CORPORATE STRUCTURE AND REVENUE COLLECTION BY KENYA REVENUE AUTHORITY IN NAIROBI, KENYA

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A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL FULFILLMENT FOR THE REQUIREMENT OF THE AWARD OF DEGREE OF MASTER IN BUSINESS ADMINISTRATION FINANCE OPTION IN KENYATTA UNIVERSITY.

JUNE, 2019
DECLARATION

This research project is my original work and has not been presented for any award in any other University.

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DEDICATION

I dedicate this research project to my family and many friends. A special feeling of gratitude to my loving parents Carren and Johnson Gwaro for instilling in me the importance of hard work and higher education. To my wife Eucarence Moraa and my daughter Ann-daisy Kwamboka whose words of encouragement and push for tenacity ring in my ears. I am grateful too for the support and advise from my faculty colleagues in the school of business may you also be motivated and encouraged to reach your dreams.
TABLE OF CONTENTS

Declaration,.................................................................................................................. Error! Bookmark not defined.
Dedication.......................................................................................................................... iii
Acknowledgements, ......................................................................................................... iv
Table of Content, ................................................................................................................. v
List of Tables, ..................................................................................................................... viii
List of Figures, .................................................................................................................... ix
Operational Definition of Terms, ..................................................................................... x
Abbreviations and Acronyms, .......................................................................................... xi
Abstract, ........................................................................................................................... xii

CHAPTER ONE: INTRODUCTION, ............................................................................... 1
  1.1 Background of the Study, .......................................................................................... 1
    1.1.1 Corporate Structure ......................................................................................... 3
    1.1.2 Kenya Revenue Authority ............................................................................... 4
    1.1.3 Revenue Collection in Kenya ........................................................................... 6
  1.2 Statement of the Problem, ....................................................................................... 8
  1.3 Objectives of the Study, .......................................................................................... 9
  1.4 Research Hypotheses, ............................................................................................ 10
  1.5 Significance of the Study, ....................................................................................... 10
  1.6 Scope of the Study, .................................................................................................. 11
  1.7 Limitations of the Study, ........................................................................................ 12
  1.8 Organization of the Study, ....................................................................................... 12

CHAPTER TWO: LITERATURE REVIEW, ................................................................. 14
  2.1 Introduction.............................................................................................................. Error! Bookmark not defined.
  2.2 Theoretical Literature ............................................................................................ 14
    2.2.1 Agency Theory .................................................................................................. 15
2.2.2 Structural Contingency Theory .................................................. 14
2.2.3 Stakeholder’s Theory ................................................................. 15
2.3 Empirical Review ......................................................................... 16
  2.3.1 Revenue Collection in Kenya ................................................... 16
  2.3.2 Board Size and Revenue Collection ......................................... 18
  2.3.3 Board Independence and Revenue Collection ............................ 20
  2.3.4 Board Composition and Revenue Collection ............................... 21
2.4 Summary of Literature Review and Gaps ...................................... 23
2.5 Conceptual Framework ................................................................. 25

CHAPTER THREE: RESEARCH METHODOLOGY ................................. 29
3.1 Introduction .................................................................................. 29
3.2 Research Design ......................................................................... 29
3.3 Target Population ......................................................................... 29
3.4 Data Collection ............................................................................ 29
3.5 Data analysis ................................................................................ 30
  3.5.1 Model Specification ................................................................. 30
  3.5.2 Diagnostic Tests ....................................................................... 30
3.6 Operationalization and Measurement of Variables ....................... 31
3.7 Ethical considerations ................................................................... 32

CHAPTER FOUR: RESEARCH FINDINGS .......................................... 33
4.1 Introduction .................................................................................. 33
4.2 Descriptive Statistics ................................................................... 33
4.3 Correlation Statistics .................................................................... 35
  4.3.1 Diagnostic Tests ....................................................................... 38
4.4 Regression Model ......................................................................... 39
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.4.1</td>
<td>Model Summary</td>
<td>39</td>
</tr>
<tr>
<td>4.4.2</td>
<td>ANOVA</td>
<td>40</td>
</tr>
<tr>
<td>4.4.3</td>
<td>Regression Coefficients</td>
<td>40</td>
</tr>
<tr>
<td>CHAPTER FIVE</td>
<td>SUMMARY., CONCLUSIONS, AND RECOMMENDATIONS</td>
<td>44</td>
</tr>
<tr>
<td>5.1</td>
<td>Introduction</td>
<td>44</td>
</tr>
<tr>
<td>5.2</td>
<td>Summary</td>
<td>44</td>
</tr>
<tr>
<td>5.3</td>
<td>Conclusion</td>
<td>45</td>
</tr>
<tr>
<td>5.4</td>
<td>Recommendations</td>
<td>46</td>
</tr>
<tr>
<td>5.5</td>
<td>Suggestion for Further Research</td>
<td>46</td>
</tr>
<tr>
<td>REFERENCES</td>
<td></td>
<td>47</td>
</tr>
<tr>
<td>APPENDIX I</td>
<td>SECONDARY DATA</td>
<td>52</td>
</tr>
<tr>
<td>APPENDIX II</td>
<td>KENYA REVENUE AUTHORITY ORGANIZATION</td>
<td>53</td>
</tr>
<tr>
<td>APPENDIX III</td>
<td>KRA STRUCTURE</td>
<td>54</td>
</tr>
</tbody>
</table>
LIST OF TABLES

Table 2.1, Summary of Literature Review and Gaps, .......................................................... 253
Table 3.1, Operationalization and Measurement of Variables, .......................................... 29
Table 4.1 Descriptive Statistics.......................................................................................... 32
Table 4.2 Correlation Between Variables ......................................................................... 34
Table 4.3 Beusch Godfrey Serial Correlation Test ................................................................. 35
Table 4.4 Heteroskedascity Test: Beusch Godfrey ............................................................... 39
Table 4.6 Model Summary ................................................................................................. 39
Table 4.7 ANOVA ................................................................................................................ 41
Table 4.8 Regression Coefficients, ..................................................................................... 42
LIST OF FIGURES

Figure 2.1: Conceptual Framework, .................................................................25
Figure 4.1 Normality Tests..............................................................................35
OPERATIONAL DEFINITION OF TERMS

**Board Composition**
It is the ratio of non-executive board of directors to the executive directors in the KRA

**Board Independence**
It is the ratio of the independent directors to the total board members

**Board Size**
This is the total number of board members in KRA

**Corporate Structure**
The established pattern of relationships among the components or parts of company. It formally defines framework of an organization’s task and authority relationships. Board composition, independence and size constitute the framework and are part of the components of an organization.

**Revenue Collection**
The amount of money collected by the government from taxation, excise duties, customs, or other sources, appropriated to the payment of public expenses.

**Internal Borrowing**
Part of the total government debt in a country that is owed to lenders within the country.

**National Budget**
The proposal of revenues and expenditures a government expects for a given fiscal year.

**Structure**
The relatively enduring allocation of work roles and administrative mechanisms that creates a pattern of interrelated work activities and allows the organization to conduct, coordinate, and control its activities.
### ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOD</td>
<td>Board of Directors</td>
</tr>
<tr>
<td>CSD</td>
<td>Customs Service Department</td>
</tr>
<tr>
<td>DTD</td>
<td>Domestic Taxes Department</td>
</tr>
<tr>
<td>HMRC</td>
<td>Her Majesty’s Revenue and Customs</td>
</tr>
<tr>
<td>KRA</td>
<td>Kenya Revenue Authority</td>
</tr>
<tr>
<td>LTO</td>
<td>Large Taxpayer Office</td>
</tr>
<tr>
<td>MST</td>
<td>Medium and Small Taxpayer</td>
</tr>
<tr>
<td>RTD</td>
<td>Road Transport Department</td>
</tr>
<tr>
<td>SARA</td>
<td>Semi-Autonomous Revenue Authority</td>
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<td>SSD</td>
<td>Support Services Department</td>
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ABSTRACT

The Kenya Revenue Authority is the government revenue collecting institution which remits the collected revenues to the treasury for the government to be able to spend in various expenditures. The trend of revenue collection by Kenya Revenue Authority over the past years has experienced a declining trend, for instance the growth in 2009/2010 was 11.33 percent, 2010/2011 was 18.81 percent, 2011/2012 was 11.36 percent, 2012/2013 was 7.43 percent, 2013/2014 was 26.90 percent and 2014/2015 was 3.86 percent. As a result, the study identified objectives in order to analyse the effect of corporate structure in revenue collection in Kenya Revenue Authority. These objectives involved determining the effect of board size on revenue collection at KRA, to analysing the effect of board independence on revenue collection at KRA, and to find out the effect of board composition on revenue collection at KRA. The study used structural contingency theory, agency theory, and stakeholder’s theory to provide the foundation for the study. Empirical literature was provided where previous relevant studies were highlighted, providing the methodology and outcome. The study targeted Kenya Revenue Authority. The data used in this study was only secondary data which was gathered from the KRA website publications and journals that related to the current study. So as to achieve the specific objective set by this study the data was analysed by the use of descriptive and inferential statistics. These tests were done using the SPSS v.21. The study presented that positive change in board size resulted positive change in revenue collection. The coefficient presented that positive change in board independence resulted positive change in revenue collection. The coefficient presented that positive change in board composition resulted in negative change in revenue collected. KRA revenue collection and board size relationship was found to be positive and significant. The study concluded that the relationship between board independence and revenue collection was positive and significant. The study concluded that the relationship between board composition and revenue collection was negative and significant. Based also on the coefficient of determination and coefficient of correlation values, the study concludes that board size and board independence were strongly positively correlated to revenue collection while board composition was weakly and negatively correlated to revenue collection. The study also indicated that revenue collection was determined strongly by board size and board independence and weakly determined by board composition. The study recommended that the members of the board should be of the required size and the number of independent directors increased since their effect on revenue collection is positive and significant. The study recommended the proportionate ratio of independent board of directors should be increased to a minimum of 5 independent directors. The study suggested that the ratio between non-executive and executive board members should be reduced since their effect on revenue collection was negative.
CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Revenue collection is the means by which an institution gets money and for a country this is done through a revenue authority and other revenue agents. The task of revenue collection by the revenue authority is an immensely important task since this is the money that finances governments’ projects. The largest source of any government revenue is through taxation whose history goes way back as far as history can remember. Though records were not kept, it is understood that ‘taxation’ was done before the Roman Empire and even in the Bible one asks Jesus whether it is right to pay the taxes. The reply from Jesus was the famous “…give unto Caesar what belongs to him” (Morgan & Prasad 2009).

Tax World (2012) report stated that with the change of the trading medium of exchange, so did the payment of taxes. During the reins of Pharaoh in Egypt, tax collection was known as scribes. At one time import tax on cooking oil was introduced. In order to ensure that households will not avoid cooking oil scribes the government would audit painful that the correct and appropriate amount of cooking oils are being used and consumed and that citizens were not using the substitute off the then taxed cooking oil. This continued for quite a while. During the occupation of Roman Empire in the years 1337 and 1453 in Great Britain, the first tax was assessed. The Saxon Kings impost taxes when Rome fell which was referred to as danegeld on land and Property. Substantial customs duty was also imposed by the Kings then.

Tax World (2012) report also stated that in Africa, taxation was introduced by the colonial governments and they were enforced in those countries to be able to perform administrative
functions. After the colonialists left, African countries maintained the tax systems that were implemented by the colonialists. Changes have been made by countries to their tax system gradually to accommodate current requirements and to facilitate budgets. Centre for Tax Policy and Administration, (2011) showed that South Africa and Nigeria who are the two largest African economies have modified their revenue structures to be able to efficiently collect revenues. Their tax structures are known to be efficient and other revenue bodies have modelled their revenue structures in relation to theirs.

Atta-Mills (2012) indicated that revenue authorities that have an effective revenue administration Mobilize or generate more Revenue, which enables the government to achieve greater financial reliability enabling growth which enables the government to do some structural adjustment programs and provide the required infrastructure for the growth of the economy. The collection of taxes also allows the government to eliminate or reduce poverty levels to certain regions in the country. The government will be in a position to adopt easy-to-administer and simple tax laws hence reducing the non-compliance.

According to the centre for tax policy and administration (2010), the range of powers given to the National revenue body will depends on many factors some of them includes; government system in place, state of the country development and tax administration institutional models adopted by the government. The administration posted that the state in the last decade, many revenue bodies' organizational structure are the subject of reform in order to improve national efficiency and effectiveness thus enabling service delivery to the taxpayers. The trade of these reforms has changed the revenue bodies towards efficiency and effectiveness which enables them to move the structure from individual institution based to the public based functions and
criteria. This has resorted to evolution of many revenue bodies in the world with the principal function of collecting taxes. Many revenue bodies have changed the game in terms of compliance, service delivery and verification functions in order to serve the taxpayers effectively. Some of these bodies are created as taxpayer segments to deal with taxpayers’ issues and complaints in the growing economy.

1.1.1 Corporate Structure

Corporate structure is evaluated in the way power is being exercised over the entities especially the corporate entities (Tricker, 2015). Corporate structure entails the activities of the board of a certain company and their relationship with the stakeholders, employees and managers as well as other legitimate stakeholders. It is the work of the board of directors to generally check the institutions’ decision-making and their financial performance. The weak corporate structure shakes the confidence that is available to the shareholders as well as it reduces the Investment in the company while the positive and good corporate structure has a good and positive impact on investment (Williamson 2009)

Corporate structure is the basis by which organization tries to arrange different levels, spans of responsibilities, position roles and mechanism by which organization tries to solve the problem (Lovorka, 2009). According to (Martineli, 2001) an organization is a set of many interactive elements which tries to organize different levels and units in an attempt to make proper decision. The identification of these units or elements in the organization that will work together to make sure that issues within the organizations are tackled is a major problem facing many organization. Unless individuals in an organization work together it is very hard for an organization to achieve its targets easily. In order for an organization to work towards better
results it must work directly with the aim of achieving the set organizational goals keeping every employee posted with what is happening in the organization and this requires a good corporate structure (Broder, 2009). According to Al Qatawneh (2014) the organization parts must work together and build a good relationship for the purposes of proper coordination which helps it to function properly.

Corporate structure consists of board independence, board size, stakeholders’ involvement and staff ethics. The board size consists of board of directors who sit in the full board meeting. Board independence is measured by the number of directors who are independent in the committee and proportionate number of directors in the Audit committee (Quangyen & Yezhuang, 2013). The KRA employees is guided by the code of ethics, moral standards and personal integrity in serving the customers. There are many different schools explaining organisation structure and organisation theory and the performance of the employees. Various authors have a belief that factors such as environment, technology organisation structure and the size of the firm influences performance. Atta Mills (2012) argued that these factors influence the economic and organisational performance when chosen based on the governing bodies.

The communication done by the executive to the directors and managers in terms of the operational procedures influence every decision made in an organization. The managers are supposed to explain these operational procedures to the employees and therefore the employees are supposed to follow them on their daily transactions. According to (Clemmer, 2013) organization structure improves performance, and good performers in poor structures take the shape of the structure and these people may continue to suffer indefinitely or become helpless in
the long run. This is because these employees have no control/little of their processes in work and therefore rely on the managers who passed policies and procedures to them. These feelings increases at a rate that affects the performance management and the incorporation of the new technology which in turn punishes the employees who behave like the system because of the processes and the structures that they have forced into them (Broder, Calopa & Pihir, 2010)

1.1.2 Kenya Revenue Authority

For the purposes of mobilizing government revenue the tax collection in the country is done by the government’s revenue collecting agent, Kenya revenue authority which was authorized or established by an act of Parliament on 1st July 1995 and cap 469 of the laws of the state. They are also responsible for sustainability of revenue collection and administration of the taxes in Kenya. There was lack of coordination before the enactment of cap 469 because most of the revenue collection functions were distributed to different Ministries. There was low level of accountability and inefficiency in terms of the performance and collection of revenue by then. The authority now is mandated with the responsibility of collecting revenue on behalf of the government and accounting for it. It is an arm of government which is responsible for 96 percent of government ordinary revenue collection. Kenya revenue Authority administers 18 acts of parliament and as well collect agency revenues for several government agencies in Kenya.

Kenya Revenue Authority, Fifth Corporate Plan, (2013) report outlined the overall organization structure. The directors of the board are sourced from both public and private sectors and they make policy decisions which later are implemented by the management of KRA. The President of Kenya appoints the chairman of the board. The cabinet secretary of finance in Kenya appoints
the chief executive of the authority who is the commissioner general. KRA has continued to enlarge in size as well as in the scope of its operations. In terms of the organization structure, KRA is comprised of centralized and decentralized units, spread across the national territory. The centralized units are located at Times Towers in Nairobi, the capital city of the country. The jurisdictions of the decentralized units are geographically dispersed across the country in five economic regions namely: Southern, Central, Rift Valley, Western and Northern Region. Due to enlarged scope of operation KRA has been restructured and created ten functional departments as shown in its organizational structure in figure back page.

Kenya Revenue Authority structure and governance is organised as per recommended internationally best practice for semi-autonomous revenue authorities (SARA's). As set out by the KRA act, the board of directors are the governing bodies of the institution. It consists of two ex-officio members from the government of Kenya, the permanent Secretary of Treasury and the Attorney General plus other six members from the private sector. The commissioner general is responsible for the day to day operations of the authority assisted by five commissioners in charge of domestic taxes department, large taxpayer office, medium and small taxpayer, investigation and enforcement, support services and custom services department. In addition to the above there are five regional offices in Kenya and 7 headquarter departments.

1.1.3 Revenue Collection in Kenya

In the period 2011/2012 to period 2014/2015 the total revenue in Kenya averaged 24 percent of the GDP. In the period 2015/2016 the revenue collected to the GDP ratio reduced to 19 percent from 24 percent previous year as a result of increase in national Revenue. The challenges faced because of these are due to no access to development partners and low country’s self reliance
(World Bank 2014). The country also faced increase in value added tax regime which is above 12 percent of the GDP since 2000 and increasing income tax since 2001, bad atmosphere for the use of fiscal policy and short-term growth objectives to benefit the political view (Planning, 2013).

The tax contribution to the revenue portfolio in the years 2011/2012 to 2015/2016 was an average of 96 percent and the 4 percent was contributed by the non-tax revenue. The data indicated a declining growth in revenue for the period between 2009 and 2015. For instance the growth in revenue collection in the year 2010 was 11.30 percent, in the year 2011 it increased to 18.81 percent, in the year 2012 declined to 11.36 percent, in the year 2013 increase to 24.9 percent in the year 2015 it decreased terribly to 3.86 percent. Despite the increase in the income tax the targets set by the government have never been met for the last 10 years. Income Revenue has been increasing year in year out but government has been unable to streamline other sources of revenue in the country (Kenya revenue authority fifth corporate plan team 2014 to 2016).

It is important to note that the revenue was on the decline in terms of growth, there was a sharp percentage increase recorded in growth for the period 2013/2014 from 11.36 percent to 24.9 percent. Then there was a sharp decline in growth of revenue to 3.86 percent which attracted interest from many authors and scholars on establishing the cause of this sharp decline. Tax reforms have substantially been carried out for the last 10 years yet the trade in terms of performance is not stable as evidenced by the data presented above. Despite waivers on tax arrears the targets have never been fully met in the country. The principle of self-assessment and self-reliance led to increase in tax collection to Great extent (World Bank, 2014).
The target revenue from 2012/2013 to 2016/2017 has been higher as compared to the amount collected resulting to the government to finding other sources to fill the deficit. For instance in the financial year 2012/2013 targeted revenue collection was ksh.845.4 billion but only Ksh.759.5 billion was collected, during financial year 2011/2012 targeted revenue collection was ksh.717 billion and is only ksh.707 billion was collected. The revenue collection shortfalls by KRA are as a result of internal and external factors (Kenya Revenue Authority, Fifth Corporate Plan 2012/13-2014-15). External factors include changes in tax laws, delays in tax implementation as was the case in 2015 budgets, and slowdown in economy. Internal factors such as top management changes and organisational structure have an impact on KRA revenue collection. The study analysed organization structure and its influence on revenue collection at the country’s revenue collecting agency.

1.2

tatement of the Problem

The trend of revenue collection by Kenya Revenue Authority over the past years has experienced a declining trend, for instance the growth in 2009/2010 was 11.33 percent, 2010/2011 was 18.81 percent, 2011/2012 was 11.36 percent, 2012/2013 was 7.43 percent, 2013/2014 was 26.90 percent and 2014/2015 was 3.86 percent. The Government of Kenya has been unable to service its budget over years resorting to internal and external borrowing. This is because the National Budget has been increasing year in year out. Kenya Revenue Authority, a body that collects revenue for the Government has not been meeting its targets set by Government treasury thus leading to the deficit. The government of Kenya came up with certain measures to address the problem of destabilizing the budget deficit and the fact that these budget deficits were
becoming unsustainable. The government utilised fiscal policy proposals and adopted tax modernization programs and the budget rationalization programs to help in stabilizing the budget deficit. Despite all these efforts by the government, there are various problems which are facing the revenue collection by the Kenyan government and are affecting the effective and efficiency of the tax system.

Studies done by Ohemeng and Owusu (2013), Muriithi and Moyi (2003), and Awitta (2010) relating to corporate structures to efficiency in revenue collection and overall performance have looked at different variables and concepts into the relationship. Awitta (2010) analysed the effectiveness of collection studies but did not single out the effects of corporate structure on revenue collection. The corporate structure variables such as board size, staff ethics, board composition and independence of the board and their relationship with revenue collection is not clear despite growing concern on the need by different stakeholders in Kenya. With the Kenya Revenue Authority management trying to find ways of ensuring that the set targets are achieved, the management over time has tried to change its corporate structure so as to improve its efficiency in revenue collection since the reporting and command structure has changed the operations. In the fourth corporate Plan 2009/10-2011/12, the revenue authority completed its transition into a fully functional structure which was meant to improve efficiency. This study seeks to investigate the influence of corporate structure on the collection of revenue by Kenya revenue authority based on the previous gaps which have been identified and the recent changes of organisation structure by the revenue collecting agency.
1.3 Objectives of the Study

The general objective of the study was to determine the effect of corporate structure on revenue collection at Kenya Revenue Authority.

1.3.1 Specific Objectives

The specific objectives of the study are:

i) To determine the relationship between the board size and revenue collection at the Kenya Revenue Authority.

ii) To analyse the relationship between board independence and revenue collection at the Kenya Revenue Authority.

iii) To establish the relationship between board composition and revenue collection at the Kenya Revenue Authority.

1.4 Research Hypotheses

\( H_{01} \) There is no relationship between board size and revenue collection at the Kenya Revenue Authority.

\( H_{02} \) Board independence has no relationship with revenue collection at the Kenya Revenue Authority.
H₀: There is no relationship between board composition and revenue collection at the Kenya Revenue Authority.

1.5 Significance of the Study

The study will be of significance to various stakeholders including the management of Kenya Revenue Authority who would use the research findings to improve their management and corporate structure for efficiency purposes. An organization structure that would increase revenue and reduce operational/collection costs would be of significance to Kenya’s revenue collecting Agency. The study would also be relevant to the Kenya Revenue Authority staff to know what is expected of them and where they lie in the organizational structure to improve efficiency.

The study will also be of importance to the treasury who are involved in receiving and allocating funds to be used by the government. Since the government receives 96 percent of revenue from KRA, the study would be of importance for the government treasury to know how revenue collection efficiency will be achieved so that policies can be implemented in other government institutions involved in revenue collection.

The study would be of importance to other government policy makers so as to help come up with efficient policies in terms of management of government institutions. This will harmonize operations of the institutions for better performance. The study was useful to the academicians and scholars in gaining knowledge on the relationship between corporate governance and revenue collection. This study provides reference for future researchers on issues relating to revenue collection and corporate governance.

1.6 Scope of the Study
The study analysed the corporate structure of Kenya Revenue Authority and its influence on revenue collection. The study targeted Kenya’s revenue collecting agency whose headquarters are located in Nairobi County. Secondary statistics on board’s size, composition, and independence and revenue collected in the years 2007/2008 to 2016/2017 on quarterly basis was used. Data was obtained from Kenya Revenue websites, publications and journals.

1.7 Limitations and Delimitations of the Study.

The quality of the research work was maintained despite the challenges experienced during the data collection. Some of the limitation included: data collection from the head office only and the other regions were not used in data collection for the study. This limitation was countered by being as objective as possible during data collection and ensuring it was as representative as possible. Another limitation of the study was low response from managers and departmental heads, but the respondents were assured of confidentiality. Proper planning and budgeting was also done to forecast and deal with any emerging challenges.

1.8 Organization of the Study.

The study is organized as follows; chapter one presents background information relating to corporate governance and revenue collection. The operation relating to KRA also presented in the background which presents the problem being studied by the researcher. The objectives of the study measured the corporate governance. The chapter also presents the value the study will add to the existing knowledge, the scope and the limitation faced during data collection. Chapter 2 presents the literature both empirical and theoretical. Chapter 3 presented methodologies used to collect and analyze data. Chapter 4 presented how the researcher analyzed and presented data in the tables and figures. Chapter 5 presented the summary of the research findings, conclusion
based on the findings and the recommendations done by the study basing on limitations and objectives.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction
Literature on empirical and theoretical was reviewed in this chapter. The literature related to corporate structure revenue collection. A section in the Chapter discussed the theories supporting the study and another section reviewed the empirical related to corporate structure. Section 2.3 looked at the empirical studies, where previous studies were reviewed in order to fill the research gap. Section 2.3 also analyzed the revenue collection by KRA, corporate structure, board size, independence and composition. A summary of the empirical review was done in section 2.4 while the conceptual framework was done in Section 2.5.

2.2 Theoretical Literature
Theories used in reviewing the effect of corporate structure on effective revenue collection at Kenya Revenue Authority and were used in understanding the research include:

2.2.1 Agency Theory
Agency theory is the cornerstone of all the relationship involving an agent and the principal. It is a dominant theory which explains the corporate structure (Akbar, 2016). Agency Theory addresses the conflict between the managers and shareholders of an organization (Ehikioya, 2009). Because of the conflict that exist between the owners and the agents who are the managers agency cost may arise. Different alignment of company's interests and those of the managers results to increase in this agency costs, and because of the manager's selfish interest of getting increased parks in the organization or making decisions that are self-centered this will reduce the shareholders value (Ang, 2011). Because of objectives agency costs may arise. Through a code of governance the firm's interest are aligned with manager’s interests.
(Sarens and Abdolmohammadi, 2011) argues that agency theory allows the KRA board of directors and staff to have more information than the principal owners (government or the members of public) and these information asymmetry adversely affects the principal’ ability to monitor the actions of the staff and board of directors in KRA. Thus there should be an approach where the actions of the managers should be monitored by independent board and proper board composition to avoid the agency costs. (Canela, 2011) argued that the asymmetry of information between the principals and agents which exists may result to the possibilities of the managers acting selfishly towards the management of the principal's assets. The principals may not have access to all the information relating to the operations of their businesses and all the decisions are done by the agents and therefore unable to determine where the agents are acting their best interests. Hence, this theory is the cornerstone of all the three independent variables (Board size, Board independence and Board composition).

2.2.2 Structural Contingency Theory

The structural contingency theory had earlier proponents such as Joan Woodward in 1958 and Lawrence and Lorsche (1967). The most effective organisational structure according to the structural contingency Theory is that which will fit to those variables that exist in the organisation. Given the size of the organisation specialisation in that organisation may produce the highest performance level when it is appropriate. For bigger organisation as performance is only experienced when there is a specialisation but for smaller companies highest performance is always resulted when there is low specialisation (Donaldson, 2001). The key elements under structural contingency Theory is the performance of the organisation which fits the characteristics of the structure and the environment with which the organisation is operating in.
There is no "one best way" for organizational structure. The contingency theory of organizational structure presently provides a major framework for the study of organizational design (Donaldson, 1995a, 2001). It holds that the most effective organizational structural design is where the structure fits the contingencies. One of the challenges of this theory is that, it is static and fails to deal with organizational change and adaptation. This theory will be useful in the study as it will provide a framework of whether the organizational structure at KRA should be static or contingent.

2.2.3 The Stakeholders’ Theory

Stakeholders’ theory is a theory of organizational management and business ethics (Freeman, 2014). Stakeholders’ theory proposes that stakeholders should be modeled to cater all the groups belonging to the organization. Management should put more concern on the affairs of each stakeholder and address the needs accordingly. The theory supports that every interested party should be catered for during the operations of the business.

The importance of stakeholders’ theory is that it supports the Corporate Governance in ensuring that the structure of the business caters for not only the agents and the principals but also the agents’ principles and any other party who may be affected by the decision of the company (Jensen, 2015). Corporate structure is a multifaceted approach which helps to understand the responsibilities of each person participating to make the project a success. It helps to understand the responsibilities of each computing interest in providing the intellectuals and resources to shareholders wealth. Stakeholders Theory is responsible for the managerial rationale and requirement by the managers to make a robust performance in the organization.
Jensen 2015 criticizes stakeholder’s theory for it assumes a single valued objective of gaining accrued firms objectives. The author argued that the performance of the firm not be measured by only maximizing shareholders wealth but should capitalize on checking if the interest of each party was considered. According to Berman Gordon and Susman 2013; information flow to the lower ranks from the senior management should be always consistent considering the interpersonal relationship and the working environment but also should consider other critical issues such as location of the business. Deegan 2015 posted that single corporate objectives are not supported by this theory but it directs those in management to serve many Masters. He further argued that managers without clear Mission in an organization may not be able to serve or admit the single most objective of the business and this may create confusion between managers and employees conflict of interest lack of efficiency and competitive failures in most cases. The theory supports our objectives in that the employees in KRA who form part of the corporate structure should strive to serve the interest of many diverse stakeholder’s (public, government etc).

2.3 Empirical Literature

The section reviews empirical studies related to the independent variables and their effects on revenue collection in Kenya. Various research gaps were identified and some of the gaps were filled by the current study.

2.3.1 Collection of Revenue in Kenya

Miyahira (2008) studied the effects of information technology on revenue collection in Brazil. The study conducted a case study on Receita Federal do Brasil (RFB) which is the Brazilian Internal Revenue Service agent and analysed the new system implemented to improve revenue collection. The study findings indicated that an effective tax collecting computerized structure
helps to better evaluate the degree to which taxpayers fail to file their tax returns and pay the correct tax on time, and also considering the tax gap. The study was on the effects of information technology on revenue collection while the current study is on the corporate structure on revenue collection.

Baisal bayeva, (2013) studied the influence of revenue decentralization and whether revenue decentralization increases or reduces revenue growth. The study was done for different countries and a cross sectional research analysis and design was used. The study analysis suggested that the relationship between revenue decentralization and economic growth differed considerably for different groups of countries. The study investigated the general effects of revenue decentralization while the current study investigates the effects of the board composition, board size and board independence on revenue collection.

A study by Sagas (2015) assessed the impact of electronic tax register on revenue collection by Kenya Revenue Authority in Western region, Kenya. The study population comprised of 14 management staff of KRA (Kisumu office) and 364 wholesale traders in Kisumu town, making a total population of 378 respondents. The study findings indicated that ETR machines have helped to curb cases of tax evasion and those ETRs have boosted revenue collection due to their efficient nature. The study was on effectiveness of ETR while the current study investigates the effects of the board composition, board size and board independence on revenue collection.

Gachanja (2012) studied the effect of tax reforms and economic factors on tax revenues in Kenya. The study used a Co relational study design. The period under consideration was 2002-2009 and secondary data was the main data which was used by this study. The data was collected from Kenya national Bureau of statistics, World Bank, transparency international and Central
Bank of Kenya websites. The results indicated that with the tax modernization in 1986 the country had hoped that tax collected Revenue will be increased but the revenue collected since then do not match the expectations. The study independent variable was the tax reforms while the current studies independent variable is corporate structure.

Chege (2010) conducted a study on the impact of using electronic tax register (ETR) on value added tax compliance in Kenya. The objective was in specific reference to specified hotels in the capital city. The survey adopted a survey research with the study using both primary and secondary data. The study population included all classified hotels registered for VAT in the years 2004 to 2008. The study found out that there was an increase in VAT declared with the introduction of ETR machines. The study was on effectiveness of ETR while the current study investigates the effects of the board composition, board size and board independence on revenue collection.

**2.3.2 Effects of Board size**

Mwangi and Murigu (2015) assessed the effects of organization structure on financial performance of listed companies in Nairobi stock exchange. The study used the following as the Independent variables; ownership by family, ownership by block, foreign owners, board composition and size of the board. The study targeted 44 companies listed in Nairobi stock exchange in year 2009 and 2013. Descriptive analysis and design was used. The outcome of the study indicated a significant relationship between performance of these companies and the size of the board. The study concentrated only on descriptive statistics current study used both inferential and descriptive statistics.
Vintilaand Gherghina (2012) studied the effect of corporate governance practices on firms’ financial performance and market valuation in Sub-Saharan African Countries. The study examined 99 listed firms and a cross sectional design was used. The study found that companies complying with good corporate governance practices by having an optimal board size achieve higher financial performance. However the study showed a negative relationship between audit committee composition and firm performance. The study investigated on firms’ performance while the current study investigates on revenue collection.

A study by Aziz 2015 looked into the relationship between the performance of the companies and corporate structure. The study targeted 100 listed companies in Colombo stock exchange between 2010 and 2012. Descriptive and inferential statistics was used. The study established that there was a negative association between the size of the board and the company's performance. The study presented that when the role of the Chief Executive Office is detached from that of the chairman there is significant relationship with the performance. The study indicated that more non-executive directors in the board have no significant relationship performance of the firms listed in Sri Lanka stock exchange. The gap identified was that the study was carried out in Sri Lanka while the current study looked into the impact of corporate governance on revenue collection.

Naseem, Niazi, and Rehman, (2015) studied the relationship between corporate structure on firms performance in Pakistan. The study targeted 47 oil and Gas companies in Pakistan for the Year 2004 to 2010. The panel data was used and panel analysis was used to analyze the data. Findings were that there was a positive and significant relationship between the size of the board and return on equity. The study recommended that the CEO position should be rotated more
A study by Nyarige, (2012) on effects of board size and market performance established that the board size of commercial banks positively affect market commercial bank’s performance. However, a study by Wepukhulu, (2015) contradicts the above findings concluded that that there is no significant difference between banks ownership structure, corporate governance practices and financial performance of commercial banks in Kenya thus the current study tries to fill this gap.

2.3.3 Effects of Board Independence

Chen (2012) assessed the effect of corporate governance on cash Holdings in companies. The study considered companies with different investment policies for the year 2012. The target population was 1500 American standard companies. Descriptive analysis and design was used. The study implied that the board independence significantly affect cash holding limits for the American standard companies. The study found that large board size results to liberty political influence which increases the difficulties in coordinating the activities of the company. The study was done in the well developed countries while the current study was carried out in developing countries.

Lam and Lee (2012) looked into the relationship between the corporate performance and board committees. The study was carried out in UK-based firms and it selected 346 companies for the 2001 to 2003. The study found that the board committee members should be over certain limit
for them to perform efficiently and productively towards the success of the company. The study found that the board should be comprised of both dependent and independent non-executive directors. The study was carried out in UK and therefore the results may not be applied in Kenyan market therefore the current study aimed to fill that gap.

Uwuigbe, (2011) studied the influence of board independency on firm performance of listed companies in Nigeria’s stock exchange. This study targeted 33 companies. The study used Descriptive and inferential statistics. The finding of the study on the relationship between board independence and financial performance was positive and significant. Stephano, (2013) study on the relationship between board independence on financial performance of the banks, all concurred that there is a negative connection among presence of independent directors in bank boards and the financial performance. They both found that a large proportion of the Independent directors were not doing the work within the mind of being independent but colluded with other directors and CEOs to meet their own personal or partnership interests. The study was carried out in Nigeria and therefore the results may not be applicable in Kenya while the current study focused on revenue collection in KRA and how it is affected by corporate governance.

2.3.4 Effects of Board Composition

Wintoki, Linck and Netter (2012) assessed the relationship between the structure of the board and the company's performance. Generalized moment of estimator was used. The study targeted 6000 companies and the period under consideration was 1991 to 2003. The study used a causal descriptive research. The study found that there is no relationship between the performance of
the companies and the board structure. Therefore there was a negative and significant relationship between the board structure and the performance of the company selected. The current study values will use inferential and descriptive analysis.

Mwangi and Murigu (2015) assessed the effect of corporate structure and financial performance of companies listed in Nairobi stock exchange. The variables used in the study were; ownership type, board size, board composition among other factors. The firms considered in this study were 44 companies listed in Nairobi stock exchange and the period under consideration was 2009 to 2013. Descriptive research design was used. The study found no major relationship between composition of the board and the financial performance of selected companies. The study used only descriptive research design while the current study will use both inferential and descriptive research statistics.

Annuar and Rashid (2015) studied the board control role and non-executive directors’ independence. The study used qualitative research design concentrated on public listed firms in Malaysia. The study collected data from 99 selected companies through interviews. The findings of the study were the directors who are non-executive are very important in safeguarding the interest of the smaller investors and therefore contribute to the improvement of the financial performance. The study presents the gap because it is only considered the companies which are listed while the current study collected data from an agent of the government.

A study conducted by Hsu (2011) in the United States to investigate the relationship between board characteristics and financial performance of US firms between 2000 to 2004 revealed the
existence of a significant relationship at the board level. The performance of the firms was measured using the Tobin’s Q and findings showed that board quality was positively related to firm performance. This supports Ujunwa (2012) whose study found that the number of board members positively affects performance of Nigerian firms. Thus, according to these two studies, education qualifications had a positive impact on firm performance. In this regard, a firm that has diversity of board members, with keen bias on academic qualifications enhances the probability that the firm will do well financially. The study findings were based on qualitative aspects of board composition while the current concentrates on the quantitative aspects of board composition.

A study by Aduda, Chogii and Magutu (2013) assessed the significance of the board composition, size of the board, proportion of outside directors, proportion of inside directors, and the role of CEO duality on firm performance. All companies quoted at the NSE were analysed for period of four years between 2004 and 2007. The study measured firm performance by the Return on Assets and Tobin Q ratio. This study concluded that the overall regression models for firm performance for both the Return on Assets and Tobin Q ratio are significant. This implied that the corporate governance variables involved were significant for firm performance.

2.4 Literature Review Summary

Below is a tabulated summary of empirical reviews related to independent variables and their effects on collection of revenue in Kenya. The table also summarises various research gaps that were identified and how some of these gaps were filled by the current study.
<table>
<thead>
<tr>
<th>Author</th>
<th>Context and Focus</th>
<th>Study Findings</th>
<th>Gaps Identified</th>
<th>Current study Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miyahira (2008)</td>
<td>Influence of information technology on revenue collection in Brazil</td>
<td>Effective tax collecting computerized structure helps to better evaluate the extent to which taxpayers do not file their tax returns</td>
<td>The study was conducted in Brazil and may not be applicable in Kenya.</td>
<td>The current study is on the corporate structure on revenue collection.</td>
</tr>
<tr>
<td>BaisalBayeva (2013)</td>
<td>Impact of revenue decentralization and whether revenue decentralization increases or reduces revenue growth.</td>
<td>The study analysis suggested that the relationship between revenue decentralization and economic growth differed considerably for different groups of countries.</td>
<td>The study investigated the general effects of revenue decentralization and left a gap on contributors of revenue decentralization</td>
<td>The current study investigates the effects of the board composition, board size and board independence on revenue collection.</td>
</tr>
<tr>
<td>Gachanja (2012)</td>
<td>Effect of tax reforms and economic factors on tax revenues in Kenya.</td>
<td>The study found that Kenya introduced the tax modernization programme in 1986 with the hope that this would, among other things, enhance revenue collection</td>
<td>The study independent variable was on the tax reforms and economic factors. Descriptive analysis was also used</td>
<td>The current study’s independent variable is corporate structure. Descriptive, exploratory research designs was used</td>
</tr>
<tr>
<td>Mwangi and Murigu (2015)</td>
<td>Studied the effects of corporate governance on financial performance of listed companies in Nairobi Securities Exchange</td>
<td>Tax reforms had a positive impact on the overall tax structure and on the individual tax handles, even though impact of reforms was not uniform.</td>
<td>Descriptive statistics were used</td>
<td>Both descriptive and inferential statistics were used</td>
</tr>
<tr>
<td>Aziz (2015)</td>
<td>The relationship between corporate structure and firm performance</td>
<td>The study found a negative association between board size and firm performance</td>
<td>The study investigated the listed companies in Sri Lanka and not a government controlled entity</td>
<td>The current study investigated the effect of corporate structure on KRA revenue collection which is an agent of the government.</td>
</tr>
<tr>
<td>Author (Year)</td>
<td>Methodology</td>
<td>Findings</td>
<td>Current Study</td>
<td>Notes</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------</td>
<td>----------</td>
<td>---------------</td>
<td>-------</td>
</tr>
<tr>
<td>Sagas (2015)</td>
<td>Studied impact of electronic tax register on revenue collection</td>
<td>The study found that ETR machines have a positive influence in collection of revenue.</td>
<td>The study ’s independent variable was ETR machines effect on revenue collection</td>
<td>The Current study’s independent effect on revenue collection is different.</td>
</tr>
<tr>
<td>Nyarige (2012)</td>
<td>Studied effects of Board size and performance of commercial banks</td>
<td>The study concluded that the board size of commercial banks positively affect their market performance</td>
<td>The study looked at the effect of one element of the board i.e Board size of commercial banks</td>
<td>The current study analyzes board size, board independence and board composition of a government entity.</td>
</tr>
<tr>
<td>Chen (2008)</td>
<td>Impact of corporate governance on cash holdings of companies with different investment policies</td>
<td>The study indicated that CEO ownership and board independence affect cash holdings in listed firms differently</td>
<td>The studies were carried out in different countries and show contradicting results. The composition of board members was also different</td>
<td>The current study investigated the effects of corporate structure on revenues collection by KRA. The composition of board members never exceeded 10.</td>
</tr>
<tr>
<td>Wintoki, Linck and Netter (2012)</td>
<td>The connection between board structure and firm performance</td>
<td>The study concluded that there is no causal relationship among board structure and firm performance</td>
<td>The study used the panel analysis method</td>
<td>Research designs such as descriptive and inferential were used. The results were on Revenue collection by KRA</td>
</tr>
<tr>
<td>Vintilaand Gherghina (2012)</td>
<td>Effect of corporate governance practices on firms’ financial performance and market valuation in Sub-Saharan African Countries</td>
<td>The study found that companies comply with corporate governance practices by having an optimal board size</td>
<td>Study was done in Sub-Saharan Africa</td>
<td>The current study was done in Kenya.</td>
</tr>
<tr>
<td>Authors</td>
<td>Study Title</td>
<td>Findings</td>
<td>Study Location</td>
<td>Current Study Details</td>
</tr>
<tr>
<td>-------------------------</td>
<td>----------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------</td>
<td>----------------</td>
<td>--------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Lam and Lee (2012)</td>
<td>Investigated relationship between the corporate performance and board committees of UK based firms.</td>
<td>Study found that board committee members should be over a certain limit for them to perform efficiently and productively. Also found that the board should consist of both dependent and independent non executive directors.</td>
<td>United Kingdom</td>
<td>The current study took place in Kenya and was done on one government institution.</td>
</tr>
<tr>
<td>Annuar and Rashid (2015)</td>
<td>Investigated the role and effectiveness of independent non-executive directors in Malaysia listed firms</td>
<td>Study found that non executive directors contribute positively to financial performance.</td>
<td>Malaysia</td>
<td>The current study establishes the influence of board composition on revenue collection.</td>
</tr>
<tr>
<td>Hsu(2011)</td>
<td>Looked into the relationship among board characteristics and financial performance of US firms</td>
<td>The study found out that board quality and education qualifications was positively related to firm performance.</td>
<td>United States</td>
<td>The current study concentrated on quantitative aspects of board composition.</td>
</tr>
<tr>
<td>Aduda, Chogii and Magutu (2013)</td>
<td>Assessed significance of board composition, size, and proportion of outside directors and role of CEO duality on firm performance.</td>
<td>Study found that overall regression models for firm performance were significant indicating that the variables used were important for firm performance.</td>
<td>Nairobi Stock Exchange</td>
<td>The current study focused on KRA’s revenue collection.</td>
</tr>
<tr>
<td>Naseen, Niazzi and Rehman (2015)</td>
<td>Investigated relationship between corporate structure on firms’ performance in Pakistan.</td>
<td>The study found a significant and positive relationship between ROE and board size.</td>
<td>Pakistan</td>
<td>The current study investigates the KRA’s revenue collection.</td>
</tr>
<tr>
<td>Uwuigbe (2012) And Stephano (2013)</td>
<td>Board independence and performance of companies of commercial banks</td>
<td>There was a negative relationship between board independence and commercial banks performance.</td>
<td>The study concentrated on companies and commercial banks performance</td>
<td>Revenue collection was the dependent variable in this study</td>
</tr>
</tbody>
</table>

**Source:** Reviewed Literature (2019)

### 2.5 Conceptual Framework

The conceptual framework that was used in this study is as indicated below:

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Dependent Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corporate Structure</strong></td>
<td><strong>Revenue Collection</strong></td>
</tr>
<tr>
<td><strong>Board Size</strong></td>
<td>- Actual Revenue Collected</td>
</tr>
<tr>
<td>- Number of Board Members</td>
<td>- Percentage of Target Revenue collected</td>
</tr>
<tr>
<td>- Proportionate Change on Board Size</td>
<td></td>
</tr>
<tr>
<td><strong>Board Independence</strong></td>
<td></td>
</tr>
<tr>
<td>- Number of External Directors</td>
<td></td>
</tr>
<tr>
<td>- Number of Independent Directors in the Board</td>
<td></td>
</tr>
<tr>
<td><strong>Board Composition</strong></td>
<td></td>
</tr>
<tr>
<td>- Number of Executive Board Members</td>
<td></td>
</tr>
<tr>
<td>- Number of Non-Executive Board Members</td>
<td></td>
</tr>
<tr>
<td>- Proportion of Executive Board Member Non-Executive Board Members</td>
<td></td>
</tr>
</tbody>
</table>

*Figure 2.1: Conceptual Framework.*
CHAPTER THREE
RESEARCH METHODOLOGY

3.1. Introduction
The chapter presented the methodologies which this study used. The below sections present various methodologies used. The section presents the target population, the research design the data collection tool and the data analysis method.

3.2 Research design
Methodology according to Politand, (2004) refers to the way data is obtained, organized and analyzed. The general plan which provides the frame on which data collection techniques and analysis of data and the procedure for analyzing is called the research design (Bryman & Bell, 2007). The study used both descriptive and inferential research design because they present exactly the phenomenon and tries to relate the variables.

3.3 Target Population
Kothari (2004) describes population as all items in any field of enquiry. The study target population was the Kenya Revenue Authority. The study established the effect of corporate structure on revenue collection by Kenya Revenue Authority. This study concentrated on secondary data. Census of revenue collected for ten years on quarterly basis was done to the KRA, a Kenya government agent who is mandated to collect revenue.

3.5 Data Collection
The study used only secondary data for the analysis of data. Secondary data was sought from the Kenya Revenue Authority publications and website together with other relevant data from websites and newspapers.
3.6 Data analysis
Data was analyzed using Statistical Package for Social Sciences (SPSS) version 21. Descriptive statistics including mean, standard deviations, minimum and maximum. Bivariate analysis used Pearson correlation test to determine the relationship between organizational structure and revenue collection at Kenya Revenue Authority. The correlation coefficient values ranged from positive 1 to negative 1. +1 indicated that the relationship between variables was perfect positively correlated while the values of -1 indicated that there was a perfect negative relationship between the variables. 0 or near 0 values indicated that there was no connection among variables used in the study. Data were presented in tables and figures. To predict a certain dependent variable, a regression analysis was done. The study collected data on revenue collection for the period of 10 years quarterly.

3.6.1 Model Specifications

The definition of specific models used was defined as follows:

\[ Y_{it} = \beta_0 + \beta_1 X_{1t} + \beta_2 X_{2t} + \beta_3 X_{3t} + \epsilon \] .................................................................Equation (1)

\[ \beta_0 \] denoted the constant value of the values of Y when all the coefficients are equal to zero.

\[ Y_{i} \] = dependent variable which was the revenue collection by KRA\(i\). \(i\) = Revenue collected and percentage of targeted revenue collected in a given period. The period considered was 2008…..2017. \(\beta_1\) \(\beta_2\) and \(\beta_3\) denotes regression coefficients, \(X_1\) = Board size, \(X_2\) = proportion of executive and non-executive board members and \(X_3\) = proportion of independence of board members.
Under the regression model analysis, revenue collection was the dependent variable while the variables which were the predictor variable were the size of the board, board independence and the composition of the board. The number of board members who sat in the full board meeting represented the board size. Executive to non-executive ratio represented the composition of the board. The number of directors who are independent in the committee represented the board independence.

3.6.2 Diagnostic Tests

3.6.2.1 Coefficient of Determination

In measuring how well our regression model fits the data in this study, the study employed the use of the goodness of fit statistic $R^2$. The $R^2$ calculated was used to examine how close the data is to the fitted regression line. The $R^2$ is also known as the coefficient of determination. The $R$ test measured the strength and the direction of the linear relationship between variables. The model coefficient of determination was 0.937 with a significant level of 0.0198. This indicated that independent variables board size, board independence and board composition explains the changes of revenue collection by 93.7 percent.

3.6.2.2 Multicollinearity

This test had the assumptions that the dependent and the independent variables had a linear relationship, no or little multicollinearity in which the independent variables are independent from each other which was tested using Pearson’s correlation matrix, and that the variables are normal which were tested using a histogram fitted with a normal curve. A tolerance value of less than 0.2 and VIF value of more than 5.0 indicates a possibility of multicollinearity. Board size had a tolerance of 0.622 and VIF of 2.245, board independence tolerance level was 0.504 and
VIF of 1.983 while board composition tolerance was 0.512 and VIF of 3.206 a clear indication that there was no possibility of multicollinearity.

3.6.2.3 Normality Tests

Normality tests were also done to test the assumption of normality of the data and this was done using Shapiro-Wilk test. If the significance values from the normality tests are greater than 0.05 then the data were found to be normal and if lesser than 0.05 then they were identified as skewed (http://statisticalconcepts.blogspot.co.ke, 2016). Serial correlation was insignificant at 5% in LM version an assumption of no autocorrelation. Normality test was insignificant.

3.7. Operationalization and Measuring of Variables.

The study’s independent variable was corporate structure. The indicators of corporate structure were board size, independence and composition. The dependent variable of the study was collected revenue indicated by the actual collected revenue and ratio between the actual revenue and target revenue. Table 3.1 presents the operationalization and measure of variables.

Table 3.1: Operationalization and Measuring of variables.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Type</th>
<th>Operationalization</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Collected</td>
<td>Dependent Variable</td>
<td>Actual Revenue Collected and Targeted Revenue</td>
<td>Actual revenue collected in Kshs.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Targeted Revenue in Kshs.</td>
</tr>
<tr>
<td>Board Size</td>
<td>Independent Variable</td>
<td>Number of Board members</td>
<td>Proportionate Change on Board Size</td>
</tr>
<tr>
<td>Board Independence</td>
<td>Independent Variable</td>
<td>Number of External Directors</td>
<td>Proportionate number of Independent Directors in the Board</td>
</tr>
<tr>
<td>Board Composition</td>
<td>Independent Variable</td>
<td>Number of Executive Board Members</td>
<td>Proportion of Executive Board Member Non-Executive Board Members</td>
</tr>
<tr>
<td>-------------------</td>
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<td>-----------------------------------------------</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: (Researcher, 2018)

3.8 Ethical considerations

According to Mugenda and Mugenda (2011), ethics are the norms and standards that the researcher is mandated to follow before, during and after the study. The research was done in accordance to Kenyatta University regulations and rules and that a research letter permit was obtained from NARCOSTI.
CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1 Introduction

The study aimed to investigate the effects of corporate structure on revenue collection in Kenya Revenue Authority. This chapter contains the summary statistics from the secondary data obtained. Section 4.2 presents the descriptive analysis section 4.3 presents correlation analysis and diagnostic tests section 4.3 presents the inferential analysis and the final section, section, 4.4 presented details of the study’s outcome.

4.2 Descriptive analysis

The study targeted the Kenya Revenue authority. The study obtained a complete data for the interpretation and presentation. The independent variables considered were board size, board composition and board independence while the dependent variable was revenue collection. Indicator of board size was the total number of board of directors, indicator of board composition was the ratio of non-executive and executive board members, the indicator of board independence was the proportionate number of independent directors in the board and revenue collection was measured by the ratio of actual revenue to targeted revenue. The study used descriptive measures such as mean, maximum, minimum, kurtosis, standard deviation and skewness to describe the findings. The dispersion rate was measured used standard deviation while the average respondent values were measured using the mean. The maximum and minimum statistics indicated the minimum and highest number of board members and the minimum and maximum percentage of board independence, board composition and revenue collection. The normality of the descriptive data was indicated by the use of skewness and
kurtosis statistics. The data obtained was for the period 2007/2008 to 2016/2017 on quarterly basis.

Table 4.1 Descriptive Statistics

<table>
<thead>
<tr>
<th>Statistic</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Size</td>
<td>10</td>
<td>6.0000</td>
<td>10.0000</td>
<td>8.500000E0</td>
<td>1.5092309</td>
<td>.364</td>
<td>1.410</td>
</tr>
<tr>
<td>Board Composition</td>
<td>10</td>
<td>.2000</td>
<td>.4231</td>
<td>.309390</td>
<td>.0967741</td>
<td>.301</td>
<td>1.145</td>
</tr>
<tr>
<td>Revenue Collection</td>
<td>10</td>
<td>.8371</td>
<td>1.0219</td>
<td>.950310</td>
<td>.0544246</td>
<td>.914</td>
<td>.772</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Field, Data (2018)

Table 4.1 Results indicate that the average board size was 8.5 board members for the years 2008 to 2017. The minimum board size was 6 directors and the maximum members were 10 board of directors. On average this indicates that the board of directors met the requirements during the period of interest 2008 to 2017. On the same note, a high standard deviation of 1.509 indicates a high variation in board size for the period under study. The results indicate that the average board independence ratio was 0.4644 (46.44 percent) for the years 2008 to 2017. The minimum board independence was 0.2000 and the maximum was 0.6000. On average this indicates that the independent directors were well represented. Additionally, a low standard deviation of 0.1335191 indicates a low variation in board independence for the period under study.

The results on table 4.1 on board compositions indicate that on average 0.309390 (30.94 percent) were non-executive members in the board. The minimum board composition being 0.2000 and maximum of 0.4231 and the standard deviation of 0.0967741 indicated that the board
composition rarely changed between the years 2008 to 2017. The study also sought to determine the revenue collection by KRA and found a mean of 0.950310 which indicated that on average KRA managed to collect 95.03 percent of the targeted revenue between years 2008 to 2017. The standard deviation was 0.0544246 indicating a low variation in the percentage of collected revenue. The skewness and kurtosis values for board size, board composition, board independence and collected revenue were all below 2 which indicate that the data was normally distributed as attributed by Nguyen (2014) on a comparative analysis on program change and organizational properties. The kurtosis and skewness values were normally distributed as indicated by their ranges.

The study findings on table 4.1 concur with Annuar and Rashid, (2015) who studied on the effectiveness and the role of non-executive independent director listed in Malaysia. The study found that on average the non-executive directors were 29.93 percent. A study by Nyarige (2012), on effects of board size and market performance established that the board size of commercial banks averaged between 8 and 12 board members. However the study contradicts Uwuigbe (2011), study on effects of independent, board on performance that the percentage of independent directors was less than 33 percent on the banks’ board representation. The study also indicated that the variation on the number of independent board members was huge, indicating that the independent number of the independent director changes more oftenly and there was no standard number fixed.

4.3 Correlation Analysis

Table 4.2 presents the level of correlation between variables.
Table 4.2 Correlations between variables

<table>
<thead>
<tr>
<th></th>
<th>Board Size</th>
<th>Board Independence</th>
<th>Board Composition</th>
<th>Revenue Collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Size</td>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board Independence</td>
<td>Pearson Correlation</td>
<td>.477</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.067</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Board Composition</td>
<td>Pearson Correlation</td>
<td>-.879*</td>
<td>-.734</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.021</td>
<td>.100</td>
<td>0</td>
</tr>
<tr>
<td>Collection of Revenue</td>
<td>Pearson Correlation</td>
<td>.632**</td>
<td>.772</td>
<td>-.108</td>
</tr>
<tr>
<td></td>
<td>Sig 2-tailed</td>
<td>.007</td>
<td>.002</td>
<td>.005</td>
</tr>
</tbody>
</table>

*Correlation is significant at the 0.05 level (2-tailed).

**Correlation is significant at the 0.01 level (2-tailed).

**Source: Survey Data (2018)**

The study results in Table 4.2 indicated that the correlation between revenue collection and board size was strong and positive (r=0.632, P= 0.007). The correlation between board independence and revenue collection was positive and strong (r= 0.772, p=0.002). The study found a strong negative correlation between board composition and revenue collected (r= -0.108, p= 0.005). The correlation between board composition and board size was found to be strong and
negative ($r=-0.879, \ p=0.021$). The correlation between board composition and board independence was found to be weak and negative ($r=-0.734, \ p=0.100$). The correlation between board size and board independence was found to be weak and positive ($r=0.477, \ p=0.737$). The study rejected the hypotheses that: board composition has no effect on revenue collection, Board size does not affect revenue collection and that board independence does not affect revenue collection. It is clear that the three independent variables considered (board size, board composition and board independence) significantly affect revenue collection.

The findings in table 4.2 concurs with Uwuigbe (2011) who looked into the influence of independent board on performance and Stephano (2013) on the relationship between board independence on financial performance of the banks that there is a negative and significant relationship between presence of independent directors on Bank’s financial performance. The findings in table 4.2 agrees with Hsu (2011) study in the United States which investigated the relationship between board characteristics and financial performance of US firms between 2000 to 2004 and revealed the existence of a significant relationship between board composition and performance. These findings are also supported by Ujunwa (2012) whose study found that the number of board members positively affects performance of Nigerian firms. The study findings in table 4.2 disagrees with Mwangi and Murigu (2015) findings on the study of the effects of corporate governance on financial performance of listed companies in Nairobi Securities Exchange which found that, there was no significant, relationship between, board composition, board independence and financial performance.
4.3.1 Diagnostic Tests

The four key diagnostic checks provided were serial correlation, multicollinearity, normality and hetroskedasticity test.

Table 4.3: Breusch-Godfrey Serial Correlation LM Test:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Prob. F(2,12)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>F-statistic</td>
<td>1.446107</td>
<td>0.2737</td>
<td></td>
</tr>
<tr>
<td>Obs*R-squared</td>
<td>7.185763</td>
<td>0.0275</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Data (2019)

The results on serial correlation in table 4.3: F(2,17)=1.85(0.1872) is insignificant at 5% in LM version so we can assume that there is no auto-correlation.

4.3.2 Normality Tests

Figure 4.1: Normality Tests

Source: Field Data (2019)
4.3.3 Heteroskedasticity Test

Table 4.4: Heteroskedasticity Test: Breusch-Pagan-Godfrey

<table>
<thead>
<tr>
<th></th>
<th>F-statistic</th>
<th>Obs*R-squared</th>
<th>Scaled explained SS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.312332</td>
<td>12.18123</td>
<td>1.642504</td>
</tr>
<tr>
<td>Prob. F(22,14)</td>
<td>0.9928</td>
<td>Prob. Chi-Square(22)</td>
<td>0.9535</td>
</tr>
<tr>
<td>Prob. Chi-Square(22)</td>
<td>1.0000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Data (2019)

From tables 4.3 and 4.4 and figure 4.1 show that serial correlation is insignificant at 5% in LM version therefore an assumption of no autocorrelation. In the same way normality is insignificant (no issue) and heteroskedasticity is of no consequence (no issue) too hence there is no visible issue with this model. The results of diagnostics test indicate no sign of autocorrelation of the error terms in the ARDL estimators and the error terms are normally distributed. In addition, heteroskedasticity tests indicated that errors are homoskedastic and independent of the regressors. Heteroskedasticity: F(17,19)=0.9217(0.5641) is insignificant (no issue) too hence there is no apparent issue with this model.

4.3.4 Multicollinearity

The study sought to establish the level of multicollinearity between independent variables in the study. The results were presented in table 4.5.

Table 4.5 Multi-collinearity

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td></td>
</tr>
<tr>
<td>Board Size</td>
<td>.622</td>
</tr>
<tr>
<td>Board Independence</td>
<td>.504</td>
</tr>
<tr>
<td>Board Composition</td>
<td>.512</td>
</tr>
</tbody>
</table>
Source: Survey Data (2018)

A tolerance value of less than 0.2 and VIF value of more than 5.0 indicates a possibility of multicollinearity. Table 4.5 indicate board size has a tolerance of 0.622 and VIF of 2.245. The findings also indicate that the board independence tolerance level was 0.504 and VIF was 1.983 while Board composition tolerance was 0.512 and VIF of 3.206. This is a clear indication that there was no possibility of multicollinearity and therefore relationship between dependent and independent variables could be done through regression analysis.

4.4 Regression Analysis

Hypotheses test was done through a performance of regression analysis. The regression analysis presented included the model summary, ANOVA and coefficients of the independent variable. The independent variables considered were board size, board composition and board independence while the dependent variable was revenue collection. Indicator of board size was the total number of board of directors, indicator of board composition was the ratio non-executive and executive board members, the indicator of board independence was the proportionate number of independent directors in the board and revenue collection was measured by the ratio of actual revenue to targeted revenue. Table 4.6, table 4.7 and table 4.8 presents the results.
4.4.1 Model Summary

Table 4.6 Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.979 (^a)</td>
<td>.958</td>
<td>.937</td>
<td>.0198666</td>
</tr>
</tbody>
</table>

\(^a\) Predictors: (Constant), Board Composition, Board Independence, Board Size

Source: Survey Data (2018)

The results, in table, 4.6 present the coefficient of correlation and coefficient of determinant. The model coefficient of determination was 0.937 with a significance level of 0.0198. This indicates that Board Composition, Board Independence, Board Size explains the changes of revenue collection up to 93.7 per cent. The rest of change (6.3 per cent) is determined by other factors not included in this study model. The study concurs with Uwuigbe, (2011) on their study on the effects of board independence on commercial banks performance. The study found that board independence significantly affects commercial banks financial performance.

4.4.2 Analysis of Variance

Table 4.7 presents the analysis of variance amongst variables.
Table 4.7: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>.054</td>
<td>3</td>
<td>.018</td>
<td>45.778</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>.002</td>
<td>6</td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>.057</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Board Composition, Board Independence, Board Size
b. Dependent Variable: Revenue, Collection.

Source: Survey Data (2019)

Table 4.7 presents that statistically the model was significant at 5 per cent significant level (F=45.778). Therefore the findings present evidence that the regression equation was significant in explaining independent and dependent variables relationships. The study concurs with Naseem, Niazi, and Rehman (2015) study which investigated the relationship between corporate structure on firms performance in Pakistan. The ANOVA results presented indicated that regression equation was significant in explaining independent and dependent variables relationships.

4.4.3 Regression Coefficients

Table 4.8 presents the findings on the individual regression coefficients for the independent variables under study.

Table 4.8 Regression Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Model</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.140</td>
<td>3.353</td>
<td>-.179</td>
<td>.187</td>
<td>.869</td>
</tr>
<tr>
<td></td>
<td>Board Size</td>
<td>.147</td>
<td>.230</td>
<td>.795</td>
<td>.205</td>
</tr>
<tr>
<td></td>
<td>Board Independence</td>
<td>.474</td>
<td>.232</td>
<td>-.236</td>
<td>-.872</td>
</tr>
<tr>
<td></td>
<td>Board Composition</td>
<td>-.124</td>
<td>2.674</td>
<td>-.179</td>
<td>-.047</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Revenue, Collection
Source: Survey Data (2018)

The results in table 4.8 present the coefficients of the studied variable. The coefficients indicate the change caused by the independent variable to the dependent variable. Regression model was used to show the effect of predictor variables board size, board composition, and board independence on revenue collection in Kenya. The coefficients (B) generated by SPSS in table 4.8 helped to develop the following model

\[ Y = 0.140 + 0.147X_1 + 0.474X_2 - 0.124X_3 + \epsilon \]

The findings, in table 4.8 presented that the value of revenue collection (Y) was 0.140 when variables board size, board composition and board independence were held constant (that is when the coefficient B_1, B_2 and B_3 were equal to zero). The study also indicate that positive change in board size resulted positive change in revenue collection in KRA and that one unit change in board size resulted to 0.147 unit change in the same direction to revenue collected. The coefficient present that positive change in board independence resulted positive change in revenue collection in KRA and that one unit change in board independence resulted to 0.474 unit changes in the same direction to revenue collected. The coefficient present that positive change in board composition resulted negative change in revenue collection in KRA and that one unit change in board composition resulted to 0.124 negative unit change on revenue collected. The result show that the regression was significant at 5 per cent significant level since all the p-values are less than 5 per cent (p<0.05). The study findings present that the independent variables were all significant and contributed to the revenue collection in Kenya. The board independence was found to strongly contributing to the revenue collection, board size also contributed to positive results in revenue collection while board composition was found to be negatively contributing to revenue collection.
The study findings contradict Mwangi and Murigu (2015) study on the effect of corporate governance on financial performance of listed companies in Nairobi Securities Exchange. The independent variables used in the study were; block ownership, family ownership, foreign ownership, and board size and board composition. The researcher indicated that there was no significant correlation between board size and performance and that there was no substantial relationship among board composition and financial performance. The study findings concur with Vintila and Gherghina, (2012) study on the effect of corporate governance practices on firms’ financial performance and market valuation in Sub-Saharan African Countries. The study found that companies complying with good corporate governance practices by having an optimal board size achieve higher financial performance Uwuigbe (2011) and Stephano (2013) studied the effect of board independence on financial performance. Both studies indicated that the relationship between financial performance and board independence was positive and significant. The findings concur to a great extent, with the current study.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter provides the summary on the study findings, conclusions and recommendations based on the findings in chapter four. The chapter presents also the limitations and suggestions for further studies.

5.2 Summary of the Study

The study sought to determine the effect of corporate culture on revenue collection in KRA. The independent variables of the study were board size, board composition and board independence. The dependent variable was revenue collection. The study targeted Kenya Revenue Authority and secondary data was collected from KRA websites, publications and journals for periods 2007 to 2017.

Descriptive findings indicated that board size was on average of the required size for the investigated period (FY2007/08- FY2016/17) on quarterly basis. The correlation results indicated that the correlation between revenue collection and board size was strong and positive. The study also indicated that positive change in board size resulted positive change in revenue collection and a negative change of board size resulted to a negative change in revenue collection. The study findings concur with Vintila and Gherghina (2012) study on the effect of corporate governance practices on firms’ financial performance and market valuation in Sub-Saharan African Countries. The study found that companies complying with good corporate governance practices by having an optimal board size achieve higher financial performance.
The findings during the same period indicated that the average board independence ratio was at the required percentage of at least four of the independent, directors in the board size. The correlation between board independence, and revenue collection was strong and positive. The coefficient presented that positive change in board independence resulted positive change in revenue collection and a negative change of board independence will result to negative change of revenue collection. Uwuigbe (2011) and Stephano (2013) studied the effect of board independence on financial performance. Both studies indicated that the relationship between financial performance and board independence was positive and significant. The findings concur to a great extent, with the current study.

The descriptive statistics also indicated that the board compositions indicate that on average there were more than thirty percent of non-executive members in the board. The study found a strong negative correlation between board composition and revenue collected. The coefficient presented that positive change in board composition resulted negative change in revenue collection and a negative change of board composition will result to positive change of revenue collection. Hsu (2011) study in the United States which investigated the relationship between board characteristics and financial performance of US firms between 2000 and 2004 revealed the existence of a significant relationship between board composition and performance. These findings are also supported by Ujunwa (2012) whose study found that the number of board members positively affects performance of Nigerian firms.

The correlation between board composition and size was found to be strong and negative. The correlation between board composition and independence was found to be weak and negative. The correlation between board size and board independence was found to be strong and positive. The VIF and tolerance values indicated that there was no possibility of multicollinearity between
the predictor variables. This indicated that relationship between predictor variables and the
dependent variable can be established. The findings indicated that on average KRA were unable
to collect the targeted period revenue for the majority of the years under study. ANOVA analysis
was generated and the results indicated that the relationship between the independent variables
and dependent variable was significant. The findings on the coefficient in the regression equation
indicated that the predictor variables contribute significantly to the revenue collection by KRA.

5.3 Conclusions of the Study

Based on the summary of the findings, the study concluded the relationship between board size
and revenue collection was positive and significant. The study concludes that the relationship
between board independence and revenue collection was significant and positive. The study
concluded the correlation between board composition and revenue collection was negative and
significant. Based also on the coefficient of determination and coefficient of correlation values,
the study concludes that board size and board independence are strongly correlated to revenue
collection while board composition are weakly and negatively correlated to revenue collection.
The study concludes that change in board independence results to a greater change in revenue
collection than the changes of the other two independent variables (board size and board
composition)

5.4 Recommendation of the Study

Based on the conclusions in the above section, the study recommended that board of directors
should be of the required size since their effect on revenue collection is positive and significant.
KRA board of director should include required categories and the right size to ensure policies are
passed at the right time.
Based on the conclusion that the relationship between board independence and revenue collection was positive, the study recommended the proportionate ratio of independent board of directors should be increased to a minimum number of 5 independent directors. Based on the findings that the relationship between board composition and revenue collection was negative and significant, the study recommended that the ratio between non-executive and executive directors should be reduced since its effect on revenue collection is negative. To Kenya Revenue Authority, the study recommends that organization structure should be greatly factored when strategizing on how to improve revenue collection in order to meet government targets.

5.5 Suggestions for Further Study

The Study found that the independent variables; board size, board independence and board composition determined 93.7 per cent change in revenue collection. The study suggests a study to establish the contributors of the remaining percentage (6.3 per cent) on revenue collection should be carried out. The study focused on corporate culture on revenue collection. The variables selected were board size, board independence and board composition. Therefore the study suggests other variables on corporate culture and their effects on revenue collection need to be investigated.

The study period was ten years hence further research can be done on longer periods to examine the effect of corporate culture on revenue collection in Kenya. The study used the ratio between actual and targeted revenue as the indicators of revenue collected, the study, recommended a further research, measuring revenue collection using actual collected revenues.
REFERENCES


50


### APPENDIX I: SECONDARY DATA COLLECTION SCHEDULE

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Board of Members</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Executive Directors</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Number of Independent Directors</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Non-Executive Directors</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Proportion of executive board member to non-executive members</td>
<td>2.33</td>
<td>2.33</td>
<td>2.33</td>
<td>2.33</td>
<td>2.33</td>
<td>2.33</td>
<td>2.33</td>
<td>2.33</td>
<td>2.33</td>
<td>2.33</td>
</tr>
</tbody>
</table>

**Source:** Kenya Revenue Authority, Publications and Newspapers 2007/08-2016-17
## APPENDIX I: REVENUE COLLECTION AT THE KENYA REVENUE AUTHORITY

<table>
<thead>
<tr>
<th>Fys</th>
<th>Actual Q1</th>
<th>Target Q1</th>
<th>% Collected</th>
<th>Actual Q2</th>
<th>Target Q2</th>
<th>% Collected</th>
<th>Actual Q3</th>
<th>Target Q3</th>
<th>% Collected</th>
<th>Actual Q4</th>
<th>Target Q4</th>
<th>% Collected</th>
<th>Total Actual</th>
<th>Total Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007/</td>
<td>93.7</td>
<td>95.2</td>
<td>98.42%</td>
<td>104.7</td>
<td>101%</td>
<td>111.6</td>
<td>83.12</td>
<td>114.3</td>
<td>104.49%</td>
<td></td>
<td></td>
<td></td>
<td>433.9b</td>
<td>424.6b</td>
</tr>
<tr>
<td>2008/</td>
<td>108.9</td>
<td>119.1</td>
<td>91.44%</td>
<td>121.8</td>
<td>99.30%</td>
<td>115.53</td>
<td>81.23%</td>
<td>140</td>
<td>101.45%</td>
<td></td>
<td></td>
<td></td>
<td>480.57b</td>
<td>493.035b</td>
</tr>
<tr>
<td>2009/</td>
<td>124</td>
<td>124.5</td>
<td>99%</td>
<td>128</td>
<td>86.30%</td>
<td>136.22</td>
<td>97%</td>
<td>148.4</td>
<td>99.90%</td>
<td></td>
<td></td>
<td></td>
<td>534.4b</td>
<td>545.22b</td>
</tr>
<tr>
<td>2010/</td>
<td>140</td>
<td>138.5</td>
<td>98.30%</td>
<td>162.7</td>
<td>119%</td>
<td>180.3</td>
<td>100.90%</td>
<td>186.1</td>
<td>181.62%</td>
<td></td>
<td></td>
<td></td>
<td>634.90b</td>
<td>641.21b</td>
</tr>
<tr>
<td>2011/</td>
<td>185.5</td>
<td>186.3</td>
<td>99%</td>
<td>177.2</td>
<td>109.93%</td>
<td>180.5</td>
<td>99%</td>
<td>163.8</td>
<td>86.80%</td>
<td></td>
<td></td>
<td></td>
<td>707b</td>
<td>717b</td>
</tr>
<tr>
<td>2012/</td>
<td>189.3</td>
<td>222.3</td>
<td>85.13%</td>
<td>181</td>
<td>93.20%</td>
<td>179.3</td>
<td>89%</td>
<td>209.9</td>
<td>91.70%</td>
<td></td>
<td></td>
<td></td>
<td>759.5b</td>
<td>845.4b</td>
</tr>
<tr>
<td>2013/</td>
<td>228.3</td>
<td>224.7</td>
<td>101.78%</td>
<td>242.5</td>
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Source: Kenya Revenue Authority, Websites, Online Publications and Newspapers 2007 to 2018
APPENDIX I: Revenue Collection at the Kenya Revenue Authority 2007 to 2016

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Source: Kenya Revenue Authority 2007/08-2016/17
APPENDIX II: KENYA REVENUE AUTHORITY ORGANIZATION STRUCTURE