

**STRATEGY IMPLEMENTATION AND PERFORMANCE OF KENYA
REVENUE AUTHORITY**

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**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS IN
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DECLARATION

This research project is my original work and to the best of my knowledge has not been submitted for an award to any University.

Signature..... Date.....

JAMES OMBUI OBIERO

D53/OL/CTY/29826/2014

The research project has been submitted for examination with my approval as the University Supervisor

Signature.....Date.....

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DEDICATION

This research project is dedicated to my beloved family for their love and unwavering support in my studies.

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ABBREVIATIONS AND ACRONYMS

APL	Action Profit Linkage
KRA	Kenya Revenue Authority
RBV	Resource Based View
SCA	Sustainable Competitive Advantage
SWOT	Strength, Weakness, Opportunities and Threats
TMDM	Total Measurement development method

OPERATIONAL DEFINITION OF TERMS

Strategy implementation	Is a process by which strategies are put into action through development of programs, budgets and procedures.
Organisational performance	Comprises the actual output or results of an organization as measured against their budgets which are goals and objectives.
Resource allocation	Resource allocation ensures provision of time, financial, human and knowledge resources vital for strategy implementation.
Performance targets	Focus on the outputs of an organization such as product quality, revenues or profits. These targets are called key performance indicators.
Strategy communication	Communicating strategy means exchanging information regarding a change in systems, processes and behavior in the firm.
Strategy supervision	This practice involves direct control of strategic decisions by one or a few individuals.

ABSTRACT

Public sector entities globally face performance challenges due to bureaucracy, high competition from the private sector, limited capacity technologically and human resource, corruption and poor strategic management. Kenya Revenue Authority is charged with the responsibility of collecting revenue on behalf of the Government of Kenya. After inception in 1995, the Authority exceeded the targeted collections till 1998/1999 financial year when it fell short of meeting the target revenue collection. This trend of declining performance in revenue collection persisted till the 2003/2004 financial year when the Authority recovered and surpassed the revenue collection targets. However in last 5 years the authority has still failed on its revenue collection targets. KRA needs to foster and encourage determination and persistence in the strategic performance. The study sought to find out the major influence that concept of strategy implementation has on the performance of Kenya Revenue Authority. The objectives of the study were to establish effect of resource allocation, performance targets, communication and strategy supervision on performance of Kenya Revenue Authority. The study was based on Resource based view theory, Mckensy's 7s theory of strategy implementation and the theory of constraints. The study used descriptive research design and a population of 150 respondents was considered. Quantitative data collected was analyzed by the use of descriptive statistics using SPSS (Version 22) and presented through percentages, means, standard deviations and frequencies. In addition, the study conducted a multiple regression analysis to estimate the model for the study. The study had a coefficient of correlation R of 0.869 an indication of strong of correlation between the variables and a coefficient of adjusted R^2 was 0.749. The study found out that resource allocation, performance target strategy communication and strategy supervision significantly influenced firm performance of KRA. The study concluded that KRA employees perform their tasks accurately, KRA have information systems to improve the way employees performs their duties, KRA allocates sufficient funds to implement its strategies and have experienced employees in strategy implementation. Performance targets are set with outputs in mind and in terms of revenue collection. Performance targets focus on change in revenue collection and are set in line with customer satisfaction. Clear strategy communication had improved KRA performance, support from senior management had promoted realization of targets at KRA and regular departmental evaluations promote organizational performance at KRA. Senior management provides a strong support fit for strategy implementation, senior management are directly involved in strategy implementation and have direct influence on strategy implementation. The study recommends that KRA ought to allocate sufficient funds to implement its strategies and have experienced employees in strategy implementation. Performance targets ought to focus on change in revenue collection and set in line with customer satisfaction. Regular departmental meetings at KRA ought to be held to share the targets for each employee, senior managers ought to be responsible for ensuring set targets are met and strategies formulated at KRA ought to be clearly communicated across all affected departments and senior management ought to support the implementation of strategies at KRA.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Strategic ideas have no value unless they are implemented and strategy implementation is the most important element of the strategy management process. Thompson and Strickland (2012) observe that successful strategy implementation depends upon the skills of working through others, organizing, and motivating. Implementation practices play a major role in controlling and monitoring of strategy by gauging performance against plan, frequently reviewing strategy into action and building an organization culture which should be aligned to the strategy. It is also important to identify appropriate resources and competences to support strategy, in addition allocate resources appropriately and control performance (Johnson and Scholes, 2007). Therefore, the organization needs trained and motivated managers, responsive systems and structure to ensure organization optimal performance (Macmillan & Tampoe, 2010).

Strategic management comprises various theories that support efficient and effective strategy implementation practices in the modern business today, which is confronted with unique challenges caused by rapidly changing environment and diversity (Haynes and Murkhjee, 2001). Profit maximizing and competition theory is the driver of any organization as it ensures competitive advantage but to ensure sustainable competitive advantage organizations should focus on human resources management which leads to resource based theory.

Successful strategy implementation requires the input and cooperation of all players in

the company. Implementation of strategies requires linkage in two dimensions both vertical and horizontal. To ensure successful strategy implementation, it is also important to maintain strategic control of critical environmental factors affecting the viability of strategic plan and assess the effects of strategic actions to ensure the strategic plan achieves its goal (Zhao, 2015).

1.1.1 Organizational Performance

Performance is a measure of an organization's financial condition or financial outcomes resulting from management decisions and carried out by organization members. The size of performance reflects the strategic decisions, operational and financing (Fening, 2012). The analogy, finance is the heart of corporate, business strategy planning must be balanced by financial planning strategy. Any decision or business opportunity that taken should be adjusted according to calculations, weather it really profitable company or not. Significant information in financial statements can be used to assess performance during a specific time (Camisión & Villar-López, 2010). It was concluded that performance is part of financial statements which indicates the position of resource companies during the period, and financial statements describing financial company performance's ability to generate revenue from its available resources.

This study views organizational performance in terms of effectiveness. Mia and Clarke (1999) assert that effectiveness is the extent to which a unit is successful in achieving its planned target or stated objectives. Any effective Plan must therefore contain clear

verifiable performance indicators and spell out an effective monitoring and evaluation framework.

Performance refers to how effectively an organization is implementing an appropriate strategy (Otley, 1999). As the public sector comes under greater pressure from both internal and external sources to demonstrate improvements in its performance (McAdam, Hazlett and Casey, 2005), various National and local/municipal governments and other government departments are taking an interest in performance measurement and reporting for improving performance and increasing accountability (Barry, 2000). As part of overall management strategy, the managers of public organizations need to measure performance to evaluate whether the agency is performing as expected. Behn (2003) asserts that managers of public organizations must ensure that the employees are doing the right things and that the line and staff managers are doing the necessary things to improve performance by determining the budgeting priorities.

In today's dynamic and rapidly changing workplace and globalised economy, development of organizational performance is associated with the development personal performance, skills, knowledge and experience (Covey, 2004). High-performing organizations therefore actively identify key performance indicators and measure their progress against established target values for those indicators as a way of measuring their effectiveness. Rudman (2008) asserts that the key indicators are the performance measures of the enterprise and they are based on data that tells a story about whether an agency or activity is achieving its objectives and if progress is being made toward attaining the organizational goals. Niven (2005) further posits that there is a growing

recognition that using performance measures to gauge success is vital to any organization whether in the private or public or non-profit sectors. Maltz, Shenhar and Reilly (2003) were however of the view that measuring performance has been a challenge for both managers and researchers. This is because the process of designing and implementing an effective performance management system involves addressing a number of methodological issues and managing the change process.

1.1.2 Strategy Implementation

Strategy implementation is important but difficult because implementation activities take a longer time frame than formulation, involves more people and greater task complexity, and has a need for sequential and simultaneous thinking on part of implementation managers' (Hrebiniak & Joyce, 2011). In view of these factors, research into strategy implementation is also difficult for it entails the need to look at it over time; presents conceptual and methodological challenges as it involves multiple variables which interact with each other and show reciprocal causality (Fajourn, 2010).

The development of the now in vogue strategy process research can be traced to Europe, where attention was drawn to the role of power as an influence on strategy outcomes (Pettigrew 2003). The role of culture was probed and later the combined effects of culture and power were studied (Pettigrew 2011). A series of large scale empirical studies (Pettigrew and Whipp 2011, Pettigrew et al 2012) developed a process approach which combined the content, process, context of change with longitudinal data collected at multiple levels of analysis, thereby introducing the element of time into the study and allowing for multiple levels of analysis but integrated. Thus, process research has

opened up the firm's internal processes for study, and given an impetus to the role of time and dynamics in addressing issues of strategic choice and change. Strategy implementation is an action phase of the strategic management process as stated by (Heracleous, 2010).

Strategy implementation has been increasingly the focus of many numerous studies, particularly because the process from strategy formulation to strategy implementation is not effective and therefore not adequate in today's business environment (Cited in Sorooshian et al. 2010). Implementing strategy is putting the chosen strategy into practice, resourcing the strategy, configuring the organization's culture and structure to fit the strategy and managing change (Campbell et al., 2012).

1.1.3 Kenya Revenue Authority

Kenya Revenue Authority (KRA) is a state corporation established by an act of Parliament of July 1st, 1995 Cap 469 as a central body. The authority is charged with the responsibility of collecting revenue on behalf of the government of Kenya. The authority is under the general supervision of the Minister of Finance (Treasury). The Authority's mandate and core business is to assess, account, administrate, and enforce all the laws relating to revenue. KRA's role is assessment, collection, administration and enforcement of laws relating to revenue; restoring economic independence by its elimination of budget deficits and creating organization structures that maximize revenue collection.

KRA has faced several challenges, both external and internal factors, ranging from political, technological, legal and social. These include, among others, the ever-widening informal sector and technological advancement, which have led to increased cases of tax avoidance and evasion. Other challenges are related to economic integration and regional trading blocs; the HIV/AIDS pandemic have also contributed to erosion of the tax base. In addition, Departments were operating autonomously and lacked managerial cohesiveness and personal approach to customer needs. Income Tax and Vat were under the Ministry of Finance while the road transport department (RTD) was under the Ministry of Roads.

1.2 Statement of the Problem

Public sector entities globally face performance challenges due to bureaucracy, high competition from the private sector, limited capacity technologically and human resource, corruption and poor strategic management. Kenya Revenue Authority is charged with the responsibility of collecting revenue on behalf of the Government of Kenya. After inception in 1995, the Authority exceeded the targeted collections till 1998/1999 financial year when it fell short of meeting the target revenue collection. This trend of declining performance in revenue collection persisted till the 2003/2004 financial year when the Authority recovered and surpassed the revenue collection targets. However in last 5 years the authority has still failed on its revenue collection targets. KRA needs to foster and encourage determination and persistence in the strategic performance (Mwangi, 2015).

Corporate organizations are faced with the challenges of strategy implementation. Wooldridge and Floyd, (2010), emphasized that the strategy implementation could be more difficult than thinking up a good strategy. According to Mintzberg (2007), a strategy has little effect on an organization's performance until it is implemented. An unimplemented strategic plan kept in a cabinet is a great source of employee negativity (Healthfield, 2008). For successful implementation of strategic plans, organizations need to effectively handle the key sets of relationships that generally do affect the successful implementations (Horton, 2006).

Kenya Revenue Authority has comparative and competitive advantage in skill drive service supply on account of her strategic location and relatively well-developed human resource base, and being the only major government agent of revenue collection. The growth and development of the authority has however been hampered with challenges some of which include Government policies and regulations, restricting market access in areas of interest to KRA, treatments that give priority to nationals in service delivery. Less developed basic ICT infrastructure, low internet penetration and inadequate expertise in ICT and global financial crisis from other countries are some of the challenges that are faced by KRA in the globalized world.

Mehdi Zaribaf (2010) carried out a study on an effective factors pattern affecting implementation of strategic plans. Sharbani (2001), carried out a study on strategic planning practices within hotels and restaurants in Nairobi. Sagwa (2002), studied the pharmaceutical manufacturing firms, Wanjohi (2002), covered the insurance firms in Kenya, Bett (2003), studied the tea manufacturing companies in Kenya while Busolo,

(2003), covered the motor vehicle franchise holders in Nairobi. There exists a knowledge gap in emergent economies for instance Kenya where there is limited both theoretical and empirical review about strategy implementation and its influence on performance of public institutions. This study therefore sought to fill the knowledge gap by investigating the effect of strategy implementation on performance of Kenya Revenue Authority.

1.3 Objectives of the Study

1.3.1 General Objectives

The main objective of the study was to establish the influence of strategy implementation on performance of Kenya Revenue Authority.

1.3.2 Specific Objectives

The specific objectives include;

- i. To establish the effect of resource allocation on performance of Kenya Revenue Authority.
- ii. To analyze the effect of performance targets on performance of Kenya Revenue Authority.
- iii. To assess the influence of communication on performance of Kenya Revenue Authority.
- iv. To analyze the effect of strategy supervision on performance of Kenya Revenue Authority.

1.4 Research Questions

This study sought to answer the following research questions:

- i. What is the effect of resource allocation on performance of Kenya Revenue Authority?
- ii. To what extent do performance targets affect performance of Kenya Revenue Authority?
- iii. How does communication affect performance of Kenya Revenue Authority?
- iv. What is the effect of Strategy supervision on the performance of Kenya Revenue Authority?

1.5 Significance of the Study

The study findings would contribute to the body of knowledge of strategy implementation process and organization performance and in particular Kenya Revenue Authority. The management of the KRA will find the study findings useful in improving strategy implementation process to enable the organization meet its revenue collection targets.

The academicians in the area of strategic Management would find this study useful as a source of reference in the future for discussion as well as further research on strategy implementation process to enhance optimal productivity.

In addition, the study was aimed at benefitting the Directors and top management of Public institutions in Kenya in formulating refined strategies which match the challenge in the external environment and would embrace the process of strategy implementation

process in order to remain competitive, it would help realign the banks in terms of structure and employees in line with the strategy to achieve efficiency and effectiveness.

1.6 Scope of the Study

The conceptual scope of this study lied on the effect of strategy implementation on performance of Public institutions in Kenya. The specific context of interest was the Kenya Revenue Authority. The study targeted the management staffs in the organization. This was because these were the most convenient staffs conversant with the information to sought on the subject of the study. In this study, the target population composed of the 150 management staffs employed at Kenya Revenue Authority in Nairobi. It was believed that this provided adequate information for the study and therefore gave reliable results and findings.

1.7 Limitations of the Study

Unwillingness of respondents to take part in giving required information was anticipated as a challenge. The problem was curbed by assuring respondents that the study was merely academic and their information was handled with utmost confidentiality. Another limitation of the study was the challenge of insufficiency of funds to meet all the financial obligations adequately. However, the researcher was expected to optimize available resources in the prevailing circumstances.

1.8 Organization of the Study

The project comprised of five chapters. The chapter one involved background of the study, statement of the problem, purpose of the study, objectives of the study, research

questions, and significance of the study, delimitation of the study, limitation of the study, assumptions of the study and organization of the study. Chapter two, literature reviews examined the introduction, theoretical review and empirical review of previous studies on strategy implementation and performance of Public institutions in Kenya. The research gap and conceptual framework was also discussed.

The chapter three dealt with research methodology under; Introduction, research design, target population, sampling design, rationale for sample selection, data collection instruments, questionnaires, validity of the research instrument, reliability, data analysis and ethical considerations. Chapter four dealt with data analysis and presentation under; demographic information, descriptive statistics and inferential statistics. Chapter five dealt with summary of the findings, conclusion recommendation and suggestions for further studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter gave a review of documented scholarly work relevant to strategy implementation among various organization and organization performance. The literature included related studies conducted elsewhere and their findings, and arguments advanced by other scholars on the issue under study in this research.

2.2 Theoretical Review

The study was based on the Resource based view theory and Mcknsey's theory on strategy implementation and organizational performance as discussed below;

2.2.1 Resource Based Theory

This theory was proposed by Barney 1991 and asserts that sustainable competitive advantage is attained when the firm has a human resource pool that cannot be imitated or substituted by its rivals. Investment in training and development is a means of attracting and retaining people and the returns expected are performance improvement, productivity, innovation that results to increased levels of knowledge and competence. David (2013) states that the human element of strategic implementation plays a key role in successful implementation and involves both managers and employees of the organization and these can be achieved through regular department meetings.

Schultz (2001) argues that both knowledge and skill are a form of capital whose concept implies investment in people through education and training which leads to increased productivity in a positive rate of return leading to growth in organization, increased profits, high remuneration and low staff exits. Shane (2003) concurs and reiterates that human resource is one of the key parameters in organization performance. Highly educated managers utilize their knowledge and when they combine this with their social contacts manage to acquire appropriate human resources required to create a highly performing firm.

2.2.2 Mckinsey's 7S Theory

The McKinsey 7S theory is a management tool that was developed by Robert and Peters (1984). The 7s model is an assessment and monitoring tool an organization can use with significant relevance to strategy implementation. It is a holistic framework that continually analyses and improves the effectiveness of an organization, Tomas, Robert and Julien (2011). The seven fundamental elements referred to as 7S of this framework comprises of skills, structure, systems, strategy, shared values, style and staff. These elements can be categorized as the soft elements such as skills, staff, shared values and style while the hard elements are strategy, structure and systems.

The framework is a vital tool in strategy implementation since a firm with the right skill set and staff numbers, shared values aligned properly with the good structure, strategy and operational or monitoring systems can operationalize its' implementation objectives well. Thus, a firm's management looks to which degree a firm has these elements that it can count on as internal strengths and plan for future strategic changes. According to (Arthur, et al.2010), lack of shared values and systems is a liability which makes a firm vulnerably weak during strategy implementation. Shared values are central to all the elements, they represent the company's culture, vision, beliefs that define the organizations future orientation and what it stands for. The hard elements are easier to change while the soft elements are much harder to change since they consist of humanistic elements, corporate culture, values, beliefs and competencies acquired over time. All the elements are mutually reinforcing and a change in one affects the functions of the others.

2.2.3 The Theory of Constraints

The theory of constraints is a systems-management philosophy developed by Eliyahu Goldratt in the early 1980s. The fundamental thesis of TOC is that constraints establish the limits of performance for any system. TOC advocates suggest that managers should focus on effectively managing the capacity and capability of these constraints if they are to improve the performance of their organization. Three TOC paradigms that have evolved over the last twenty-five years include logistics, global performance measures, and thinking processes (Blackstone, 2001).

More recently Draman (1995) has referred to these three paradigms as decision making, performance measurement systems, and organizational mindset, respectively. Originally, the logistics paradigm had managers looking for, and elevating, system constraints in order to increase throughput. This included using drum-buffer-rope scheduling techniques and the five focusing steps of TOC. In the second paradigm, global performance measures were effectively utilized. These measures, based on throughput, operating expense, and inventory, allow managers to easily assess the impact of any given decision and help the manager to focus on the corporate goal. Most recently, the thinking processes have come into a more widespread use.

Strategy implementation is the process of studying industry or competitive practices, functions and products and finding ways to meet or improve upon them. Companies from all different industries use benchmarking to gauge their successes and pinpoint their shortcomings. The use of global performance measures and/or the TOC thinking

processes can therefore be beneficial to improve service times, information flows and in reengineering of administrative functions (Spencer and Wathen, 1994).

The Theory of Constraints is a methodology for identifying the most important limiting factor (i.e. constraint) that stands in the way of achieving a goal and then systematically improving that constraint until it is no longer the limiting factor. The theory of constraints therefore is an important tool for operations managers to manage bottlenecks and improve process flows which is a basic concern in strategy implementation and performance.

2.3 Empirical Review

This section reviews empirical evidence on various studies done previously on strategy resource allocation, strategy communication, strategy supervision and performance targets on performance of Public institutions in Kenya.

2.3.1 Resource Allocation and Organizational Performance

According to (Okumu, 2013) resource allocation ensures provision of time, financial, human and knowledge resources vital for strategy implementation. (Sterling, 2003) notes that chronic lack of resources, capital and capacity hinders effective strategy implementation. Effectiveness of strategy implementation is least in part affected by the quality of people involved in the process, (Govinda rajan, 1989). Quality in this case refers to the skills, attitudes, experience, capabilities and other characteristics of people required for a specific task or position” (Peng and Litteljohn, 2001).

The practice emphasizes on implementing strategic performance management systems and integrating human resources system. Successful strategy implementation depends greatly on good internal Organization of resources which ensures internal organization structures that are responsive to the needs of strategy, and competent personnel through building and nurturing skills and selecting people for key positions. Pearce and Robinson (2010) agrees on the importance of having a robust guideline on resource allocation and states that they in addition need guidance on what to do through short term objectives which are measurable and outcome achievable in one year. In addition, should develop smart goals examining areas of product performance, competitive performance, and quality improvement, performance of business processes, customer satisfaction, customer loyalty and retention.

2.3.2 Performance Targets and Organizational Performance

Performance targets focus on the outputs of an organization such as product quality, revenues or profits. These targets are called key performance indicators (KPI'S). This practice is used as a response to high levels of change such as rapid growth or reorganization of business which is managed output measured through set targets based on performance indicators (P.I) and these are usually accompanied by incentives and rewards that relates to achievement of the set targets. This approach mainly applies to balanced scorecard which combines both qualitative and quantitative measures mainly financial, customer, internal and innovation. Kaplan and Norton (2012) introduced the balanced scorecard and uses strategic and financial measures to assess the outcome of a chosen strategy.

The fourth strategy perspectives that need to appear on every scorecard, are financial perspective which translates mission into action and clarifies what is wanted. Customer perspective looks at customer-oriented strategy which involves market share data, while customer perspective looks at the retention and satisfaction of customers and internal perspective measures internal performance in relation to productivity and innovation and learning perspective (Johnson & Scholes, 1997). According to Haynes and Mukherjee (2001), devising effective reward and incentives system and linking it to performance outcomes all based on strategic performance targets is key. Defining jobs and assignments in terms of what is to be accomplished makes work environment result-oriented and performance is key supported by a corporate culture that promotes good strategy execution process. Ansoff (2010) concurs and states that rewards and incentives whether based on historical performance, growth and initiative are key.

2.3.3 Communication and Strategy Implementation

Miniace & Falter (2006), state that communication is the key success factor in strategy implementation. A comprehensive communication plan is vital for the effective roll-out of implementation programs. Communicating strategy means exchanging information regarding a change in systems, processes and behavior in the firm. Communication should be open between top management and lower levels of the firm to inculcate trust, sharing of knowledge and guide decision making process in strategy implementation.

According to (Alexander, 2005) successful implementation and execution requires top management to clearly communicate what a new strategic decision is about to all stakeholders and operational personnel. (Rappert and Wren, 2010) findings in a survey

suggest that organizations with open supportive communication environment tend to out-perform organizations with restricted communication environment (cited in Rapert, Velliquete and Garretson, 2012). Communication is conducted through written, formal and informal means and pervades throughout the organizational structure and context of implementation programs.

2.3.4 Strategy Supervision and Organizational Performance

This practice involves direct control of strategic decisions by one or a few individuals. Often the practice is found in family businesses and small medium Enterprises (Sme's) and requires that the manager understands what the job they are supervising entails. According to Ansoff et al, (1990) this approach requires involvement of all managers who would be responsible for implementation as well as of managers and other individuals who make key contributions to the decision-making process. Before implementation, education and training are given to the participants in the relevant concepts, skills and techniques. This is achieved by ensuring there is strategy clarification whereby people understand the strategy in order to embrace it and help support its implementation. Communication is crucial as it ensures commitment and cascading strategy wraps it all in ensuring successful implementation of strategy (David, 2003).

The Company's managers must put into account controls that provide strategic control and the ability to adjust strategies, commitments and objectives in response to the ever-changing future conditions (Pearce and Robinson, 2007). Managers leading the strategy

process through shaping values, cultures and keeping the organization responsive by initiating corrective actions to improve strategy execution. The stronger the strategy supportive fit are, the greater the chances of successful strategy implementation (Thompson & Strickland, 2009).

2.4 Conceptual Framework

The conceptual framework of the study is developed basing on the objectives of the study, dependent and independent variables. Below illustration is framed to show the relationship between dependent and independent variables.

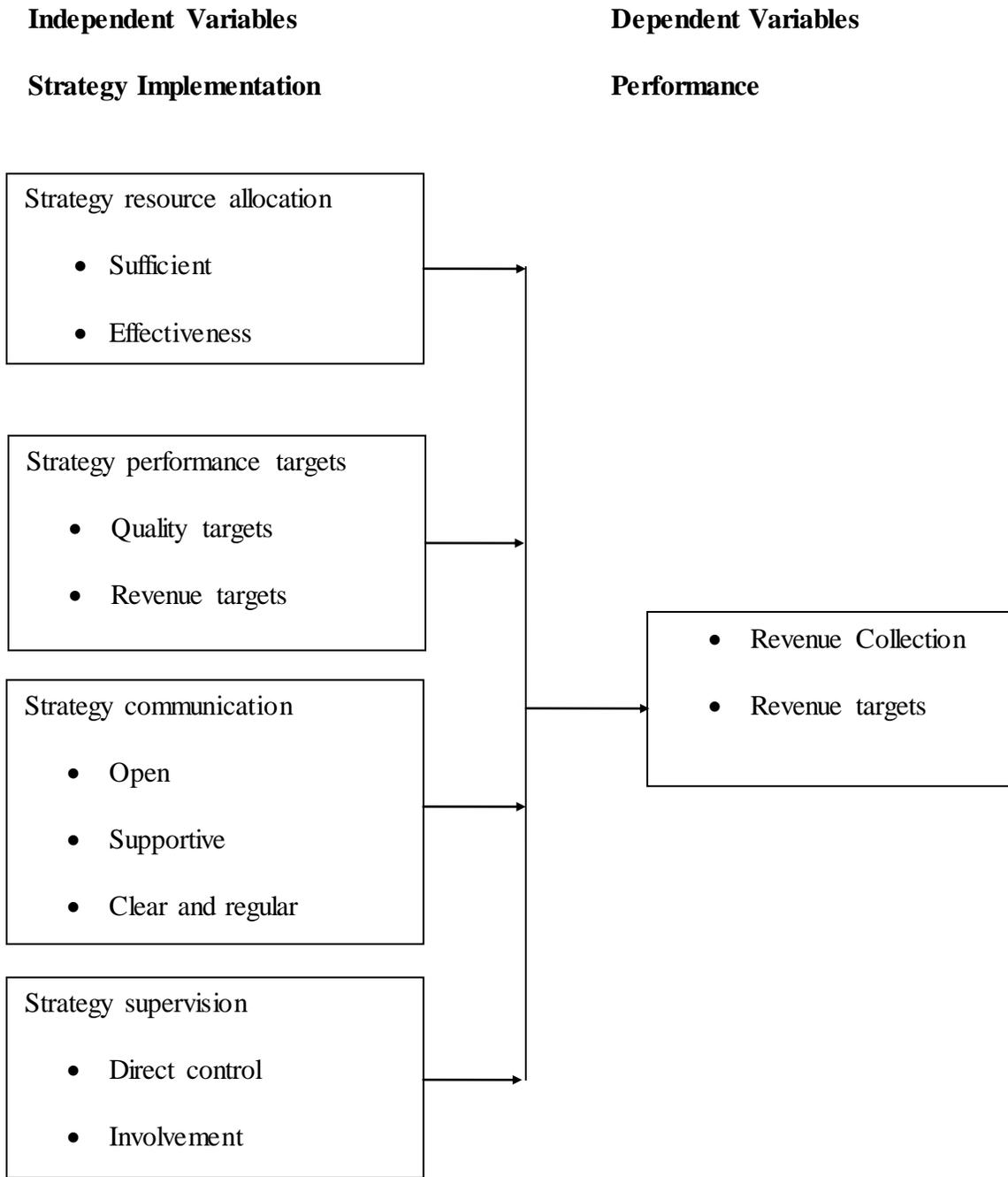


Figure 2.1: Conceptual Framework

Source: Researcher, 2018

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter set out various stages and phases that were followed in completing the study. This section is an overall scheme, plan or structure conceived to aid the researcher in answering the raised research questions. In this section the research identified the procedures and techniques that were used in the collection, processing and analysis of data.

3.2 Research Design

The research study applied the descriptive research design in the process of determining the findings in relation to the relationship between strategy implementation practices and performance of Public institutions in Kenya. According to Mugenda and Mugenda, (2008) the purpose of descriptive research is to determine and report the way things are and it helps in establishing the current status of the population under study. Borg and Gall, (2009) note that descriptive survey research was intended to produce statistical information about aspects of a study that interest policy makers. Gay, (2007) says that surveys are self-report study that requires the collection of quantifiable information from the sample. They are useful for describing, explaining or exploring the existing status of two or more variables (Mugenda and Mugenda, 2008)

3.3 Target Population

According to Ngechu (2004), a population is a well-defined or set of people, services, elements, events, group of things or households that are being investigated. The study target population was composed of 150 management staffs employed at Kenya Revenue Authority in Nairobi who were the most conversant with information sought (KRA, 2018). The study used census since the population was less than 200. The population distribution is as summarized in table 3.1.

Table 3.1: Target Population

Sections	Population	Percentage
Departmental heads	20	13
Assistant Departmental heads	50	33
Lower management	80	54
Total	150	100

Source: KRA (2018)

3.4 Data Collection Instrument and Procedure

The study used a questionnaire administered to each member of the sample population. The questionnaire had closed-ended questions. The closed-ended questions provided more structured responses to facilitate tangible recommendations. The closed ended questions were used to test the rating of various attributes and this helped in reducing the number of related responses in order to obtain more varied responses. The questionnaires were administered using drop and pick later method. The questionnaires were carefully designed and tested with a few members of the population for further improvements.

3.5 Validity and Reliability of the Study

3.5.1 Validity

Validity is a measure of the degree to which data obtained from the instrument accurately and meaningfully represents the theoretical concept and in particular how the data represents the variables. Where validity was established, any inferences made from such data was accurate and meaningful (Mugenda & Mugenda, 2003). The validity of this study increases by using various sources of evidence (Yin, 2003).

3.5.2 Reliability

Cronbach's Alpha was applied to measure the co-efficient of internal consistency and therefore reliability of the instrument. In order to check reliability of the results, study used Cronbach's alpha methodology, which is based on internal consistency. Cronbach's alpha measured the average of measurable items and its correlation. SPSS software was used to verify the reliability of collected data. Overall scales' reliability of the present situation and the desirable situation was tested by Cronbach's alpha, which should be above the acceptable level of 0.70 (Hair et al., 1998). Alpha above the value of 0.7 was considered acceptable (George & Mallery, 2003).

3.6 Data Analysis and Presentation

Data collected was purely quantitative and it was analyzed by descriptive statistics. The descriptive statistical tools such as Statistical Package for Social Sciences (SPSS Version 23.0) and MS Excel helped the researcher to describe the data and determine the extent used. The findings were presented using tables and charts. The Likert scales was

used to analyze the mean score and standard deviation, this helped in investigating the relationship between strategy implementation practices and performance of Public institutions in Kenya. Data analysis used frequencies, percentages, means and other central tendencies.

In addition, the researcher carried out a multiple regression analysis so as to determine the relationship between the dependent and independent. The regression equation ($Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$)

Whereby

Y = Performance of Kenya Revenue Authority

X_1 = Strategy Resource allocation

X_2 = Performance targets

X_3 = Strategy communication

X_4 = Strategy supervision

$\beta_1, \beta_2, \beta_3, \beta_4$ = Regression Coefficients

ϵ = Error term

3.7 Ethical Considerations

The researcher ensured that the information collected was handled and treated with utmost confidentiality. The research questionnaire had the option of indicating or not indicating the identity of the respondent. The researcher explained the intention of carrying out the research before beginning the process of data collection and thus the

participation in the study was through voluntary and informed consent. All the respondents were treated with great respect and courtesy. The researcher informed the respondents that no compensation was accrued from participating in the study and further that the results of the study was shared upon completion of the study.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the findings of the study. The study relies on primary data collected through structured questionnaires. The collected data is coded into SPSS Version 23.0 for analysis and presentation. The findings are presented in form of figures and tables.

4.1.1 Response Rate

A total of 150 questionnaires were distributed to management staffs employed at Kenya Revenue Authority in Nairobi, 114 questionnaires were dully filed and returned to the researcher and gave a response rate of 76%. This was deemed sufficient for the study. The findings are shown in Figure 4.1.

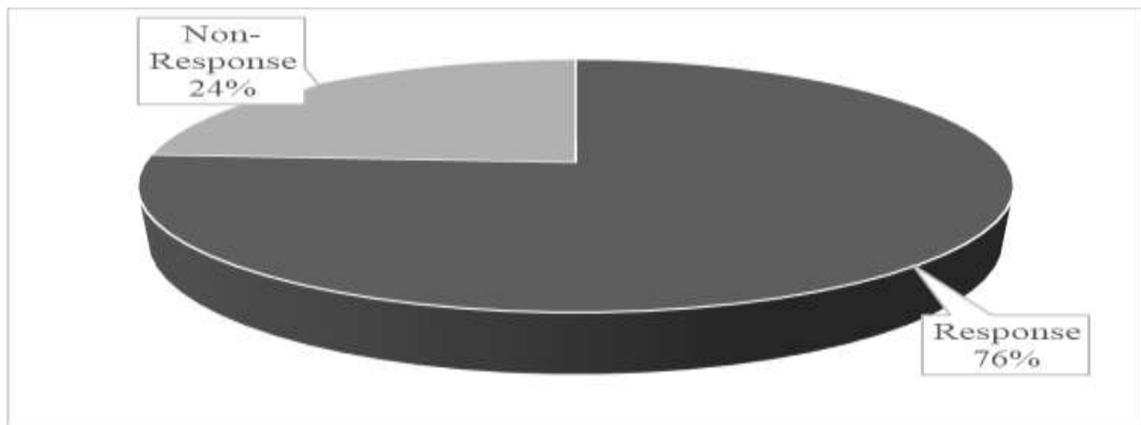


Figure 4.1: Response Rate

Source: Field data, 2018

The findings show that the study had a response rate of 76% an indication that response rate was sufficient for the study. This is supported by Mugenda (2013) who stated that a response rate of 50% and above is deemed sufficient for the study.

4.1.2 Reliability Test

The reliability of the research instruments was tested by use of pilot test. The researcher computed Cronbach alpha coefficient, the findings are as shown in Table 4.1.

Table 4.1: Reliability Test

Variable	Number of Coefficient	Cronbach Alpha
Resource Allocation	5	0.895
Performance Targets	5	0.859
Strategic Communication	5	0.762
Strategic Supervisions	5	0.791

Source: Field data, 2018

The study pointed out that resource allocation had a Cronbach alpha coefficient of 0.895, performance target had a Cronbach alpha coefficient of 0.859, strategic communication had a Cronbach alpha coefficient of 0.762 and strategic supervisions had a Cronbach alpha coefficient of 0.791. From the findings, all the variables had a Cronbach alpha coefficient of 0.7 and above, this show that the research instruments were reliable in data collection. The findings are supported by Cronbach (1950) who established that a Cronbach alpha of above 0.7 is deemed sufficient for the study.

4.2 Demographic Information

The researcher asked respondents to indicate their general information as asked regarding; gender, age, highest level of information and their length of service at KRA. This was to establish respondent's appropriateness in the study. The findings are indicated in the subsequent sections.

4.2.1 Gender

The gender distribution is as shown in Figure 4.2.

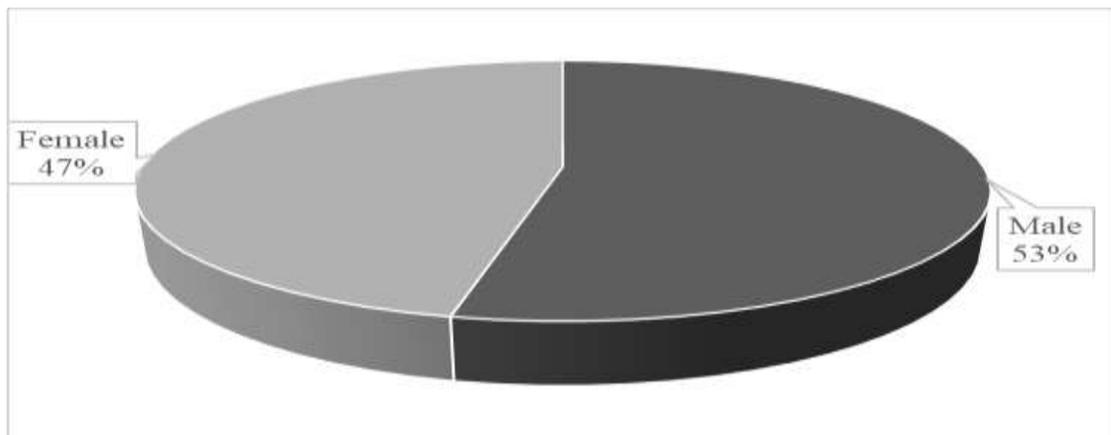


Figure 4.2: Gender

Source: Field data, 2018

The study pointed out that majority of the respondents 53% of the employees at KRA were male and 47% of the respondents were female. This depicts that KRA followed the policy speculated by the government on 2/3 gender rule and encouraged women application in their organization.

4.2.2 Age

The respondents were asked to indicate their respective age group. The findings are as shown in Figure 4.2.

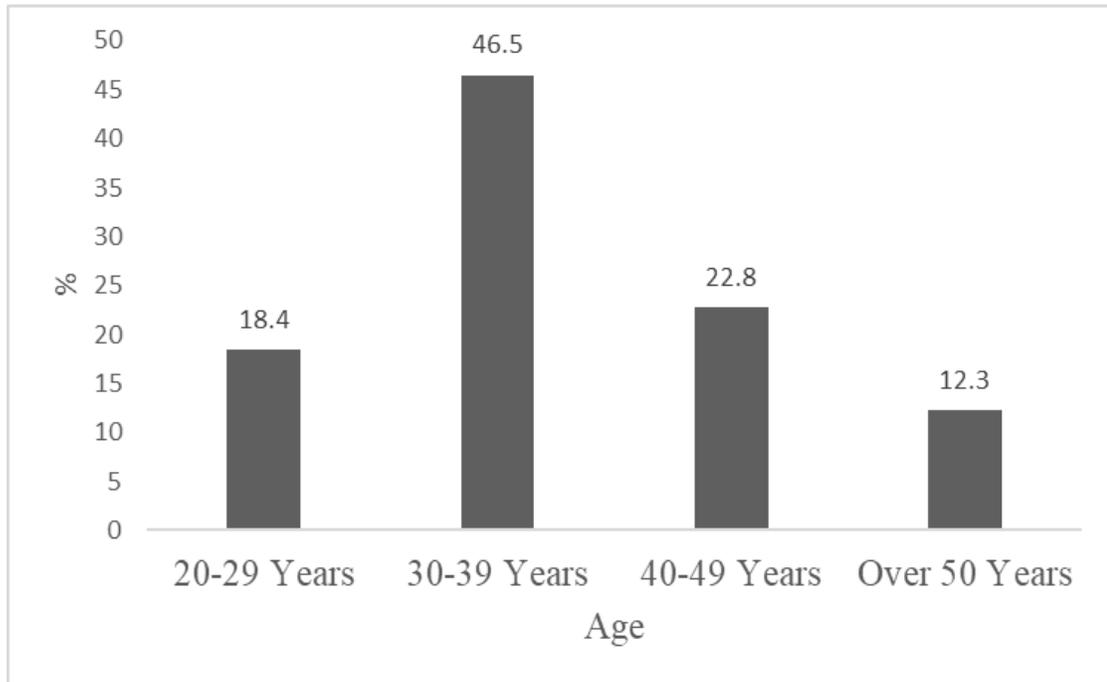


Figure 4.3: Age

Source: Field data, 2018

The findings show that 46.5% of the respondents were aged between 30-39 years followed by 22.8% who were 40-49 years, 18.4% were 20-29 years and 12.3% of the respondents were over 50 years. The findings show that majority of the respondents were above 30 years an indication that the respondents mature and conversant with the required information for the study.

4.2.3 Highest Level of Education

The researcher asked the respondents to indicate their highest level of education. The findings are as shown in Figure 4.4.

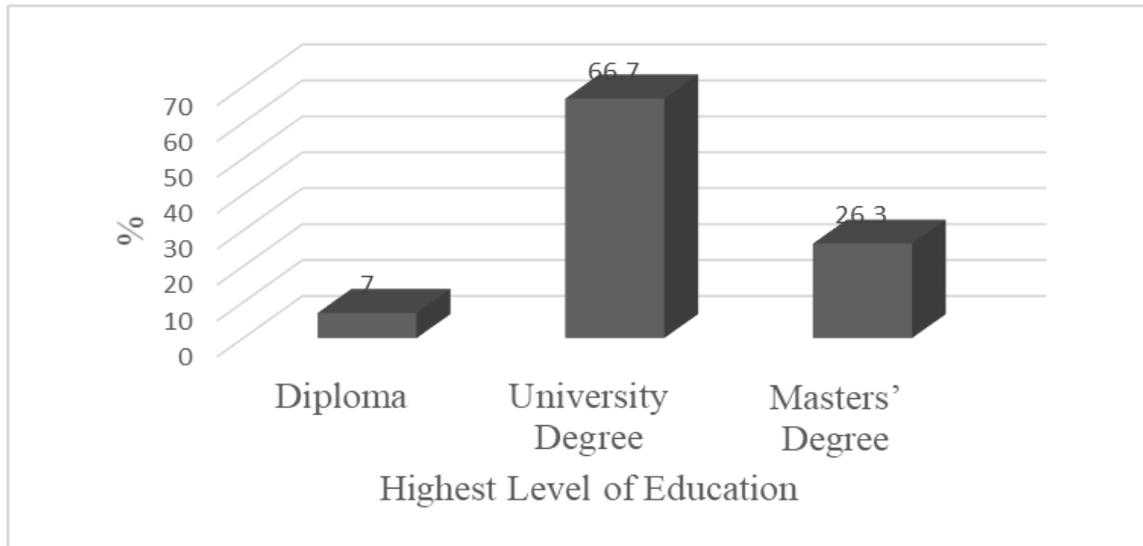


Figure 4.4: Highest Level of Education

Source: Field data, 2018

The study established that majority of the managements staffs at KRA 66.7% highest level of education was universities degree, 26.3% of the respondents had masters and 7% of the respondent's highest level of education was diploma. The findings established that KRA preferred hiring qualified management staff due to their required competence level.

4.2.4 Length of Service

The researcher requested respondents to indicate how long they had worked at KRA. The findings are as shown in Figure 4.5.

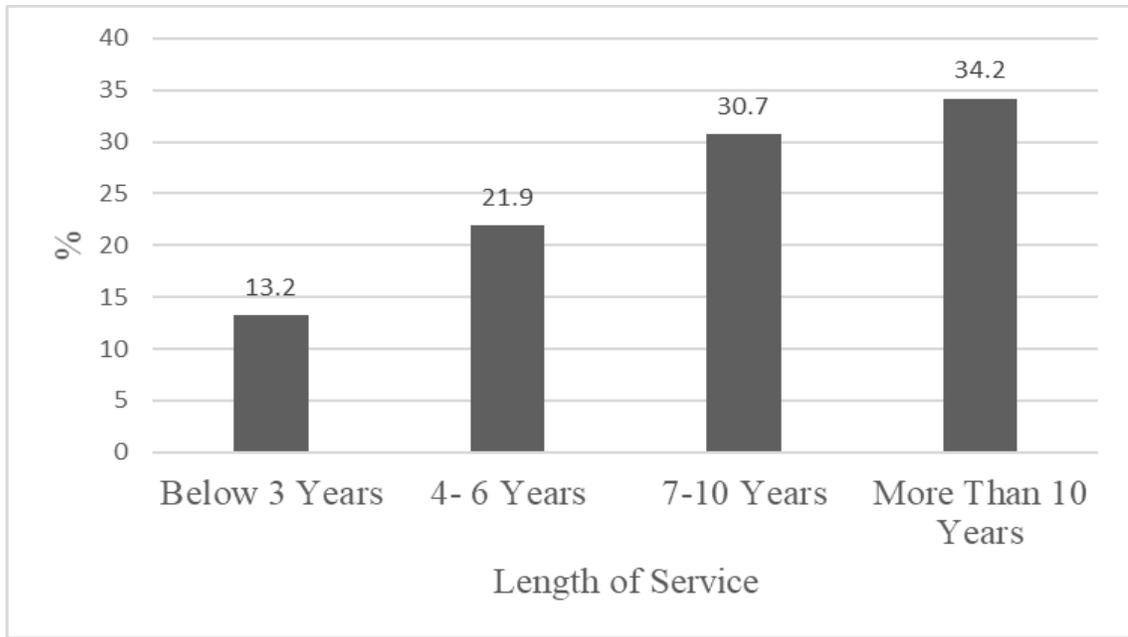


Figure 4.5: Length of Service

Source: Field data, 2018

The study shows that 34.2% of the respondents had worked for more than 10 years at KRA, 30.7% had worked for 7-10 years, 21.9% had worked for 4-6 years and 13.2% had worked at KRA below 3 years. The findings show that majority of the respondents had worked at KRA for more than 4 years an indication that they had served long enough to understand the operations of their company, therefore, they were more knowledgeable on the aspect of this study.

4.3 Descriptive Statistics

The researcher carried descriptive statistics to establish the individual influence of study variables on employee performance. The findings are indicated in subsequent sections.

4.3.1 Resource Allocation and Organizational Performance

Several statements on the effect of resource allocation and how it affects performance at KRA was identified by the researcher. Respondents were requested to indicate their agreement level on a Likert Scale of 1 to 5 where: 1- no extent, 2- little extent, 3- moderate extent, 4- great extent and 5 - very great extent. The findings are as show in Table 4.2.

Table 4.2: Resource Allocation and Organizational Performance

	Mean	Std. Dev
KRA has well trained employees working in each department	3.79	.640
Each department is well staffed in line with the work they do	3.60	1.29
KRA has engaged enough staff in each department	3.38	1.10
Each department has well experienced employees in tasks performed by the department	3.71	1.09
KRA employees perform their tasks accurately	3.96	1.00
KRA has information systems to improve the way employees perform their duties	3.78	.972
KRA allocates sufficient funds to implement its strategies	3.68	.953
KRA has experienced employees in strategy implementation	4.01	.651

Source: Field data, 2018

The study pointed out that majority of the respondents agreed that KRA had well trained employees working in each department as supported by a mean of 3.79 with standard deviation of 0.640. Respondents indicated that each department at KRA was well staffed

in line with the work they did as supported by a mean of 3.60 with standard deviation of 1.29. Respondents agreed that KRA had engaged enough staff in each department as shown by a mean of 3.38 with standard deviation of 1.10. Respondents indicated that each department at KRA had well experienced employees in tasks performed by the department as supported by a mean of 3.71 with standard deviation of 1.09. This is supported by Okumus (2013) who stated that resource allocation ensures provision of time, financial, human and knowledge resources vital for strategy implementation. (Sterling, 2003) notes that chronic lack of resources, capital and capacity hinders effective strategy implementation.

The study further established that KRA employees performed their tasks accurately as supported by a mean of 3.96 with standard deviation of 1.00. Respondents agreed that KRA had information systems to improve the way employees performed their duties as supported by a mean of 3.78 with standard deviation of 0.972. KRA allocated sufficient funds to implement its strategies by a mean of 3.68 with standard deviation of 0.953. Respondents agreed that KRA had experienced employees in strategy implementation as shown by a mean of 4.01 with standard deviation of 0.651. Effectiveness of strategy implementation is least in part affected by the quality of people involved in the process, (Rajan, 1989). Quality in this case refers to the skills, attitudes, experience, capabilities and other characteristics of people required for a specific task or position” (Peng and Litteljohn, 2001).

4.3.2 Performance Target and Organizational Performance

The researcher sought to establish how performance target influenced performance of Kenya Revenue Authority. Respondents were asked to indicate their level of agreement on each statement on a scale of 1-5 where; 1- no extent, 2- little extent, 3- moderate extent, 4- great extent and 5 - very great extent. The findings are as show in Table 4.3.

Table 4.3: Performance Target and Organizational Performance

	Mean	Std. Dev
Performance targets are set with outputs in mind	4.05	.764
Performance targets are set in terms of revenue collection	4.28	1.06
Performance targets focus on change in revenue collection	3.62	.922
Performance targets are set in line with customer satisfaction	3.93	1.05
Performance targets are set in line with internal efficiency	3.78	1.09
Performance targets are set in line with internal innovations	4.39	.589
Performance targets are set in line with internal learning projections	3.91	1.24
Performance targets focus on quality of services delivered to customers	3.18	1.19

Source: Field data, 2018

The study pointed out that majority of the respondents agreed that performance targets were set with outputs in mind as supported by a mean of 4.05 with standard deviation of 0.764. Performance targets were set in terms of revenue collection as indicated by a mean of 4.28 with standard deviation of 1.06. Respondents agreed that performance targets focused on change in revenue collection as indicated by a mean of 3.62 with

standard deviation of 0.922. Performance targets were set in line with customer satisfaction as indicated by a mean of 3.93 with standard deviation of 1.05. This is supported by Haynes and Mukherjee (2001) who stated that defining jobs and assignments in terms of what is to be accomplished makes work environment result-oriented and performance is key supported by a corporate culture that promotes good strategy execution process.

The study further established that performance targets were set in line with internal efficiency as supported by a mean of 3.78 with standard deviation of 1.09. Respondents agreed that performance targets were set in line with internal innovations as supported by a mean of 4.39 with standard deviation of 0.589. Performance targets were set in line with internal learning projections as supported by a mean of 3.91 with standard deviation of 1.24. The study further established that performance targets focused on quality of services delivered to customers as supported by a mean of 3.18 with standard deviation of 1.19. This agrees that Ansoff (2010) who states that rewards and incentives whether based on historical performance, growth and initiative are key.

4.3.3 Strategy Communication and Organizational Performance

Respondents were requested to indicate the individual influence of strategic communication on organization performance at KRA. Respondents were requested to indicate their level of agreement on each statement on a scale of 1-5 where: 1- no extent, 2- little extent, 3- moderate extent, 4- great extent and 5 - very great extent. The findings are as show in Table 4.4.

Table 4.4: Strategy Communication and Organizational Performance

	Mean	Std. Dev
Formulated strategies are well communicated to all employees in the organization	3.75	1.05
Regular departmental meetings are held to share the targets for each employee	3.99	.811
Senior managers are responsible for ensuring set targets are met	4.07	1.09
Strategies formulated are clearly communicated across all affected departments	4.23	.655
Strategies formulated are timely communicated across all affected departments	3.43	1.30
Senior management support the implementation of strategies at KRA	3.66	.933
Senior management support the implementation of strategies at KRA	4.22	.862
Senior management ownership of strategy has promoted organizational performance	4.04	.617
Clear strategy communication has improved KRA performance	3.86	1.18
Support from senior management has promoted realization of targets at KRA	3.61	.754
Regular departmental evaluations have promoted organizational performance at KRA	3.86	1.00

Source: Field data, 2018

The study established that formulated strategies at KRA were well communicated to all employees in the organization as supported by a mean of 3.75 with standard deviation of 1.05. Regular departmental meetings at KRA were held to share the targets for each employee as supported by a mean of 3.99 with standard deviation of 0.811. Respondents agreed that senior managers were responsible for ensuring set targets are met by a mean

of 4.07 with standard deviation of 1.09. Strategies formulated at KRA were clearly communicated across all affected departments as supported by a mean of 4.23 with standard deviation of 0.655. Miniace and Falter (2006), state that communication is the key success factor in strategy implementation.

Respondents indicated that strategies formulated were timely communicated across all affected departments by a mean of 3.43 with standard deviation of 1.30. Senior management supported the implementation of strategies at KRA as shown by a mean of 3.66 with standard deviation of 0.933. Respondents agreed that senior management supported the implementation of strategies at KRA as indicated by a mean of 4.22 with standard deviation of 0.862. This is in support with Alexander (2005) who stated that a successful implementation and execution requires top management to clearly communicate what a new strategic decision is about to all stakeholders and operational personnel.

The study further established that senior management ownership of strategy had promoted organizational performance as supported by a mean of 4.04 with standard deviation of 0.617. Clear strategy communication had improved KRA performance by a mean of 3.86 with standard deviation of 1.18. Respondents indicated that support from senior management had promoted realization of targets at KRA as supported by a mean of 4.00 with standard deviation of 0.754. Regular departmental evaluations had promoted organizational performance at KRA by a mean of 3.61 with standard deviation of 1.00. This is in support with Rappert and Wren (2010) who found out that organizations with open supportive communication environment tend to out-perform

organizations with restricted communication environment (cited in Rapert, Velliquete and Garretson, 2012).

4.3.4 Strategy Supervision and Organizational Performance

Respondents were requested to indicate the individual influence of strategic supervision on organization performance at KRA. Respondents were requested to indicate their level of agreement on each statement on a scale of 1-5 where: 1- no extent, 2- little extent, 3- moderate extent, 4- great extent and 5 - very great extent. The findings are as show in Table 4.5.

Table 4.5: Strategy Supervision and Organizational Performance

	Mean	Std. Dev
Managers have direct influence on strategy implementation at KRA	3.62	1.08
Senior managers get daily updates on the performance of each section	3.52	.366
Regular departmental updates provide room for timely corrective action	3.60	1.05
Managers train their subordinates on how well to deliver on set strategy targets	4.01	.466
Adequate controls have been established in KRA systems	3.58	1.11
Managers shape the values in their subordinates to achieve organizational goals of KRA	3.33	.754
Managers cultivate a culture that promotes strategy implementation in KRA	3.89	.733
Senior management provide a strong support fit for strategy implementation	3.34	1.15
Senior management are directly involved in strategy implementation	4.02	.437

The study established that majority of the respondents agreed that managers had direct influence on strategy implementation at KRA by a mean of 3.62 with standard deviation of 1.08. Senior managers got daily updates on the performance of each section as supported by a mean of 3.52 with standard deviation of 0.366. Respondents indicated that regular departmental updates provided room for timely corrective action as supported by a mean of 3.60 with standard deviation of 1.05. Respondents agreed that managers trained their subordinates on how well to deliver on set strategy targets by a mean of 4.01 with standard deviation of 0.466. This agrees with David (2003) who stated that communication is crucial as it ensures commitment and cascading strategy wraps it all in ensuring successful implementation of strategy.

The study established that adequate controls had been established in KRA systems as shown by a mean of 3.58 with standard deviation of 1.11. Respondents indicated that managers shaped the values in their subordinates to achieve organizational goals of KRA as indicated by a mean of 3.33 with standard deviation of 0.754. Managers cultivated a culture that promoted strategy implementation in KRA as indicated by a mean of 3.89 with standard deviation of 0.733. Senior management provided a strong support fit for strategy implementation as supported by a mean of 3.34 with standard deviation of 1.15. Respondents agreed that senior management were directly involved in strategy implementation by a mean of 4.02 with standard deviation of 0.437. The Company's managers must put into account controls that provide strategic control and the ability to adjust strategies, commitments and objectives in response to the ever-changing future conditions (Pearce and Robinson, 2007).

4.3.5 Financial Performance

Several statements on organizational performance were identified by the researcher. Respondents were asked to indicate their extent of agreement on a scale of 1-5 where: 1- no extent, 2- little extent, 3- moderate extent, 4- great extent and 5 - very great extent. The findings are as shown in Table 4.6.

Table 4.6: Financial Performance

	Mean	Std. Dev
KRA has consistently met its target revenue collection in the past five years	4.54	.500
Revenue collection has been on the increase at KRA	3.73	.852
The level of service delivery at KRA has been increasing	3.88	.634
The level of efficiency at KRA has been improving over the last five years	4.20	.693
The level of computerization at KRA has been improving over the past five years	4.03	.715

Source: Field data, 2018

The study established that KRA had consistently met its target revenue collection in the past five years by a mean of 4.54 with standard deviation of 0.50. Respondents indicated that revenue collection had been on the increase at KRA by a mean of 3.73 with standard deviation of 0.852. The level of service delivery at KRA had been increasing as supported by a mean of 3.88 with standard deviation of 0.634. This is supported by Okumus (2013) who stated that resource allocation ensures provision of time, financial, human and knowledge resources vital for strategy implementation.

Respondents agreed that the level of efficiency at KRA had been improving over the last five years by a mean of 4.20 with standard deviation of 0.693. Respondents agreed that the level of computerization at KRA had been improving over the past five years as shown by a mean of 4.03 with standard deviation of 0.715. Haynes and Mukherjee (2001) states that performance is key supported by a corporate culture that promotes good strategy execution process.

4.4 Inferential Statistics

A multiple linear regression model was used to establish the influence of strategy implementation on performance of Kenya Revenue Authority. The findings of Model Summary, ANOVA and Coefficient of Regression. The findings are indicated in subsequent sections.

4.4.1 Model Summary

The findings of coefficient of correlation and coefficient of determination are as shown in Table 4.7.

Table 4.7: Model summary

Model	R	R square	Adjusted r square	Std. Error of the estimate
1	.869 ^a	.756	.749	1.75088

a. Predictors: (constant), Strategy Supervision, Resource Allocation, Strategic Communication, Performance Target

Source: Field data, 2018

The study shows that coefficient of correlation R of 0.869 an indication of strong of correlation between the variables. Coefficient of adjusted R² was 0.749 which translates to 74.9%. This show that changes in dependent variable can be explained by

independent variables (strategy supervision, resource allocation, strategic communication, performance target). The residual of 25.1% can be explained by other variables beyond the scope of the current study.

4.4.2 ANOVA

An ANOVA was conducted as 95% level of significance. The findings of $F_{\text{Calculated}}$ and F_{Critical} are as shown in Table 4.8.

Table 4.8: ANOVA

Model	Sum of squares	Df	Mean square	F	Sig.
Regression	388.160	4	97.04	31.650	.000 ^b
Residual	334.150	109	3.066		
Total	513.439	113			

a. Dependent variable: performance

b. Predictors: (constant), supervision, resource allocation, communication, performance target

Source: Field data, 2018

The study established that the study had $F_{\text{Calculated}}$ of 31.650 and F_{Critical} was 2.4549, this show that of $F_{\text{Calculated}} > F_{\text{Critical}}$ an indication that the overall regression model was significant for the study. The p value was $0.00 < 0.05$ an indication that at least one independent variable significantly influenced the financial performance at KRA.

4.4.3 Regression Coefficient

In order to establish the individual influence of variables on financial performance, regression coefficient was used. The findings are indicated in Table 4.8.

Table 4.9: Regression Coefficient

Model	Unstandardized		Standardized	T	Sig.
	coefficients		coefficients		
	B	Std. Error	Beta		
(constant)	7.111	2.181		3.260	.001
Resource allocation	.235	.066	.405	3.562	.001
Performance target	.245	.056	.155	4.383	.009
Strategic Communication	.169	.047	.396	3.565	.001
Strategic Supervision	.290	.062	.392	4.679	.000

a. Dependent variable: Firm Performance

Source: Field data, 2018

$$Y = 7.111 + 0.235X_1 + 0.245X_2 + 0.165X_3 + 0.290X_4$$

Whereby: Y = Performance of Kenya Revenue Authority

X_1 = Strategy Resource allocation

X_2 = Performance targets

X_3 = Strategy communication

X_4 = Strategy supervision

The findings in Table 4.8 established that holding all variables constant, firm performance would be at 7.111. A unit increase in resource allocation while holding other variables constant, firm performance would be at 0.235. A unit increase in performance target while holding other factors constant, financial performance would be at 0.245. A unit increase in strategic communication while holding other factors constant, financial performance would be at 0.169. A unit increase in strategic

supervision while holding other factors constant, financial performance would be at 0.290.

The study established that resource allocation had a p value of $0.001 < 0.05$ an indication that the variables significantly influenced performance of KRA. This is supported by Okumus (2013) who stated that resource allocation ensures provision of time, financial, human and knowledge resources vital for strategy implementation

The p value of performance target was $0.009 < 0.05$ an indication that the variable significantly influenced firm performance of KRA. This is in support with Haynes and Mukherjee (2001) who states that performance is key supported by a corporate culture that promotes good strategy execution process.

The study pointed out that strategic communication had a p value of $0.001 < 0.05$ an indication that the variable significantly influenced firm performance of KRA. This is supported by Alexander (2005) who states that a successful implementation and execution requires top management to clearly communicate what a new strategic decision is about to all stakeholders and operational personnel.

The p value of strategic supervision had a p value of $0.00 < 0.05$ an indication that the variable significantly influenced firm performance of KRA. This agrees with Thompson and Strickland (2009) who stated that the stronger the strategy supportive fit are, the greater the chances of successful strategy implementation (Thompson & Strickland, 2009).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings of the study as indicated in chapter four. Conclusion and recommendations are based on the findings, suggestions for further studies are also provided.

5.2 Summary of the Findings

The main purpose of the study was to establish the influence of strategy implementation on performance of Kenya Revenue Authority. The study sought to establish the effect of resource allocation, performance targets, communication and strategy supervision on the performance of Kenya Revenue Authority.

5.2.1 Resource Allocation and Performance of KRA

The study established that resource allocation positively and significantly influenced firm performance of Kenya Revenue Authority. This shows that both the variables move hand in hand with one another, that is a positive adoption of resource allocation in KRA influences firm performance. This shows that KRA had embraced allocation of experienced employees in strategy implementation.

5.2.2 Performance Targets and Performance of KRA

The study found out that performance target significantly influenced performance of KRA. This shows that Kenya Revenue Authority performance targets were set line with

internal innovations and efficiency. KRA performance targets were set in terms of revenue collection and with outputs in mind.

5.2.3 Communication and Performance of KRA

The study pointed out that strategy communication positively influenced performance of KRA. This shows that that both variables move in tandem. The study points out that strategies formulated in KRA were clearly communicated across all affected departments, senior management supported the implementation of strategies and were responsible for ensuring set targets were met.

5.2.4 Strategy Supervision and Performance of KRA

The study established that strategy supervision significantly influenced firm performance of KRA. This shows that that the two variables move consecutively. The established that managers trained their subordinates on how well to deliver on set strategy targets and cultivated a culture that promoted strategy implementation in KRA.

5.3 Conclusion

The study concluded that KRA employees perform their tasks accurately, KRA have information systems to improve the way employees performs their duties, KRA allocates sufficient funds to implement its strategies and have experienced employees in strategy implementation. KRA have well trained employees working in each department, KRA's each department is well staffed in line with the employees' work, KRA have engaged

enough staff in each department and has well experienced employees in tasks performed by the department.

The study concludes that performance targets at KRA are set in line with internal efficiency and innovations, internal learning projections and performance targets focus on quality of services delivered to customers. Performance targets are set with outputs in mind and in terms of revenue collection. Performance targets focus on change in revenue collection and are set in line with customer satisfaction.

The study concludes that formulated strategies at KRA are well communicated to all employees in the organization. Clear strategy communication had improved KRA performance, support from senior management had promoted realization of targets at KRA and regular departmental evaluations promotes organizational performance at KRA. Senior management supports the implementation of strategies at KRA and ownership of strategy had promoted organizational performance. Regular departmental meetings at KRA are held to share the targets for each employee and senior managers are responsible for ensuring set targets are met. Strategies formulated at KRA are clearly communicated across all affected departments.

The study further concludes that KRA embraces adequate controls, managers shapes the values in their subordinates to achieve organizational goals and cultivates a culture that promotes strategy implementation in KRA. Senior management provides a strong support fit for strategy implementation, senior management are directly involved in strategy implementation and have direct influence on strategy implementation. Senior

managers get daily updates on the performance on each section, regular departmental updates provide room for timely corrective action and managers train their subordinates on how well to deliver on set strategy targets.

5.4 Recommendations

The study recommends that KRA ought to allocate sufficient funds to implement its strategies and have experienced employees in strategy implementation. KRA employees ought to perform their tasks accurately and KRA ought to have information systems to improve the way employees perform their duties. KRA ought to engage enough staff in each department and have well experienced employees in tasks performed by the department. KRA ought to have well trained employees working in each department. KRA's each department ought to be well staffed in line with the employees' work.

The study recommends that performance targets at KRA ought to be set in line with internal efficiency, innovations and internal learning projections. Performance targets ought to focus on change in revenue collection and set in line with customer satisfaction. Performance targets ought to be set with outputs in mind and in terms of revenue collection. Performance targets ought to focus on quality of services delivered to customers.

The study recommends that formulated strategies at KRA ought to be well communicated to all employees in the organization. Regular departmental meetings at KRA ought to be held to share the targets for each employee, senior managers ought to be responsible for ensuring set targets are met and strategies formulated at KRA ought to

be clearly communicated across all affected departments, senior management ought to support the implementation of strategies at KRA, senior management ownership of strategy ought to promote organizational performance and clear strategy communication ought to improve KRA performance. Senior management ought to promote realization of targets at KRA and regular departmental evaluations ought to promote organizational performance at KRA.

The study recommends that KRA ought to embrace adequate controls, managers ought to shape the values in their subordinates to achieve organizational goals and cultivate a culture that promotes strategy implementation. Regular departmental updates ought to provide room for timely corrective action and managers ought to train their subordinates on how well to deliver on set strategy targets. Senior management ought to provide a strong support fit for strategy implementation, senior management ought to be directly involved in strategy implementation and have a direct influence on strategy implementation. Senior managers ought to get daily updates on the performance on each section.

5.5 Suggestions for Further Studies

The study recommends a similar study to be carried out by use of secondary data. The current study had a coefficient of adjusted R^2 of 0.749 and a residual of 25.1% which can be explained by other variables beyond the scope of the current study that future scholars should focus on. The main objective of the study was to establish the influence

of strategy implementation on performance of Kenya Revenue Authority, future scholars should carry out similar study from a corporation.

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APPENDICES

APPENDIX I: Cover Letter

Dear Respondent,

I am a graduate student at Kenyatta University, carrying out research on the strategy implementation and performance of Kenya revenue authority. This is in partial fulfillment of the requirement of the Master of Business Administration degree program at Kenyatta University.

You have been randomly selected among many to participate in this study. It is estimated that it will take less than twenty (20) minutes of your time to complete the questionnaire. Please respond as honestly and objectively as possible. Your participation is very essential for the accomplishment of this study and it will be highly appreciated. I guarantee that the information that you will provide will be treated with the utmost confidentiality and will be used only for academic purposes.

This is an academic research and confidentiality is strictly emphasized, your name will not appear anywhere in the report. Kindly spare some time to complete the questionnaire attached.

Thank
you.

Yours faithfully,
Ombui

APPENDIX II: Research Questionnaires

Section A: Background Information

1. Kindly indicate your gender

Male [] Female []

2. Kindly indicate your age category

20-29 years [] 30-39 years [] 40-49
years [] Over 50 years []

3. Highest level of education

Primary School [] Secondary school []
Diploma/ Certificate [] University degree []
Masters' Degree []

4. How many years have you been working at KRA?

Below 3 years [] 4- 6 years []
7-10 years [] More than 10 years []

SECTION B: RESOURCE ALLOCATION AND FIRM PERFORMANCE

6. Below are several statements on the effect of resource allocation and how it affects performance at KRA. On a scale of 1 to 5 where 1(no extent), 2 (little extent), 3 (moderate extent), 4 (great extent) and 5 (very great extent) kindly indicate the extent to which each statement applies to the case of KRA.

Statements	5	4	3	2	1
KRA has well trained employees working in each department					
Each department is well staffed in line with the work they do					
KRA has engaged enough staff in each department					
Each department has well experienced employees in tasks performed by the department					
KRA employees perform their tasks accurately					
KRA has information systems to improve the way employees perform their duties					
KRA allocates sufficient funds to implement its strategies					
KRA has experienced employees in strategy implementation					

SECTION C: PERFORMANCE TARGETS AND FIRM PERFORMANCE

8. Below are several statements on performance targets and how they have influenced performance. Kindly indicate the extent to which you agree with each of them in as far as KRA is concerned. Use a score of 1-5 where 1(no extent), 2 (little extent), 3 (moderate extent), 4 (great extent) and 5 (very great extent)

Statements	5	4	3	2	1
Performance targets are set with outputs in mind					
Performance targets are set in terms of revenue collection					
Performance targets focus on change in revenue collection					
Performance targets are set in line with customer satisfaction					
Performance targets are set in line with internal efficiency					
Performance targets are set in line with internal innovations					
Performance targets are set in line with internal learning projections					
Performance targets focus on quality of services delivered to customers					

SECTION D: COMMUNICATION AND STRATEGY IMPLEMENTATION

5. Below are several statements on the role of strategy communication in organizational performance. Kindly indicate the level of your agreement with each in regard to KRA. Use a scale of 1-5 where 1(no extent), 2 (little extent), 3 (moderate extent), 4 (great extent) and 5 (very great extent).

Statements	5	4	3	2	1
Formulated strategies are well communicated to all employees in the organization					
Regular departmental meetings are held to share the targets for each employee					
Senior managers are responsible for ensuring set targets are met					
Strategies formulated are clearly communicated across all affected departments					
Strategies formulated are timely communicated across all affected departments					
Senior management support the implementation of strategies at KRA					
Senior management own the entire process of strategy implementation at KRA					
Senior management ownership of strategy has promoted organizational performance					
Clear strategy communication has improved KRA performance					

Support from senior management has promoted realization of targets at KRA					
Regular departmental evaluations have promoted organizational performance at KRA					

SECTION E: STRATEGY SUPERVISION AND FIRM PERFORMANCE

6. To what extent do the following aspects of strategy supervision influence performance on a scale of 1-5 where 1 (no extent), 2 (little extent), 3 (moderate extent), 4 (great extent) and 5 (very great extent).

Statements	5	4	3	2	1
Managers have direct influence on strategy implementation at KRA					
Senior managers get daily updates on the performance of each section					
Regular departmental updates provide room for timely corrective action					
Managers train their subordinates on how well to deliver on set strategy targets					
Adequate controls have been established in KRA systems					
Managers shape the values in their subordinates to achieve organizational goals of KRA					
Managers cultivate a culture that promotes strategy implementation in KRA					
Senior management provide a strong support fit for strategy implementation					
Senior management are directly involved in strategy implementation					

SECTION F: FINANCIAL PERFORMANCE

7. Below are several statements on organizational performance. Kindly indicate the level of your agreement in relation to KRA. Use a scale of 1-5 where 1 (no extent), 2 (little extent), 3 (moderate extent), 4 (great extent) and 5 (very great extent).

Statements	5	4	3	2	1
KRA has consistently met its target revenue collection in the past five years					
Revenue collection has been on the increase at KRA					
The level of service delivery at KRA has been increasing					
The level of efficiency at KRA has been improving over the last five years					
The level of computerization at KRA has been improving over the past five years					