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Commentary

Strategy Formulation, Training, and Development in Tanzania's Public Sector: A Case of the Tanzania Revenue Authority

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Abstract: *The Tanzania Revenue Authority (TRA), like other public institutions, helps its staff improve their skills and expertise. Additionally, the study aims to develop a plan for achieving the objectives related to tax revenue collection. The study's goal is to evaluate strategy formation, training, and development in Tanzania's public sector, using the Tanzania Revenue Authority as an example. This study employed a qualitative research technique, using secondary data as the kind of data and a documentary review from the TRA 6 Corporate Plan 2022-2027, as well as 10 publications from Google Scholar and Semantic Scholar, as the data-gathering instrument. The study discovered that strategy design, training, and development affect organisational success at TRA. The report advised that the TRA continue to apply International Standard Organisation (ISO) protocols requiring workers to participate in training to boost effectiveness and efficiency. In addition, short- and long-term strategies should be developed from low to high levels of management.*

1.0 INTRODUCTION

The Tanzania Revenue Authority (TRA), like other public institutions, helps its staff improve their skills and expertise. TRA employs a variety of tactics to increase staff capacity, one of which is training. TRA is now implementing its sixth corporate strategy, which outlines the best ways to improve training. The Tanzania Revenue Authority has a taxpayer education section that is concerned with expanding the skills and knowledge of its employees and taxpayers, as well as a training budget to guarantee that goals are met. TRA has also created the Institute of Tax Administration (ITA), with one of its goals being to improve employees' competence to deal with tax difficulties. The institution has designed both short-term and long-term courses. Although tax officers are promoted depending on their degree of experience after a certain number of years, TRA must undergo an ITA training in order to be promoted.TRA uses various forms of training, such as radio sessions, TV sessions, and social media platforms such as Facebook, Twitter, and Instagram, to share tax skills and knowledge with its taxpayers. The goal of the training is to improve tax compliance and thus collect enough

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revenue (Biron et al., A. 2024).TRA has established ARUT, an online appraisal management system for employees. This method allows employees to assess their individual performance against Key Performance Indicators (KPIs). This system also assists with employee welfare concerns, like leaves and asset declarations, as well as containing all human resource issues pertaining to workers (Abdullah et al., 2024). Strategy formulation is the process of leveraging existing knowledge to document a company's planned direction and practical measures to achieve its objectives (Destriana et al., 2024). This procedure is used to allocate resources, prioritise tasks, ensure organisational alignment, and validate corporate objectives (Espinosa and Pino, 2025). Formulating an effective strategy may help your organisation share a common vision, identify biases by investigating the reasons behind goals, and measure success using quantifiable Key Success Indicators (KPIs). The Tanzania Revenue Authority implements strategy formulation because senior management employs a corporate strategy, and employees utilise an operational strategy. The plan formulation aids the corporation in achieving organisational performance. Strategy design necessitates a series of six phases for optimal execution (TRA 6 Corporate Plan 2022-2027). The steps are:

i. Organisation definition
ii. Strategic mission definition
iii. Strategic objectives definition
iv. Competitive strategy definition
v. Strategies implementation
vi. Progress evaluation

2.0 Literature Review.

This part describes the theoretical and empirical literature reviews for the research. Previous studies from other countries were used.

2.1 Theoretical Literature Review.

This study used human resource capital theory. There is an association between human capital theory and the study.

2.1.1 Human Capital Theory.

This is mainly based on human resource capital theory (Schultz, 1961), resource-based theory (Barney, 2017), and the expectation hypothesis. Human resources have been squandered. become a critical component for organisations seeking a competitive edge, especially in this era of globalisation (Hssan & Mahmood, 2016). According to Iftikhar (2015), in order to succeed in this extremely competitive sector, businesses must prioritise employee satisfaction.

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2.1.2 Review of Empirical Literature.

Human resource management has recently been a prominent focus for many businesses. Human resources are constantly pushed to deliver a sustained competitive edge. Individual, team, and organisational success are all dependent on organisational efficiency. The study is based on the Ability, Motivation, and Opportunity (AMO) theory, which states that the formula Performance = Ability + Motivation + Opportunity to participate serves as the foundation for developing HR systems that cater to employees' interests, particularly their skill requirements, motivation, and work quality (Blackbank 2016).

HR strategies promote corporate success by fostering discretionary effort, dedication, competence, skill development, and organisational culture. The theory leads the study since it is generally regarded for predicting the impact of HR practices on organisational success. Managers' approaches to people management, as well as a healthy corporate culture underpinned by strong, value-based leadership, may affect organisational performance.

A formal definition of training and development is any endeavour to improve the performance of an existing or prospective employee via learning, often by altering the employee's attitude or widening his or her skills and knowledge (Imma and Hassan 2015). According to the findings, in order to have a significant influence on organisational performance, training and development should be linked to career advancement.

Training improves employee performance by enhancing employee motivation through employee recognition, alignment with organisational goals, successful leadership attributes, and motivation for work performance. Training in specialist business strategy skills improves employee capabilities and company performance by linking training programs to corporate strategic objectives.

Employee assessment is a systematic study of an employee's performance and potential for advancement over time conducted by supervisors or others familiar with their work. Performance management is the process of planning, analysing, offering feedback, and coaching workers or teams to enhance their performance (Presad 2017). Performance evaluation is a critical tool for any business since it provides incredibly important data for decision-making on subjects such as promotion, rewards, transfer, discharge, training, and development. If the Performance Appraisal System is successfully implemented, employees will know how well they are performing and what is expected of them in terms of future job performance and effort (Iqbal et al, 2015). To boost performance, businesses must have a clear performance management approach. The work environment, which includes a number of variables, governs how people carry out their obligations. A pleasant and inclusive workplace atmosphere will improve employee performance, hence improving organisational performance (Nanzushi, 2015). The workplace environment includes both physical and behavioural components. These components can be considered independent variables. An organisation's physical environment, as well as its design and layout, can influence employee behaviour in the workplace. While the office environment influences employee performance, the behavioural workplace environment has a higher impact (Leblebici 2012). Enu-Kwasi and Koomson (2014) investigated the factors influencing employee retention in Ghana's commercial back office in Kumasi. Using correlation analysis, the study discovered that communication, justice, and fairness were associated with low employee retention rates. To increase retention, the research suggested that employees and branch managers work together to analyse current regulations governing communication, justice, and fairness. On the other side, Kwenin (2013) investigated the link between the work environment, career development possibilities, and employee retention at Vodafone Ghana Limited.

3.0 RESEARCH METHODOLOGY

This study used a qualitative research approach whereby secondary data was used as a type of data, while a documentary review from the TRA 6 Corporate Plan 2022-2027 and 10 articles from Google Scholar and Semantic Scholar were used as the tools of data collection.

4.0 INSIGHTS

4.1 Advantages of Implementing Training and Development at TRA.

Help achieve the revenue collection objective. The revenue collection was one of the key difficulties that prompted the TRA to achieve the organisation's aim. TRA uses training as a tactic to ensure targets are met.

Help to meet the standards set by the International Standard Organisation. One of the ISO processes is to deal with customer concerns; therefore, in order to handle the TRA process, it is critical to guarantee that the ISO requirements are stored and the organisation's goals are reached on time (Moderno et al., 2024).

Enhance efficiency and effectiveness. Through training and development, the TRA can improve revenue collection performance in comparison to the government's targets. The TRA uses departmental tactics to archive revenue collection objectives.

Meet the customers' wishes and needs. Customers (taxpayers) can be satisfied with excellent customer service and hence pay their taxes, allowing the government to raise income.

4.2 Importance of Strategy Formulation to TRA

Allow your organisation to have a single, clear vision. Through strategy implementation, Tanzania's Revenue Authority may communicate its vision to workers and other stakeholders. It is critical to ensure that stakeholders and consumers understand the vision to improve functional efficiency and hence achieve organisational goals.

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Examining the reasons behind goals might reveal biases. Every organisation must achieve its goals; therefore, TRA employs various tax collection tactics, such as highlighting the issuance of fiscal receipts to taxpayers and the prompt payment of taxes. Thus, the strategy helps the TRA achieve its targets and achieve the organisational objectives.

Measure performance using key performance indicators (KPIs). TRA employs ways to measure employee performance to achieve revenue collection; therefore, it is critical to develop a plan to assist revenue collection and so fulfil the government's aim of collecting taxes.

4.3 Challenges facing Implementation of training and development at TRA.

Lack of finances. Because of TRA's funding constraints, certain training programmes have failed; therefore, training is critical to supporting the company's business goal.

Lack of competence. A lack of trainers at TRA causes the training process to fail; thus, it is critical to guarantee that TRA has a large number of experts to finish the process successfully. Increase training and development at TRA.

Plans for insufficient resources. Training plans are critical to supporting the training process so that everyone understands the goal of training.

A poor syllabus. There are not enough Syllabi that outline the training programme method; thus, there is a need to alter them so that they can handle the training process.

4.4 Challenges Facing Strategy Formulation at TRA

Poor goal setting. Strategic goals are sometimes wide and sophisticated objectives that need the deployment of several resources from numerous departments and locations. Setting stated goals across teams will lead to more clarity regarding priorities and responsibilities.

There may be an issue with goal alignment. Even with proper goal-setting, teams and individuals may experience a lack of alignment, which frequently leads to prioritisation issues and collaboration friction, derailing their day-to-day attempts to achieve the strategic goal. The most typical cause of strategic misalignment is nonstrategic duties that people are accustomed to performing. Nonstrategic objectives are often prioritised since they are common and straightforward to attain.

The inability to track progress is a typical source of strategy misalignments. Many businesses continue to utilise spreadsheets to track objectives. Such techniques can be helpful for both managers and employees, but they make it challenging to aggregate results or give transparency. Worse, its use limits the ability to manage strategic goals in real time.

Individuals unconnected to the strategy. People in general want order and consistency, so we are more likely to pursue an operational tactical emphasis in which our efforts provide immediate results. Unfortunately, strategic goals are rarely so straight forward and limited in scope, so how can we encourage others to work differently? The ideal method is to bring individuals closer to strategy by merging professional goals and personal interests. For example, they can learn new skills, take on more responsibility, collaborate with new people and teams, and work on "strategy teams" outside of their industry.

There are no statistic or lead indicators. Without measurement, how can you manage people and conditions that might imperil a strategic goal? Goals should be monitored, recorded, and controlled. Leading indicators, such as predictive analytics, influence management discussions at all levels.

4.5 Ways forward to implement training and development at TRA.

Increase the budget. Enough funding for training programmes is critical to increasing their efficacy and efficiency. As a result, the director of human resources and administration emphasises the need for allocating sufficient funds to make the training process easier, hence increasing staff capacity.

Increase the quantity of trainers. Increase the number of tutors and lecturers to make the training programme more effective; therefore, there is a need to increase the number of lecturers to achieve the organisation's aim.

Improve the curriculum. The curriculum should be tailored to the taxpayer's wishes and needs in order to document voluntary tax compliance.

4.6 Way forward to take Strategy Formulation at TRA

Ensure that your entire organisation has implemented a goal-setting framework. The objectives and key results (aka "OKRs") technique is emerging as the new norm; however, utilising SMART goals (specific, measurable, achievable, relevant, and timely) is preferable to nothing. Make sure that there are established best practices for writing goals. Each manager should be accountable for his or her team's goals. If no best practices are being followed, set OKRs.Establishing explicit alignment on who is working on which strategic target, as well as what those objectives are, will enable those individuals to prioritise strategic objectives above nonstrategic objectives. This is especially true if you can see the alignment directly through the hierarchical structure.Consider using strategy execution platforms like Tanics, AchieveIt, or Rhythm Systems to alter the way this game is played. Managers and workers, particularly millennials, demand immediate direction on why and what is essential. By strengthening alignment, transparency, cooperation, and manageability, an organisation may quickly achieve more efficiency and performance. Knowing the score enables an organisation and everyone involved with that strategic aim to change their game to maximise the outcome (Ochuba et al., 2024). Allow people to choose their own strategic goals to capture their ambitions and preferences. Managers then seek to connect the employee's goals with the overall strategic plan. Change the accent from "an employee working inside a department" to "an employee working towards a company's strategic goal as part of a strategic team."Adopt technology that offers predictive analytics on target

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achievement. Tanics, for example, uses a proprietary algorithm to anticipate individual objectives based on the time span and timing of achievement updates (Sarwar & Mustafa, 2024). This serves as a checkpoint for leaders, managers, and employees to assess their present priorities and allocations. Predictive analytics is not a precise science, but it does give a perspective on how an objective is progressing. The more visible a goal is, the more likely it will be handled.

5.0 CONCLUSION AND RECOMMENDATIONS

TRA believes that without personnel training, it would not be able to meet revenue collection objectives. TRA makes significant efforts through the departments of human resources and administration to guarantee that the approved training budget will be sufficient to fund training and development. The TRA is now implementing International Standard Organisation processes that require workers to participate in training to boost effectiveness and efficiency. TRA must implement the strategy formulation to preserve the organisational goals. TRA was formed with some techniques in order to execute the government's revenue-collecting targets.

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