There are diverse leadership styles that affect organisational processes and performance positively or negatively. This study found that democratic and transactional leadership styles are connected to KM efficiency and tax administration performance. Data collected from leaders involved in the KM process in tax administration showed that democratic and transactional leadership styles are critical to KM efficiency and tax administration performance. Thus, the expressions of participants in the interview showed that democratic and transactional leadership styles are factors that enhance KM efficiency and tax administration performance. Participants said support, teamwork, guide, involvement of subordinates in decision making, and reward approach employed by leaders enhance KM efficiency and tax administration performance. Figure 2 presents a summary of participants who expressed their opinion about the importance of leadership styles to KM efficiency and tax administration performance.

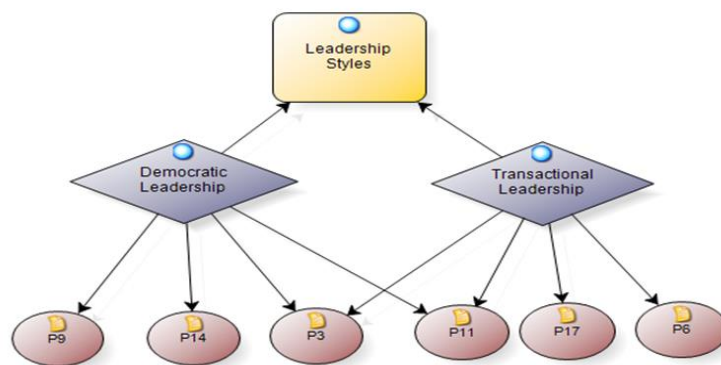


Figure 2: Leadership styles theme for KM efficiency and tax administration Performance, Source: NVivo Analysis
 Note: “P” represents the participant.

Expressions of participants are presented based on sub-theme as democratic and transactional leadership styles. Hence, the next sub-section presents participants’ expressions with respect to the democratic leadership style.

Democratic Leadership Style

“... A democratic leader that has the spirit of teamwork is critical to knowledge management efficiency. Teamwork enhances knowledge sharing and transfer in tax administration. As a leader, you cannot do everything alone. You must have a sense of belonging in whatever you do. He/she should make it a collective work. Leadership is very critical in the knowledge management process and enhance tax administration performance especially democratic leader”
(Participant 9, Director)

“... Democratic leadership style is cogent for knowledge management efficiency and increased tax revenue generation. Democratic leaders involve knowledge workers in decision making which encourages them to stimulate knowledge management and tax administration performance through knowledge sharing”
(Participant 14, Senior Manager)

“... Right leadership styles like transactional and democratic styles are required for knowledge management efficiency. People need somebody to drive them through rewards and put them on right track by telling them this is the right way and principles. People need the right persons who encourage them to be part of the decision-making at The helm of affairs for the organisation to move forward or succeed. Both democratic and transactional leaders improve knowledge sharing and tax administration efficiency”
(Participant 3, Senior Manager)

Transactional Leadership Style

“... Leaders encourage subordinates to share or transfer knowledge through motivation, involvement in decision making and support. Hence, democratic and transactional leadership styles are required in tax administration. These leadership styles are found in some leaders at FIRS” (Participant 11, Assistant Director)

“... Example, a transactional leadership style that emphasised reward is key to knowledge management efficiency. When a leader emphasised on reward, staff under such leader share knowledge freely and work hard in performing their duty” (Participant 17, Tax Officer II)

“... An important leadership style for knowledge management is transactional style. Such leaders are effective and manage human resources well to improve tax collection. Transactional leadership style enhances the success of leaders in diverse organisations”
(Participant 6, Manager)

The expressions cited above demonstrated the importance of democratic and transactional leadership styles to KM efficiency and tax administration performance. Democratic and transactional leadership styles are connected to KM efficient implementation and tax administration performance. This is because democratic and transactional leadership styles encourage knowledge workers to share knowledge freely. On this note, participant 3 said:

“..... Both democratic and transactional leaders improve knowledge sharing and tax administration efficiency” (Participant 3, Senior Manager)

“..... Democratic leadership style is cogent for knowledge management efficiency and increased tax revenue generation. Democratic leaders involve knowledge workers in decision making which encourage them to stimulate knowledge management and tax administration performance through knowledge sharing” (Participant 14, Senior Manager)

“..... An important leadership style for knowledge management is the transactional style. Such leaders are effective and manage human resources well to improve tax collection. Transactional leadership style enhances the success of leaders in diverse organisations”
(Participant 6, Manager)

Leadership Skills

Leadership skills are critical to KM efficiency and tax administration performance. There are different leadership skills. However, this study discovered three leadership skills that enhanced KM efficiency and tax administration

performance. These three leadership skills are communication, creative and commitment. This study referred to these skills as “3Cs” of leadership skills for KM efficiency and tax administration performance. Hence, leadership skills for this study consist of communication, creative and commitment. Participants in the interview who are leaders in the KM process in tax administration, explained that leadership skills (communication, creativity, commitment) are critical to KM efficiency and tax administration performance. Expressions of ten (10) participants showed how leadership effective communication, creativity and commitment are connected to KM efficiency and tax administration performance. Figure 3 depicts a summary of participants who expressed their opinion about the importance of leadership skills to KM efficiency and tax administration performance.

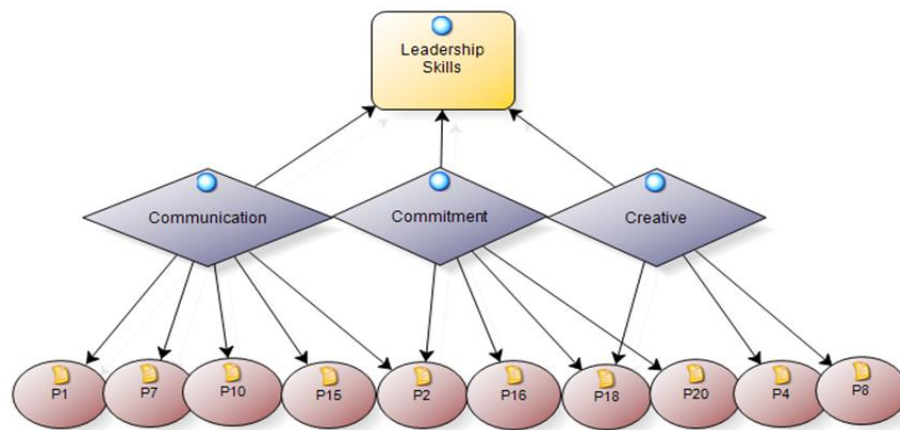


Figure 3: Leadership skills theme for KM efficiency and tax administration Performance, Source: NVivo Analysis

Expressions of participants are presented based on sub-themes as communication, commitment and creative leadership skills. Therefore, the next sub-section presents participants’ expressions with respect to communication leadership skills.

Communication Leadership Skill

“... Skills to communicate information to their subordinate regularly are important. As a head of the department when I attend meetings with the chairman, I communicate decisions taken to my staff so that they can assist to achieve objectives of the department and the organisation” (Participant 1, Deputy Director)

“... A leader should possess skills to always share knowledge acquired from training with subordinates. Most leaders in tax administration in Nigeria communicate effectively, share knowledge and experiences during technical sessions so that others can learn from it...” (Participant 7, Tax Officer I)

“... Leadership skills of effective communication between leaders and subordinates in tax administration at various levels from executive chairman to coordinating directors, directors and units that are being supervised by assistant directors in the headquarters as well as the field tax officers are necessary for success in knowledge management” (Participant 10, Deputy Director)

“... Leadership skill of effective communication is very important to knowledge management. In tax administration, a leader’s communication with subordinates is necessary for smooth administrative operation” (Participant 15, Manager)

Commitment Leadership Skill

“Leadership is key to knowledge management. When you have people at the top who

have skills and commitment or passion for human resources in mind, all things that are needed to aid work will be provided. Such leader is vital for knowledge management efficiency in tax administration” (Participant 2, Assistant Director)

“Leadership is obviously vital to knowledge management efficiency and tax administration performance. Someone needs to be in charge. When a leader in charge of knowledge management and organisation is committed, both knowledge management and organisation achieve its goals” (Participant 16, Tax Officer II)

“... Skillful leaders with a passion for staff are vital to knowledge management effectiveness in tax administration. Leaders with this quality are normally successful because of their commitments which result in efficiency” (Participant 20, Senior Manager)

Creative Leadership Skill

“... Creative and commitment roles of leaders enhance knowledge management and tax administration performance” (Participant 18, Tax Officer II)

“Quality leadership skills of creativity and innovation are important to knowledge management. Therefore, leaderships are critical for knowledge management efficiency to improve tax administration performance” (Participant 4, Manager)

“... For example, Leaders with skills of creativity to impact subordinates. Any successful The organisation is based on good leadership with diverse skills and tax administration is not an exception” (Participant 8, Tax Officer I)

The responses made by these tax officers illustrated connectivity between leadership skills, KM efficiency and tax administration performance. The illustrations demonstrated that leadership skills are essential to KM efficiency and tax administration performance. Leadership skills of communication, commitment and creativity positively influence Knowledge sharing, transfer and application which is cardinal to knowledge management efficiency and tax administration performance. Participants explained that:

“... Creative and commitment roles of leaders enhance knowledge management and tax administration performance” (Participant 18, Tax Officer II)

“... Leadership skill of effective communication is very important to knowledge management. In tax administration, a leader’s communication with subordinates is necessary for smooth administrative operation” (Participant 15, Manager)

Documentary study of FIRS gauge magazine supported interview data collected concerning the leadership styles and skills. The next section is on the discussion.

DISCUSSION

Leadership is a critical factor for KM efficiency (Farrell, 2017; Busanad, 2016; Donate & Pablo, 2015; Merat & Bo, 2013; Buheji, 2013; Yousif, 2012; Girard & McIntyre, 2010) which can improve tax administration performance. This study explains how leadership styles and skills are connected to KM efficiency and tax administration performance. Two objectives that were addressed in this study include: (1) to understand how leadership styles are connected to KM efficiency, and tax administration performance. (2) to understand how leadership skills are connected to KM efficiency, and tax administration performance. Based on the two objectives, this study found that leadership styles and skills are critical to KM efficiency and tax administration performance. On this note, participant 3 said:

“..... Both democratic and transactional leaders improve knowledge sharing and tax administration efficiency” (Participant 3, Senior Manager).

In the same vein, participant 20 stated that:

“... Skillful leaders with a passion for staff are vital to knowledge management

effectiveness in tax administration” (Participant 20, Senior Manager).

With respect to the first objectives, this study found that democratic and transactional leadership styles are essential to KM efficiency and tax administration performance. Participants identified democratic and transactional leadership styles as essential factors for KM efficiency, and tax administration performance. For example, participant 3 stated that: “..... Both democratic and transactional leaders improve knowledge sharing and tax administration efficiency” (Participant 3, Senior Manager). Democratic leaders influence knowledge workers to share, transfer and apply knowledge to achieve tax administration performance through support, teamwork, guide, and encouragement to be part of decision making. Participant 14 explained that:

“..... Democratic leadership style is cogent for knowledge management efficiency and increased tax revenue generation. Democratic leaders involve knowledge workers in decision making which encourage them to stimulate knowledge management and tax administration performance through knowledge sharing” (Participant 14, Senior Manager)

Democratic leadership style which is known as perspective leadership style involves the distribution of responsibilities, mutual respect and encouragement of subordinate participation in decision making. Democratic leadership trait of mutual respect for subordinates, distribution of responsibilities and involvement of subordinates in decision making motivate tax administrators to share and apply knowledge, and work hard to achieve tax administration objectives. Also, the democratic leadership style encourages teamwork which improves KM efficiency, and tax administration performance. According to Mullins (2004), democratic leaders discuss with team members regularly which are highly motivational. Xu and Quaddus (2012) said leadership support is critical to KM efficiency and organisational performance because it expands organisational knowledge. Moreover, regular discussion with knowledge workers as a team enhances KM and tax administration performance. According to Mullins (2004), continuous discussion of democratic leaders with team members motivates them to discharge their duties effectively. Democratic leadership style influence right decision-making and improve organisational performance (Dike & Madubueze, 2019). The functions of a democratic leader such as distributing responsibilities among members, empowering members and aiding deliberation among members can improve KM efficiency and tax administration performance.

Also, the transactional leadership style involved giving rewards and incentives to knowledge workers which motivate them to share, transfer and apply knowledge to improve KM and tax administration performance. Rewards and incentives influence traits and behaviors of knowledge workers to share, transfer and apply knowledge within an organisation. For instance, participants (17 & 6) stated that:

“... Example, a transactional leadership style that emphasised reward is key to knowledge management efficiency. When a leader emphasised reward, staff under such leader share knowledge freely and work hard in performing their duty” (Participant 17, Tax Officer II).

“..... An important leadership style for knowledge management is the transactional style. Such leaders are effective and manage human resources well to improve tax collection. Transactional leadership style enhances the success of leaders in diverse organisations” (Participant 6, Manager).

According to Politis (2002), transactional leadership style influences traits and behaviours of followers through reward/incentives (Politis, 2002). Also, Tan (2016) said monetary and non-monetary rewards motivate knowledge workers to share knowledge in an organisation. Furthermore, workers who performed excellently are rewarded, therefore, motivates tax administrators to work hard. The reward is essential to stimulate knowledge workers' performance to support organisational strategy (Mukhtar & Fook, 2020), attract and retain knowledge workers with skills, expertise and knowledge required to achieve organisational objectives (Tan, 2016). Moreover, reward influences the behaviour of knowledge workers toward knowledge sharing and work in general. According to Ho (2009), leaders promote KM best practice in organisations through effective leadership styles and motivation. Transactional leadership style attributes such as clarification of organisational goals and how to accomplish such goals are essential to KM efficiency and tax administration performance.

With respect to the second objective of this study on how leadership skills are connected to KM efficiency and tax administration performance, participants identified and explained three types of leadership skills that are critical to KM efficiency and tax administration performance. These are communication, commitment and creative

leadership skills. Farrell (2017) stated that the success of KM in an organisation required certain leadership characteristics to foster its processes. Leadership effective communication skills enhance KM efficiency and tax administration performance through the dissemination of tax knowledge acquired in training and meeting. Participant 15 posits that:

“..... The leadership skill of effective communication is very important to knowledge management. In tax administration, a leader’s communication with subordinates is necessary for smooth administrative operation” (Participant 15, Manager).

Farrell (2017) emphasised leadership communication as an essential factor that enhances KM and organisational performance. Knowledge shared by leaders spread in tax organisation and becomes organisational knowledge that is employed for task execution in tax administration. Tan (2016) said sharing of knowledge by a leader act as a driver of knowledge that enhances KM and organisational performance. Also, effective communication skills of a leader institute culture of knowledge sharing among subordinates. Therefore, communication as a leadership skill is critical to KM efficiency and tax administration performance.

Furthermore, leadership commitment skills facilitate the attainment of KM and tax administration objectives. Participant 18 noted that: “... Creative and commitment roles of leaders enhance knowledge management and tax administration performance” (Participant 18, Tax Officer II). Needed knowledge to achieve tax administration objectives are acquired through the commitment of leaders which instilled commitment in subordinates. Liebowitz and Beckman (1998) argued that the lack of commitment of leaders negatively affects KM success in an organisation. The success of KM and tax administration is anchored on the commitment of both leaders and subordinates.

In addition, leadership creative skills are used to create new knowledge to improve KM efficiency and tax administration performance. One of the major processes of KM is knowledge creation. Therefore, the creation of new knowledge is fundamental to KM efficiency and tax administration performance. According to Sahibzada et al. (2020), Chahal and Bakshi (2015), creativity is fundamental to KM efficiency and organisational performance. On this note, participants (4 & 8) stated that:

“Quality leadership skills of creativity and innovation are important to knowledge management. Therefore, leaderships are critical for knowledge management efficiency to improve tax administration performance” (Participant 4, Manager)

“... For example, Leaders with skills of creativity to impact subordinates. Any successful The organisation is based on good leadership with diverse skills and tax administration is not an exception” (Participant 8, Tax Officer I)

The dynamic nature of tax administration requires the continuous creation of new knowledge to be efficient in its service to taxpayers. Creativity stimulates innovation in an organisation. Hence, requires creative leaders that can foster new knowledge and innovation.

Leaders enhance knowledge creation, storage, retrieval, transfer and application (Donate & Pablo, 2015). Leaders drive KM plans in an organisation and align them with administrative strategies, objectives, vision and mission (APO, 2013). Policies that institute a good working environment that foster knowledge sharing, acquisition and application in tax administration are developed and implemented by leaders. Leaders impact directly on administrative culture, approaches and dealings with KM initiatives as they lead by example (Birasnav et al., 2011).

Leadership styles and skills can improve KM efficiency (Donate & Pablo, 2015; Farrell, 2017; Sahibzada et al., 2020), and efficient KM can improve tax administration performance (Sejdija, 2012; Heisig, 2016; Rosdi et al., 2016; Umale et al., 2019; Okoh et al., 2020). KM enhances the speed and quality of information and knowledge dissemination between tax officers and taxpayers (Rosdi et al., 2016). Thus, KM improves services delivered to taxpayers. Improve services delivered to taxpayers enhance compliance by taxpayers and increase tax revenue generation (Bird, 2015). Furthermore, KM increases the speed and quality of task execution in tax administration (Sejdija, 2012).

CONCLUSION AND RECOMMENDATION

Conclusively, this study explains how leadership styles and skills are connected to KM efficiency, and tax administration performance. This research contributes to the literature on leadership, KM and tax administration performance. Drawing from the literature on leadership, KM and empirical study, this research integrates democratic, transactional leadership styles, communication, commitment, and creative leadership skills to enhance KM efficiency and tax administration performance. Thus, democratic, transactional leadership styles, communication, commitment, and creative leadership skills are essential to KM efficiency and tax administration performance. These components of leadership styles and skills enhance support, teamwork, guidance, involvement of subordinates in decision making and rewards/incentives in tax administration. Therefore, motivates knowledge workers to share, transfer and apply knowledge easily to improve KM efficiency, and tax administration performance. Also, the components of leadership styles and skills result in the distribution of responsibilities among members, empowering members and aiding deliberation among members which improves KM efficiency and tax administration performance. Moreover, the leadership styles and skills that are identified can enhance clarification of tax administration goals and how to accomplish such goals. In addition, leadership styles and skills enhance knowledge workers' diligence to work and improve tax administration performance.

Theoretically, this research contributes to the literature on leadership, KM and tax administration. Hence, this research is important to researchers, students and teachers as the literature can be used for further studies. Practically, the leadership styles and skills can be employed as a management strategy to improve KM efficiency, tax administration performance and tax revenue generation which would improve the economies of developing countries. This study is critical and timely because most tax administrations in developing countries, especially Africa have leadership challenges. The leadership challenge is one of the major factors that affect tax administrations in developing countries adversely.

Apart from leadership styles and skills that are studied by this research, there are other factors that can improve KM efficiency and tax administration performance. Therefore, the limitation of this research is that it studied only leadership styles and skills as factors that enhanced KM efficiency and tax administration performance. Other factors which can improve KM efficiency and tax administration performance include training and information technology. Therefore, future research needs to explore the connection of other factors to KM efficiency and tax administration performance.

TRANSPARENCY STATEMENT

The lead author Deng Alan affirms that this manuscript is an honest, accurate, and transparent account of the study being reported; that no important aspects of the study have been omitted; and that any discrepancies from the study as planned (and, if relevant, registered) have been explained.

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CONFLICT OF INTEREST

The author hereby declares that there is no conflict of interest in this study.

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