IJAAR PUBLISHING®

International Journal of Advanced Academic Research | ISSN: 2488-9849
Vol. 11, Issue 8 (2025) | www.ijaar.org

# BENCHMARKING AND ORGANIZATIONAL PERFORMANCE IN BENUE STATE INTERNAL REVENUE SERVICE (BSIRS).

**BY**

Ojiba, Chinwe Vivian (Ph.D)
Department of Business Administration, Collage of Management Sciences,
J. S. Tarkaa University (Formerly Federal University of Agriculture) Makurdi
nnajichinwevivian@gmail.com

&

Yande, Harriet Mnena (Ph.D)
Department of Business Management, College of Social and Management Sciences,
University of Mkar, Mkar Gboko, Benue State.
yandeharrietmnena@gmail.com

**Abstract**
*The study examined the effect of Benchmarking on organizational performance in Benue State Internal Revenue Service (BSIRS). The purpose of the study was to determine the extent to which competitive and internal benchmarking affects performance in Benue State Board of Internal Revenue Service. The Research design used was descriptive survey design, and the Taro Yamen formula was used to achieve a sample size of 226 from the population of 517 employees of Benue State Internal Revenue Service. The questionnaire was used for this study as the research instrument. Multiple Regression Analysis was used to determine the effect of independent variables on dependent variables. Based on the findings of the study, it was therefore concluded that competitive and internal benchmarking has significant effect on organizational performance in Benue State Internal Revenue Service. It was recommended that Benue State Internal Revenue Service should adopt the culture of competitive benchmarking by comparing the organizational functions and process with other organizations which would lead to incremental innovation.*

**Key Words:** Benchmarking, Competitive benchmarking, Internal benchmarking, and Organizational performance.



Ojiba, C. V. & Yande, H. M. (2025). Benchmarking and Organizational Performance in Benue State Internal Revenue Service (BSIRS). *International Journal of Advanced Academic Research*. *11*(8), 102-108. DOI: https://doi.org/10.5281/zenodo.17433305

## 1.0 Introduction

Benchmarking has proved to be valuable in various sectors in both developing and developed economies. Benchmarking is considered as one of the top recommended technique for enhancing organizational performance. Therefore, the performance of any organization depends largely on the employed techniques and tools, which should be flexible enough to accommodate change and achieve organizational goals. Benchmarking as used in this study is the process of continually improving the business or the organization by evaluating the scope for improvement, comparing the current position with that of the previous one or with the business practices of the relevant competitors, thereby establishing standards to be achieved (Kay, 2007). However, comparing data and copying the best practices from other organizations are not considered as benchmarking. Instead, benchmarking is a broad process that seeks to know strengths and weaknesses in organization to apply the best practices that are learned from other organizations.

Organizational performance is based upon the idea that an organization is the voluntary association of productive assets, including human, physical, and capital resources, for the purpose of achieving a shared purpose (Alchian & Demsetz, 2012). The value creation, as defined by the resources provider, is the essential overall performance criteria for any organization. Organizational performance encompasses three specific areas of firm outcome: Financial performance (profits, return on assets, return on investment, etc), Product Market Performance (sales, market share etc) and Shareholders Returns (total shareholders return, economic value added.

Benchmarking is considered as one of the top recommended technique for enhancing organizational performance, therefore, the performance of any organization depends largely on the employed techniques and tools, which should be flexible enough to accommodate change and achieve organizational goals. In the literature, many tools and techniques can help in enhancing organizational performance such as Benchmarking.

Benue State Internal Revenue Service (BSIRS) is a major revenue-generating agency of the State saddled with the responsibility of collecting all forms of taxes within its jurisdiction. Just like other organizations in the state, BSIRS also partake in benchmarking.

### 1.2 Statement of the Problem

Ideally, benchmarking involves evaluating the other company business process, adopting them to incorporate best practices to improve performance, search for innovative ideas and gain a competitive advantage. It was observed that BSIRS do not imbibe the true culture of benchmarking by adopting both internal expertise knowledge and competitive abilities. This to an extent may affect the quality of work life, quantity of service, timeliness of work produced and job satisfaction in the organization. The extent to which benchmarking have affected the organizational performance in (BSIRS) is therefore, the focus of the study.

### 1.3 Objectives of the study

The main objective of the study is to examine the effect of Benchmarking on organizational performance in Benue State Internal Revenue Service (BSIRS). However, the specific objectives were to:

i. Determine the extent to which competitive benchmarking affects organizational performance in Benue State Internal Revenue Service.
ii. Ascertain the extent to which internal benchmarking affects performance in Benue State Board of Internal Revenue Service.

### 1.4 Research Hypothesis

i. Competitive benchmarking has no significant effect on organizational performance in Benue State Board of Internal Revenue Service.
ii. Internal benchmarking has no significant effect on organizational performance in Benue State Internal Revenue Service.

## 2.0 Literature Review

### 2.1 Theoretical Framework

The study adopted Resource-based view which was developed by Barney (1991). The theory posits that internal and external resources of an organization influence the performance of the organization. The RBV deals with competitive business environment faced by organizations but take an inside-out approach i.e. it starts with analysis of organizational internal and external environment. It's an efficiency theory that achieving efficiency and effectiveness in an organization. This leads to sustainable competitive advantage of an organization. RBV has become one of the dominant theories to analyze sustained competitive advantage (Bridoux, 2015). It is an efficiency perspective which means organizations can create a competitive advantage by exploiting resources to improve efficiency and effectiveness in order to enhance organizational performance (Barney, 1991). The importance of these resources would differ based on their significance to the organization and their creation of added value, which leads to future competitive advantage. Makadok (2001) stated that the effect of RBV in competitive advantage lies in the resources, which enhance competitive advantage.

Therefore, an organization needs to develop the technique of choosing the resources with considerable potential value to its performance. RBV considers the organization as a set of resources and capabilities, where such resources are classified into tangible and intangible resources.

The resource based theory would help Benue State Internal Revenue Service to develop the technique of choosing the resources with considerable potential value to its performance by understanding their own processes, finding and learning from others whose processes are better than their own, then adopt that learning to improve their organizational performance. Thus, it can be stated that benchmarking contains all previous advantages that can comprise the basis of sustainable competitive advantage.

### 2.2 Concept of Benchmarking

Benchmarking is the process of continually improving the business or the organization by evaluating the scope for improvement, comparing the current position with that of the previous one or with the business practices of the relevant competitors, thereby establishing standards to be achieved (Kay, 2007). Benchmarking does not focus just to bring some changes rather its main aim is to add significance to the establishment (Ahmad, Jalagat, Alulis & Aquino, 2021).

The study adopted two dimensions of benchmarking namely; competitive benchmarking and internal benchmarking because they are more applicable to the study as compared to the others.

Competitive benchmarking compares how well (or poorly) an organization is doing with respect to the leading competition, especially with respect to critically important attributes, functions, or values associated with the organization's products or services. Internal

benchmarking on the other hand is the comparison of practices, procedures, methods and performance that is done between teams, individuals or groups within an organization.

### 2.3 Concept of Organisational Performance

Organizational performance as the actual results or output of an organization as measured against that organization's intended outputs. Organizational performance is based upon the idea that an organization is the voluntary association of productive assets, including human, physical, and capital resources, for the purpose of achieving a shared purpose (Alchian & Demsetz, 2012). The measures of Organisational performance adopted in this study include Quality of work produced, Quantity of work produced and Timeliness of work produced Quality of work produced is a measurement of the effectiveness of the products and services provided by an organization. Quantity of work refers to the number of work produced by the employees and the employees unit while Timeliness refers to the actual time of work produced by employee, which is how fast, when, or what the date the employee or work unit produced the work

### 2.4 Review of Related Empirical Studies

Catherine (2017) assessed the Role of Benchmarking on Performance of Supermarket: A Case of Supermarket in Kisii County. The specific objectives of the study were to ascertain the relationship between competitive benchmarking, generic benchmarking, external benchmarking and functional benchmarking with performance of supermarket in Kissii County. The study adopted descriptive survey research design. The population of the study was 25 employee of the supermarket. The study used questionnaire as instrument of data collection. The data collected were analyzed using descriptive statistics; mean scores to answer the research questions while inferential statistics such Pearson Correlation Analyses was adopted in the test of hypotheses at 0.05 level of significance. The results of the study showed that, there is significant relationship between variables of benchmarking such as competitive benchmarking, generic benchmarking, external benchmarking and functional benchmarking and performance of supermarket in Kissii County.

Ahmad, Jalagat, Alulis & Aquino (2021) evaluated Benchmarking for Competitive Advantage and Organizational Performance in the banking sector. Specifically, it examined benchmarking through internal and external comparison and their impacts on organizational performance of the banking sector. It therefore proposes a conceptual framework that hypothetically links benchmarking, competitive advantage, and organizational performance. It also highlights the different critical aspects of the benchmarking and its process which are necessities for successful implementation. Based on the previous empirical review, it was concluded that benchmarking through internal and external comparison significantly impacts the organizational performance of the banking sector.

## 3.0 Methodology

The study adopted descriptive survey design, and the Taro Yamen formula was used to achieve a sample size of 226 from the population of 517 employees of Benue State Internal Revenue Service consisting of 130 junior employees and 96 senior employees. The questionnaire was used for this study as the research instrument. Various statistical methods used in analyzing the data includes: frequency, percentage and tables. Multiple Regression Analysis was used to determine the effect of independent variables on dependent variables.

In the study, organizational performance was considered as a function of benchmarking. A regression model was developed for the study and the implicit modified form of the model was given as:

$OP = f(BM)$……(1)

$OP = f(X_1, X_2)$……..(2)

Where:

OP= Organizational performance (dependent variable)

BM= Benchmarking (independent variable)

$X_1$ = Competitive benchmarking

$X_2$ = Internal benchmarking

The explicit form of the model for the study was;

$OP = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$……(3)

Where;

OP= Organizational performance

$\beta_0$ = intercept of the mode (Constant)

$\alpha$ = Constant

$\beta_1, \beta_2$ =parameter estimates

$\varepsilon$ = error term

**A Priori Expectation**

$\beta_1 > 0, \beta_2 > 0$

Based on statistical theory, $\beta_1$, $\beta_2$, $\beta_3$ and $\beta_4$ are expected to have positive signs implying a direct positive relationship with the dependent variable (organizational performance). This was because the positive effect of these variables would affect the organizational performance in Benue State Internal Revenue Service (BSIRS).

## 4.0 Results and Discussion

### 4.1 Result of Regression Analysis

The result of the multiple regression analysis carried out was presented in the Model summary Table, ANOVA Table and Coefficient Table.

### 4.2 Model Summary

The findings of the study in Model Summary Table revealed that the multiple regression model had a coefficient of determination ($R^2$) of about 0.590. This means that 59.0 % variation of organizational performance in Benue State Internal Revenue was explained by competitive benchmarking, internal benchmarking, external benchmarking and process benchmarking.

**Model Summary Table**

| R | R Square | Adjusted R Square | Std. Error of the Est | Durbin-Watson |
|---|---|---|---|---|
| .768 | .590 | .583 | .556 | 1.627 |

a. Predictor: (Constant), Competitive benchmarking, Internal benchmarking,
b. Dependent variable: Organizational performance

### 4.3 Analysis of Variance

The findings were supported by ANOVA (F test) result as presented in the ANOVA Table which shows that the model was fit or none of the parameters was equal to zero hence significant ($F = 29.244$, $P < 0.05$). In addition, Durbin Watson test had value less than two indicating minimal autocorrelation with no effect on the study output (Watson value = 1.627).

**Analysis of Variance (ANOVA) Table**

| | Sum of Square | df | Mean Square | F | Sig |
|---|---|---|---|---|---|
| Regression | 116.975 | 4 | 29.244 | 94.435 | .000 |
| Residual | 81.443 | 263 | .310 | | |
| Total | 198.418 | 267 | | | |

a. Dependent variable: Organizational performance
Predictor: (Constant), Competitive benchmarking, Internal benchmarking,

### 4.4 Multiple Regression Coefficients

The result as presented in Multiple Regression Coefficient Table below revealed that organizational performance would be increase by 67.7% when other independent variables are zero and if competitive benchmarking changed by one unit, then organizational performance would changed by 0.196. At the same time, for a unit change in internal benchmarking, organizational performance would change by 0.756.

**Multiple Regression Coefficients Table**

| | B | Std. Error | Beta | T | Sig |
|---|---|---|---|---|---|
| (Constant) | .677 | .246 | | 2.757 | .006 |
| Compt. benchmarking | .196 | .050 | .183 | 3.952 | .000 |
| Internal benchmarking | .756 | .051 | .689 | 1.968 | .000 |

a. Dependent variable: Organizational performance

### 4.5 Discussion of Findings

Findings revealed that competitive benchmarking has positive significant effect on organizational performance in Benue State Internal Revenue Service ($\beta_1$ = 0.183; p-value = 0.000< 0.05). The finding was in conformity with Catherine (2017) who found that there is positive significant relationship between competitive benchmarking and organizational performance. The result from the study also revealed that internal benchmarking has positive significant effect on organizational performance in Benue State Internal Revenue Service ($\beta_2$ = 0.689; p-value = 0.000< 0.05). The findings of the study corroborate the works of Ahmad, Jalagat, Alulis & Aquino (2021) that benchmarking through internal comparison significantly impacts the organizational performance of the banking sector.

## 5.0 Conclusion and Recommendation

### 5.1 Conclusion

Based on the findings of the study, it was concluded that variables of benchmarking are effective tool in accomplish continuous improvements in organization operations, where it provides the necessary information, helps to know shortfalls in performance and ultimately, sets the priorities that in turn results, in achieving objectives.
The study therefore concluded that competitive and internal benchmarking has significant effect on organizational performance in Benue State Internal Revenue Service.

### 5.2 Recommendations

Based on the findings of the study, the following recommendations have been proffered:

i. Benue State Internal Revenue Service should adopt competitive benchmarking by comparing the organizational functions and process with other organizations which would lead to incremental innovation.

ii. Management of Benue State Internal Revenue Service should increase the level of internal benchmarking in their organization because internal benchmarking requires less time and resources. The management should apply SWOT analysis method while doing internal benchmarking since the method help in identifying their strengths, weaknesses, opportunities, and threats of the organization and therefore improve performance of the organization.

**References**

Ahmad, S., Jalagat, R.C., Alulis, I. and Aquino, P.G. (2021). Benchmarking for Competitive Advantage and Organizational Performance: Proposed Framework. *Vidyabharati International Interdisciplinary Research Journa*l 12(1), 2319-4979

Alchian, A. and Demsetz, H. (2012). Production, Information Costs, and Economic Organisation. American Economic Review, 62, 777-795.

Barney, J. B. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management, 17*(1), 99-120.

Bridoux, F. (2015). *A Resource-based Approach to Performance and Competition: An Overview of the Connections between Resources and Competition* (No. IAG Working Papers (2004/110)). UCL

Catherine, B.O. (2017). Assessing the Role of Benchmarking on the Performance of Supermarket. A Case of Supermarket in Kissi County. A Research Report Submitted to the School of Undergraduate Studies, Kisii University in Partial Fulfillment of the Requirement for the Award of a Diploma in Purchasing and Supplies Management of School of Business and Economics.

Kay, J. (2007). Healthcare Benchmarking. The Hong Kong Medical Diary: *Medical Bulleting*, 12(2), 22-27.

Makadok, R. (1996). Toward a Synthesis of the Resource-based and Dynamic-capability Views of Rent Creation. *Strategic Management Journal*, *22*(5), 387-401.