

**STRATEGIC CHOICE AND ORGANIZATIONAL PERFORMANCE OF
KENYA REVENUE AUTHORITY**

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

This project is my original work and has not been presented for a degree in any other university or for any other award. No part of this project should be reproduced without authority of the author or/ and Kenyatta University.

Signature

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I confirm that the work reported in this project was done by the candidate under my guidance as the appointed university supervisor.

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DEDICATION

I dedicate this project to my dad, Mr. Wallace N. Vita and my mum, Mrs. Nancy Mmbone Mugoha for their love and mutual support towards this academic journey. I also dedicate this work to my brothers; Brian Vita and Collins Vita as well as my sister, Grace Odede and all my friends who without fail supported me through this journey.

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ABBREVIATIONS AND ACRONYMS

ANOVA	Analysis of Variance
BSC	Balanced Scorecard
CBCD	Customs and Border Control Department
CRM	Customer Relationship Management
CSSD	Corporate Support Services Department
DST	Digital Service Tax
DTD	Domestic Taxes Department
HNWI	High Net Worth Individuals
KRA	Kenya Revenue Authority
KPI	Key Performance Indicator
NACOSTI	National Commission for Science, Technology and Innovation
TBE	Tax Base Expansion
TED	Taxpayers' Education
TOT	Turnover Tax
VAT	Value Added Tax
SDEV/SD	Standard Deviation
SIRM	Strategy, Innovation and Risk Management
SME	Small and Medium sized Enterprises
SPSS	Statistical Package for the Social Sciences

OPERATIONAL DEFINITION OF KEY TERMS

Customer Service	is the assistance a firm offers to its customers on their products to meet their needs and is viewed as teamwork, innovation and customer quality in service delivery.
Strategy Communication	the determined and specialized approach to distribute and receive information by a firm and operationalized in the study as the capacity to handle and give clear, regular and supportive communication processes through advanced planning approach.
Technology Adoption	is the incorporation of new technology to streamline processes with the aim of improving performance in this study. It is viewed in terms of service quality, number of transactions and cost reduction in the study.
Taxpayers' Education	is the linking bridge between citizens and tax administration as a significant tool that transforms tax culture. It incorporates tax knowledge and practices.
Tax Base Expansion	is the broadening of the amount of economic activity subject to tax, usually by eliminating exclusions, deductions, and other preferences which carve out the implicit bases to include additional final consumer services that improves the neutrality of the tax base.
Organizational Performance	the actual output or results of the intended goals in a period of time. Measured through cost saving, increased compliance and revenue collection.
Strategy	is a dynamic roadmap evolving from the current status to a prospective status to meet the needs of markets and achieve an added advantage for the organization.
Strategic Choice	it is the process of choosing the most appropriate strategy from many alternatives to serve best the set agency or organization objectives.

ABSTRACT

Organizational performance is vital for conceptual and empirical research in strategic management. Strategic choice serves as the link between the organization and the operational environment. In the unpredictable and competitive business environment, it is paramount for organizations to enforce strategic choices that will direct them to cope with changes in the environment and attain a competitive advantage. Kenya Revenue Authority, a government-owned organization mandated to collect, assess and account for all revenues, has faced sincere challenges in its operations and management. The organization's performance has been a factor that needs to be examined since for instance, two decades ago in the financial year 1998/1999 revenue collection targets fell short. On the same note, the dismal performance trend persisted in 2003/2004 financial year, where it failed to surpass its targets in revenue collection. In the financial year 2017/2018, the organization collected Ksh.1.435 trillion against the set target of 1.5 trillion. In the financial year 2019/2020, Kenya Revenue Authority missed its revenue collection target by Ksh.88.3 billion. This study assessed if adopting strategic choice would affect the performance of Kenya Revenue Authority. Specifically, the study examined the effect of technology adoption, tax base expansion, taxpayers' education, customer service and strategy communication variables of strategic choice on the performance of Kenya Revenue Authority. The guiding theories were the resource-based view theory, the balanced scorecard and the dynamic capabilities theory. A descriptive survey research design was adopted, targeting 90 top and middle-level departmental employees. Proportionate stratified and random sampling was used as the sampling techniques. The data collection instrument was a pilot-tested questionnaire for true measurement examination. Validity and reliability tests were ascertained on the data collection tool before the actual exercise. Data was analyzed using descriptive statistics such as mean and standard deviation and inferential statistics, including regression and correlation analysis. Regression analysis was used to analyze whether the strategic choice variables significantly impacted the organization's performance, while correlation analysis was used to analyze the study's variables relationships. Results from correlation analysis inferred that all independent variables, including technology adoption, tax base expansion, taxpayers' education, customer service and strategy communication, strongly influenced organizational performance. The study concluded that technology adoption strongly influenced organizational performance, with the majority of responses agreeing that service quality and cost reduction had a high reputation through technology in the firm. Tax base expansion also positively and significantly impacted the performance of Kenya Revenue Authority identified through tax administration and the establishment of tax collection systems for the new taxable markets. Taxpayers' education influenced the performance of Kenya Revenue Authority through effective training programs, media avenues and other adverts. It was also concluded that customer service led to improved performance of Kenya Revenue Authority as effective customer service through the use of the rights tools and empowering staff helped the organization to provide service responsiveness and quality services to taxpayers. The research study also concluded that strategy communication influenced the performance of Kenya Revenue Authority through clear communication channels, which are supportive and open to the employees and ensure they are well-sensitized on their roles in the organization. This study implied that strategic choice significantly influenced Kenya Revenue Authority performance. In this regard, the study recommends that directors and managers employ strategic choices in their operations to increase organizational performance. The study also recommends that other government-owned companies, corporations or agencies that seek to improve performance should incorporate strategic choice in their operations.

CHAPTER ONE

INTRODUCTION

1.1 Background of Study

Many organizations repeatedly meet performance challenges due to the existing choices and other proxies they uphold (Waddell *et al.*, 2019). Strategic choice involves the whole process in which a plausible decision is put into practice to choose a particular option from multiple alternatives (Fernando & Bandara, 2020). For this reason, strategic choice brings forth the necessity of liberating decision-making. It is the process of choosing the most appropriate strategy from many alternatives to serve best the set agency or company objectives (Anning-Dorson, 2018).

On the same note, strategies that an organization chooses to maintain, as Waddell *et al.* (2019) affirm, can also be affected by the different values and expectations of the decision-makers, which includes managers and others with the power to formulate a strategy. Therefore, it is paramount for organizations and agencies to decide the direction and its scope as a given choice plays a significant part and there is a necessity to make them achieve the set goals. Gomez and Yasin (2017) respond to this by mentioning that strategy can only be pursued in two ways which are internal and external development and the outcome of this strategic choice is the excellent performance of an organization.

Anning-Dorson (2018) affirms that performance is performing a task for results compared to the intended outputs. On the same note, the basic datum and supposition in strategic management is that the upholder strategy will successfully meet the agency's objectives as planned. Still, this may not be the case (Fernando & Bandara, 2020). This is because there are other complexities and often the environment changes. There is a collective responsibility between organizations and agencies' strategic choices regarding their performance, as Waddell *et al.* (2019) clarify because, performance in a continuous form is based on the various and settled plans mostly implemented by the management.

Fernando and Bandara (2020) present a clear view of the underlying concept of strategic choice in an organization to do better and its evolution over a given time. They mention that in the 1950s, the concept was upheld as how agencies adhered to their mandate. On the same note, between the 1980s and 1990s, perception changed to

the ability of environmental exploitation to use limited resources. The 1980s and 1990s brought about the realization that an organization or agency moves to the uttermost if it plays a pivotal role in adopting technology and expanding its base and how it takes care of customer service (Igbal, 2019).

This study quested to deeply look into and draw the mutual connection between strategic choice and organizational performance of KRA agency headquarters, Nairobi, using the dynamic capabilities theory postulations. Dynamic capability theory emerged from Teece *et al.* (1997) work. This is due to the fact that in Kenya, many companies are mutually re-evaluating the strategies they uphold in their agencies and organizations due to the dynamics of businesses and the changes in customer demands to achieve set goals and objectives.

Globally, Glushkova *et al.* (2019) report that countries such as China, Singapore, and Malaysia have also aligned their tax regulations with strategies that promote FinTech and eliminate artificial barriers to entry, from there to foster the development of FinTech to increase market competition and ultimately financial inclusion. As a result, these guidelines developed have boosted recovery on outstanding account receivables through compliance with applicable regulations (Glushkova *et al.*, 2019).

Classical economy paradigm in Sub-Saharan Africa noted that for an organization to realize profit rates superior to its cost of capital depended on its added advantage mainly from its set strategic choice in a specified industry. However, an assumption is made that all organizations can access resources, either hard or soft assets linked almost permanently to the organization. Therefore, the performance combines organizational assets, choices and procedures. A study by Vendrell-Herrero *et al.* (2019) even though has a similar conceptual focus to the current study, its findings have varying results which are significant. This study compared hierarchal work teams in Africa and differs as the research gathered data from departmental employees on compliance, customer satisfaction and revenue increase variables.

Regionally, Liberia is a case in point. Following its emergence from the civil war, Liberia introduced taxes on turnover or import values, such as the goods and services tax, excises and customs tariffs, underpinned by simple tax legislation, as noted by Prowd and Kollie (2021). The proper revenue strategy should align revenue collection and client experience teams around a singular goal: good or optimum service

provision and enhanced revenue collection could be achieved. Without a strategic roadmap, healthy and sustained growth cannot flourish, which is why organizations put so much emphasis on the planning process. The right strategy would ensure you achieve your revenue and profit goals.

Locally, revenue collection among the counties in Kenya, however, has yet to hit the targets; the net effect is a considerable loss, which would par county economic development, growth, and improved service delivery (Cheboi & Bruce, 2021). Besides, technology has come in handy in enhancing efficient and sustainable revenue collection in the world's governments. A tax modernization program for a tax base expansion strategy is also in place. It was introduced in Kenya in 1986 with the hope of, among other things, enhancing revenue collection (KRA, 2018).

Adero (2020) on his part attests that organisational scope and direction are always informed by decisions on how to significantly achieve goals. The study adds that a firm's performance comprises organizational results measured against set goals and the financial returns in revenue and profit terms. Gomez and Yassin (2017) respond by mentioning that the communication medium linked with customer service and education variables is critical for firms to realize plausible performance. Therefore, organizations striving to meet accomplishment of set goals should, without fail, observe continuous performance as the set goal of the firm. As a conceptual review, this study failed to review the literature and identify any opportunities for further research focusing on strategic choice and organizational performance based in Kenya.

Given the initial postulation that for any given agency to yield a plausible performance in its organization, the necessity to come up with diverse capabilities in its resources and diverse accumulation is paramount, the study motivation was drawn from the increase in change in agencies as well as organizations most of which head offices are based in the county of Nairobi. Here, management circles mostly from the top teams are found. In general, the core business of agencies is to create open, rightly framed markets that are competitive (Gomez & Yasin, 2017).

The common story about KRA has been missed targets; as Juma *et al.* (2020) clarify, there is a need to come up with cumulative empirical evidence though there is an existing prediction in theories. The current study explored how strategic choice

impacted the organization's performance and suggested how to enhance strategic choice.

1.1.1 Organizational Performance

In strategic management, as clarified by Fernando and Bandara (2020), performance is the proactive collective responsibility between management, employees and individual contributors to delivering success to firms using key performance indicators (KPIs). In a firm, KPIs significantly define factors an organization needs to monitor and benchmark. They can be classified into core clusters, namely, financial metrics such as net profits, revenue, current cash availability and liquidity; customer-focused metrics, which include customer satisfaction rating and customer retention rate; information technology, for example, system downtimes and the resolution rate of tickets; process focused metrics such as error rates; staffing KPIs for instance, staffing turnover rate and business tracking KPIs by use of for example, reporting tools and business software's analytic methods (Santos & Brito,2012).

Organizational performance is conceptualized by different authors differently, as well as its measurement. Some of the identified measures are total factor productivity for profits. Global market exposure is considered a measure of the correlation of multiple quanta to capture different areas for the organization's performance. Market share variable has been used as an indicator in strategy as it relates the organization to its competitors (Buzzell & Gale, 1987).Performance enables employees to gain strategic insights to challenge all assumptions, inform strategic decision making and learn and refine strategic thinking. Kaplan and Norton's model (1992, as cited in Mehralian *et al.*, 2017) of Balanced Scorecard in the study focused on four performance variables: customers, finance, learning and growth and internal processes.

According to Glas and Essig (2017), Agency Priority Goals (APG) exist, which are performance structures providing agencies with the mechanism of setting outcomes and leadership priorities for driving change and progress significantly. They are measurable, outcome-oriented statements outlining the achievement leadership wants to accomplish within approximately 24 months. According to the two authors, it utilizes the structure to monitor management reforms and modify the traditional statement format for best performance. Others, such as Grubic and Jennions (2018),

have drawn fine distinctions and write that management and coordination culture are key factors for performance.

Some protagonists, such as Kelley and Simmons (2019), argue that some of the performance indicators attached to finance base their mandate on either profit or revenue margins as profits account for the taxes or payments of interests, especially in an agency context. Furthermore, Igbal's (2019) research mentions that an organization's potential for success is mutually based on quantifying customer satisfaction indicators. The author adds that positive customer responses are pivotal in retention across referral generation and revenue base.

Also, Mehralian *et al.* (2017) mentioned a strategic and traditional measure of performance to get a balanced performance view and named it a balanced scorecard. The authors clarify that a Balanced Score Card (BSC) is used to gather information like goals and set objectives. From here, companies can identify factors hindering the performance of the business, which are tracked by future scorecards. It encompasses financial metrics which are naturally historical. Internal processes, improvement of activities, organizational innovation and satisfaction level of customers are complimenting financial measures as noted by the authors.

Improving government's receipt collection system by evaluating the costs and benefits of various revenue collection alternatives with immediate or expected relative significantly provides financial prudence (Kipilimba, 2018). For instance, measures such as the duration taken to process a tax or fee payment, convenience and number of total collections processed lead to efficiency in the government's receipt collection system. As Adero (2020) notes, for instance, technological payment processes ensure that the service provider complies with statutory requirements and that proper internal controls are in place, as well as provide a confirmation page that includes the transaction date and the amount paid, among others, to the taxpayers.

Other protagonists, such as Ombati (2018), have conceptualized organizational performance variable in terms of compliance in taxes through the exploitation of market heterogeneities, including expanding taxation bases to different market segments. Like Juma *et al.* (2020), marketing mix and customer relations management are critical when strategizing to enhance revenue generation.

Using the BSC approach, the current study analyzed performance indicators such as compliance and customer satisfaction scores through the variables indicated under strategic choice. It determined the processes involving productivity and quality within the organization and how they affect the commercial and financial aspects.

1.1.2 Strategic Choice

Fernando and Bandara's (2020) study maintains that strategic choice is a proceeding process of selecting the best course of action based on strategic options available after evaluation. The decision-making process induces a strategic choice influencing a firm's value chain aspects (Fernando & Bandara, 2020). Analysing a strategy to be applied in any organization or firm usually sets the background and foundation of strategic choice. According to Igbal (2019), the strategic choice includes the selection of a strategy, strategic options and generating strategic options. There is a need to ensure that the options are plausible and useful in the organization (Fernando & Bandara, 2020).

Different aspects of agencies' operations require different approaches to underlying strategies for decision making. For example, contingency theory can play a plausible role in guiding the strategic choice when there is a downfall or cut-back of resources while streaming.

An organization can explore various strategic choices based on what they aim to achieve, for example, competitive strategies to give them a competitive edge and growth strategies to expand their reach through the method of growth or direction of growth. The current study adopted the direction of growth strategic choice through expansion strategies such as tax base expansion and customer service, innovation strategies such as technology adoption and strategy communication and marketing strategies through providing taxpayers' education.

The direction of growth strategic choice aims to ensure an organization's business growth, increased profits and leads to accomplishment of goals and objectives. It employs an array of strategies such as expansion, innovation and marketing strategies. Expansion strategies aim to promote a firm's growth by entering new markets, offering new products or services, or expanding or improving current operations.

Innovation strategies are aimed at fostering service or technological breakthroughs in an organization. KRA has adopted service innovation by improving its tax collection

systems via technology adoption through the introduction of iTax to ensure a faster and a more reliable way of filing and collecting taxes and monitoring compliance.

In this study, the organization used the expansion strategy through tax base expansion which Ombati (2018) suggests establishes multiple revenue collection streams hence achieving expansion through diversification. The authority focuses on tax base expansion either through trying to increase the number of active taxpayers or exploring new taxable markets through additional obligations.

Organizations usually implement marketing strategies for various goals such as sales increase, acquiring new customers or expanding market share. For KRA, a marketing strategy would be employed to acquire new customers and retain existing ones. The authority aims to do this through taxpayers' education, which educates taxpayers and provides them with the necessary information about their obligations, promoting compliance. Taxpayers' education transforms taxpayers' relationships with the taxman and benefits them collectively (Masaku, 2019).

The organization also explores expansion through customer service aimed at improving the customer's experience with the organization, thus improving the organization's operations through ways such as utilizing a customer relationship management tool and easing access to the firm's facilities through channels such as websites.

In the study, strategy communication is also used as an innovation strategy as it allows the employees to give input on improving the organization's business processes through internal platforms such as innovate.

The attainment of success in any firm is when the managers and directors in an organization invent strategic initiatives for opportunity extension in the environment while protecting the firm from any external threats and implementing them. More studies have been conducted on strategic decisions and their determinants, mostly paying attention to the mandate of the management teams while shaping the outcome of an organization. According to Kreidler (1978), cited in Adero (2020), whereas little research has based their argument on Mile and Snow (1978) cast about the strategic choice concept, most firms are significantly skewed to indicators.

The other strategic choice quintessential of organizations identified by Juma et al. (2020) is measuring efforts where metrics expansion is tied to planning, making it easy to determine the possibility of applied efforts in achieving set rules and regulations. This plays a significant role in establishing annual or quarterly objectives milestones. In the study, the tax base expansion variable was used to track the progress of tax compliance for meeting milestones that enable the adjustment of tactics. It is also a strong cultural advantage to joining new market forces indicator in mounting an organization's vision.

Anning-Dorson (2018) mentions that any agency or firm with the vision to multiply its success must embody smart and healthy qualities. The research findings elaborate on this by mentioning that a smart quality lies in the applied technology and marketing strategies and a healthy one in the firm's culture. The study concludes that any strategic choice made should significantly advocate the health of the organization or agency as much as it elevates profitability. This strategic choice of bodywork has also been cited by Fernando and Bandara (2018) and Gomez and Yasin (2017). It is more explicitly related to the agency context in which the contemporary study was based to examine technology application on a firm's quality of services as well as cost reduction. This study reviewed the direction of growth as a strategic choice and the various strategies adopted under the strategic choice as identified from the study variables to deduce its impact on the organization's performance.

1.1.3 Kenya Revenue Authority

Kenya Revenue Authority (KRA) is a Kenyan government owned organization under the Finance ministry. It was established on 1st July 1995 by an act of Parliament (Cap 469) of the laws of Kenya. It is mandated with revenue collection responsibility for the Kenyan government. Kenya Revenue Authority assesses and enforces laws that mutually relate to revenue and administers and creates organizational structures to maximize revenue collection (KRA, 2018). In its formation, KRA merged the departments of Value Added Tax, Income Tax, Customs and Excise in the Ministry of Finance. Generally, to perform successfully in its set mission, KRA has its operations segmented into three: Customs, Domestic Taxes and Support services (KRA, 2021).

Kenya Revenue Authority's board of management comprises of following: the chairman, who is appointed by the President of Kenya, the Attorney General and any

representative, mandated persons appointed by the Finance ministry for their expertise in the fields of business administration, law, accounting, public administration and taxation (Muturi, 2021).

From its earlier inception to date, KRA has been met with several internal and external factor challenges from social, technological and political. These include incidences of tax evasion, the ever-widening informal sector and poor operating procedures as noted by Muturi (2021). There were also challenges in integrating collective responsibility, mostly among the departments mandated with tax collection. Departments that were non-integrated failed and worked organized in tax heads rather than their mandated lines of functioning (Ouma, 2022).

The Kenya Revenue Authority has also been unable to execute at its highest level due to lax internal control measures such as poor duty segregation (permission and approval are handled by the same person). Additionally, the Kenya Revenue Authority's ability to communicate effectively and efficiently is compromised, which hinders the attainment of its aims and objectives (Wanjiku & Karugu, 2019). Furthermore, due to a lack of staff resources and the majority of them lacking experience in defining organizational performance, low level officials have not been appropriately monitored.

Also, in achieving its objectives, the firm faces customer service automation. A report by Transparency International categorized KRA in position 14 out of a sample of 50 institutions and organizations on corruption. This therefore suggested that Kenya Revenue Authority faced sincere challenges in its operations and management.

1.2 Statement of the Problem

On a global scale, organizations in the public are often dominated by performance challenges rooted in the private sphere competitions, technology capacity, corruption, poor strategic choices and human resource issues. For any organization to fulfil its set vision and mission, it must develop plausible strategic choice among the grand strategies considered after evaluating the alternatives hence making the actual choice to ensure good performance (Waddell *et al.*, 2019). Questions have been raised on service delivery and performance of many Kenyan government owned organizations. KRA is a government owned organization that collects revenue for the Kenyan government. The organization's performance has been a factor that needs to be

examined since for instance, two decades ago in the financial year 1998/1999 revenue collection targets fell short as singled out by Muturi (2021).

On the same note, the dismal performance trend persisted in 2003/2004 financial year, where it failed to surpass its targets in revenue collection. In the financial year 2017/2018, the organization collected Ksh.1.435 trillion against the set target of 1.5 trillion. In the financial year 2019/2020, KRA missed its revenue collection target by Ksh.88.3 billion (KRA, 2020). Generally, KRA had failed on its targets in revenue collection for eight consecutive years up until the 2020/2021 financial year. The failure to meet revenue collection targets called for alternative measures to encourage determination and fostering its strategic performance.

An organization attains an artful advantage when it has the edge over its competitors in defence from competitive forces while significantly securing its customers. This is because an organization's capability to maintain its performance rests on its ability to present realistic alternatives and provide leverage multiplier effects as noted by Adero (2020). With the enhancement of performance in all activities undertaken by an organization, it is expected that improvement will be in both the services and activities it offers. However, some strategy authors have emphasized that too many choices may affect the organization as they may be very tight, leading to problems (Fernando & Bandara, 2020). The sustainable advantage, which is competitive, is brought up by the collective responsibility that yields the company's long-term benefits.

Several analysts have drawn distinctions in the strategic choice of an organization. Few researchers were in other nations and countries; hence findings did not apply to KRA in Nairobi. Gitaru (2017) assessed the influence on tax compliance through taxpayers' education in Kenya and failed to examine other strategic choice variables like strategy communication in an organization. Other scholars like Kondo (2015) examined ways in which revenue can be enhanced for financial performance. In spite of the fact that all the aforementioned researches among others had a pivotal input in offering a diversity of firms' strategic choices, the influence of strategic choice in an organization like KRA is not primarily addressed, thus a gap emanates which this study addressed in depth. The study sought to examine strategic choice in Kenya

Revenue Authority and how the variable indicators affected the organization's performance.

1.3 Objectives of the Study

The study was guided by both general and specific objectives as indicated below;

1.3.1 General Objective

To investigate the effect of strategic choice on the organizational performance of Kenya Revenue Authority.

1.3.2 Specific Objectives

- i. To establish the influence of technology adoption on the organizational performance of Kenya Revenue Authority.
- ii. To assess tax base expansion's effect on the organizational performance of Kenya Revenue Authority.
- iii. To determine how taxpayers' education influences the organizational performance of Kenya Revenue Authority.
- iv. To find out the role of customer service on the organizational performance of Kenya Revenue Authority.
- v. To establish strategy communication's influence on the organizational performance of Kenya Revenue Authority.

1.4 Research Questions

- i. What is the influence of technology adoption on the organizational performance of Kenya Revenue Authority?
- ii. What is the effect of tax base expansion on the organizational performance of Kenya Revenue Authority?
- iii. What is the effect of taxpayers' education on the organizational performance of Kenya Revenue Authority?
- iv. What is the role of customer service on the organizational performance of Kenya Revenue Authority?
- v. What is the influence of strategy communication on the organizational performance of Kenya Revenue Authority?

1.5 Significance of the Study

The research could play a pivotal role to various associates; a credible source of information to KRA staff management on multiple strategic choice practices adopted by organizations that they can put into practice for goal attainment. This study will also help KRA to incorporate the possible risks faced and adapt the findings in this study in their management setup, for example, in the revenue collection department. Some light will also be shed on the gaps in the strategic choice process. Also, the study's guidance will be useful in designing useful policies in implementation processes for policymakers of the industry dynamics.

Scholars will find this work useful as it sheds light on strategic choice practices understanding and their influence on KRA. This study also highlighted study gaps that future researchers can study. All the aforementioned is attained through the researcher's publications that significantly allows others to find the findings without challenges hence using it while addressing the gaps. Further, the study hopes to make theoretical, practical and methodological contributions since the findings may contribute to professional extension of existing knowledge in strategic planning. Similarly, by drawing on different theories like Resource-based view theory, balanced scorecard and dynamic capabilities theory the study might extend the strategic choice literature to determining the relationship between strategic choices and the performance of a government revenue agency.

1.6 Scope of the Study

The study was engrossed in examining influence of strategic choice on Kenya Revenue Authority's performance. More specifically, it examined the effects of taxpayers' education, customer service, technology adoption, tax base expansion and strategy communication as related to performance. Theories that were adopted by the researcher and underpinned the research included Resource-based view theory, balanced scorecard and dynamic capabilities theory. The target population was 180 departmental management staff and supervisors employed by KRA in Nairobi, where the ones most conversant with information were derived from and gave room to generate findings.

1.7 Limitations of the Study

There was unavailability of selected key participants, which slowed down the pace of data collection and information gathering. This was overcome by providing a specific time period for the respondents to answer the questionnaires and collecting them from the respondents who had filled after the time period elapsed. Unwilling respondents to participate in the survey was also a limitation. This was overcome by provision of an introductory letter from the university that accompanied each questionnaire. It clearly stated the research was an academic study and only meant for the purpose of academics.

1.8 Organization of the Study

The study organization included a five chapter split up where chapter one's focal points were general information, study problem, aims and questions in the study research, significance, scope and the research limitations. Chapter two gave the anchoring theories, empirical reviews and pointing out of emanating gaps. Chapter three discussed the research design that was adopted and the sampling methods. Thereafter, data gathering and the associated procedures were also detailed; analysis and ethical concerns used as well were indicated. The fourth segment indicated analysis of findings from the data collected and chapter five detailed overview of the findings, final comments and observations and finally making recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter section gave a detailed theoretical and empirical review and the conceptual framework. Specifically, this chapter focused on the review of theories related to the study. Further, the section included review of past studies and research in link with this study's variables, literature review of existing findings, emanating gaps and the study's conceptual framework.

2.2 Theoretical Review

Theories that were adopted by the researcher and underpinned the research included Resource-based view theory, balanced scorecard and dynamic capabilities theory.

2.2.1 The Resource-Based View Theory

Economist Edith Penrose is considered the originator of the theory in 1959. Barney (1991) along with Wernerfelt (1984) among others, also accorded RBV development. Some given premises guide this theory. The first assumption stems from the fact that assets and competencies in an organization can be used to formulate strategies that would result in sustainable competitive advantages over a given time. Secondly, it is assumed that heterogeneity may exist within a firm on the bundles of resources it controls.

There are three resource categories, namely organizational, human-capital resources and physical resources. The physical resources entail technology and access to the required raw materials and equipment. The human capital resources comprise human training, experience, intellect and managers' acumen and experience within the organization (Barney, 2016). The human capital resource view in this theory anchored the variable of taxpayers' education in the study. At the same time, the organization's capital resources comprise the organization's planning, coordinating and controlling systems, formal and informal reporting, legal and organizational structure as noted by Colbert (2004). The organization's resources are examined based on heterogeneity and immobility. Heterogeneity focuses on the resources' uniqueness, while immobility concerns how other firms can obtain the required resources.

As a consequence, in order for a firm to attain sustainable index, there is a need for its resources to have the four attributes. These attributes are non-imitable, rare, non-

substitutable and valuable (Barney, 2016). This theory has been criticized for failing to pay attention to environmental changes. Leviathan (2017) attests that the theory has made little contribution to predicting competitive factors in the entity. In an organizational setting, a valuable resource acts as the driving force to attain goals. They build products after designing and promote them in the market. The rare attribute in resource management enhances forecasting to prevent any conflicts in the process of fulfilling goals.

According to Colbert (2004), a well-organized resource management increases financial performance in a firm since it reduces unwanted costs and the quality of products is kept constant. In this regard, therefore, as upheld by resource based view theory model, organizations should examine its internal opportunities by use of existing resources to find competitive advantage rather than assessing a competitive environment for it. In the study, the theory was significant since it pays attention to firm's resources and how they can be used to increase customer's value in a firm. It highlights how an organization can achieve performance by exploiting its available resources. Thus, it was used as the main theory that anchored the research study.

2.2.2 The Balanced Scorecard Theory

Balanced scorecard (BSC) model was developed in 1991 by Kaplan and David Norton .The theory comprises of a planning strategy that enables firm directors and managers to examine the running of their business in monitoring, objectives attendance and activity planning and aligning team members. These metrics therefore, identify, control and improve the functions of businesses. Kaplan (1992) examined previous metrics of measuring performance and later adapted them to include non-monetary information to focus on non-profit organizations and government corporations and agencies. The preliminary focus of measurement in BSC in business aspects includes processes in business finance, learning, growth and customers (Kaplan, 2009).

Under the business processes, the balance scorecard model examines the quality of manufactured products where operations tackle delays, waste or any shortages. The perspective allows a firm to assess whether its performance in the internal systems is working and if the latter can be improved to increase profitability in the firm, according to Kaplan (2009). In the study, technology adoption was linked to internal

processes in the metrics of BSC to shed light on how firms' projects and initiatives, create a shorter turnaround time with more suggestive results.

The learning and growth perspective of BSC, as highlighted by Kaplan (2009), involves the training of staff and the process of acquiring knowledge towards improving the communication of workers or staff in an organization. As a result, this improves the specialist's skills and knowledge. In the study, the theory was used to show how communication enables handling information to convert it to competitive and high-level advantage. Also, customer concerns using BSC falls in either time, cost or service performance according to the theory. In this regard, the theory helps to examine deliveries, sales and products compared to key purchases. This model is relevant as it aligns with the variable of customer service and helps to determine customer segments in acquisition and market share.

Financial metrics in BSC include items like margin profits and number of sales, which measure the organization's performance in terms of finances. The theory gives directors and managers useful insights into an organization's quality through financial track records. This provided the current study with information and methods for measuring the dependent variable. Thus, the goal of BSC is evaluation of an organization's pivotal factors that establish value for it and their influential capacity and ability to succeed.

BSC model in the research study supported the organizational performance variable. The theory fit well in the study as it enabled the management of KRA to gain an edge in meeting targets without presenting information overload.

2.2.3 Dynamic Capabilities Theory

David Teece (1997) was the proponent of the theory which evolved as a rejoinder of resource based view theory's inability to construct resource and abilities development and redevelopment for the rapidly changing environments (Arndt & Pierce, 2018). The approach incorporates rare, non-imitable, valuable and non-substitutable resource attributes and integrates and reconfigures the available resources and capabilities for the changing environments (Teece, 2018). Therefore, the dynamic capabilities theory enables an organization to reconfigure its strategy, resources and abilities to attain artfulness in link with other organizations in industries.

Also, it reflects the pace and degree to which an organization's resources can align and realign to the business environment's requirements and opportunities. Based on the dynamic capabilities theory, an organization with robust dynamic capabilities can attain high and abnormal returns as the markets do not place value on the prices (Teece, 2018). Instead, buyers place value on complementary and necessary resources and assets. Dynamic capabilities and the value of the resources and competencies are built upon, making the theory more effective.

Teece (2018) contributed to the dynamic capabilities theory by involving three dimensions: sensing, seizing and transforming. Sensing aids in identifying and assessing different opportunities while seizing consists of mobilizing the various available resources to capture the multiple possibilities and create value. The theory directs managers to develop new technologies in phases in their traditional technology instead of the sudden change for competitive survival.

Besides, the theory has been criticized sharply on the perspective that it's rooted in the existence of stability point where its capability is preoccupied with the prudent corporate strategy at such a point. The assumption could be better since an organization's performance cannot be constant. Organizational capabilities cannot be achieved and adapted to every environmental change (Arndt & Pierce, 2018). This observation also has been indicated by Burisch and Wohlgemuth (2016) that transforming involves reconfiguring the intangible and tangible assets to create value and aid a firm significantly in remaining effective and sustaining competitive advantage. The effectiveness of the theory in this study was that it guided on ways in which organizations to develop and redevelop its strategies, resources and capabilities to help it sustain a competitive advantage. Thus, the theory was used to anchor the independent variables.

2.3 Empirical Review

The section presented a literature review of the research variables. After a review of the literature, relevant gaps were pointed out that the study sought to fill.

2.3.1 Technology Adoption and Performance

Technology plays a useful role in business operations, growth and development. It is an important tool that every organization should adopt and implement within its daily operations. For a firm that deals with huge volumes of data and information that are

managed, stored and used within the systems, adopting technology enables the reduction of cost in link with the production of quality services hence making the organization relevant. Technology provides simple and efficient methods to access, retrieve and securely store huge volumes of data (Adero, 2020).

Nguyen *et al.* (2019) covered the technology alignment effect on the performance of organizations in Vietnamese manufacturing firms from 2011 to 2013. Data was reviewed to meet the set objectives and findings stipulated that adopting technology in their firms improved performance in market shares. The study used an external intervening variable, which was not used in the current study. Moreover, Uchebulam and Akinyele (2015) in Nigeria examined the implications of technology adoption and performance as the outcome in the organization. Primary and secondary data collected and analysed attested that secure information and lower operating costs result from adopting new technology. Findings also showed that adopting technology enables a company to effectively deal with data and provide efficient, effective and updated services based on customer needs. The study's gap was that it focused on Nigerian agencies, not Kenyan ones, creating a contextual difference. The results can differ due to geographical differences.

Lai (2017) studied the connection between performance and technology adoption in Kenyan firms. To answer the research problem, the research employed survey research design to collect primary and secondary data. Findings indicated that there is a positive significant link between information sharing and firms' performance. Additionally, Mutisya and Kinoti (2017) studied ways in which adoption of technology in supply chain impacts Nairobi manufacturing firms' performance. Using a descriptive survey targeting 63 licensed manufacturing firms, findings affirmed that technology plays a pivotal part in the effectiveness and efficiencies of organizations and mutually improves the communication between organizations with their suppliers hence becoming more productive in the market. Although the two studies were very informative on technology adoption role in a firm's quality of services provision and the relevance, the studies were limited since the investigations did not focus on a government organization.

In the same vein, Macharia, Iravo, Tirimba, and Ombui (2015) investigated overall logistics firm performance concerning their information and technology adoption

strategic choice in Nairobi. The targeted population consisted of 1000 logistics firms and 60 respondents. Using research questionnaires, stratified and random sampling design was employed for sample size determination and data was analyzed through statistical techniques. The four authors affirmed that adopting technology in a firm holds a significant part in the firm's performance; hence, these affirmations were useful in the current study. The investigation findings recommended improved technology adoption for a smooth flow of information to improve performance. The target population was too large compared to the current study, which may have led to biases in sampling final respondents who partook in the research.

Ng'ang'a *et al.* (2017) study analyzed the influence of organizational resource mobilization on organizational performance in tourism. The study used a cross sectional approach to determine the effect of resource portfolio on the performance of the tourism government agencies. The population of the study included management and non-management staff. The researcher used stratified sampling to select a sample size. The data was analyzed through descriptive and inferential statistics. The study found that resources were critical to a firm's performance. Resources such as human, physical, technological and capabilities were the most influential resources in tourism public owned agencies and organizations. However, the study focused on tourism sector in Kenya.

2.3.2 Tax Base Expansion and Performance

Tax base expansion strategy identifies new taxable markets for the organization to obtain revenue from. This will enable the creation of new taxable markets where tax collection systems are aligned to ensure compliance. Moreover, automating the process of collecting revenue can reduce the leakages emerging in revenue collection through introducing compliance measures such as imposing penalties on late filing of returns and late payments (Nyaegah, 2018).

Ombati (2018) researched tax reforms influence on revenue collection efficiency based in Kenya using the Karl correlation method for government agencies for 38 years from 1980 to 2017. Findings highlighted different steps made regarding tax base expansion in order to increase tax collection, where tax reforms was the determinant factor highlighted. The study also noted that reforms in Kenya on taxes began in the 1980s. Some of the changes included the process of widening tax brackets, indirect

tax increase to substitute revenue shortfall and finally downward moderation of rate of taxes.

In the same vein, other reforms in regards to tax base expansion as discussed in the study included, the introduction of Value Added Tax (VAT) in 1990 in substitution of sales tax and the introduction of Electronic Tax Registers for VAT registered taxpayers that positively keeps tabs on the sales and a plausible part of curbing the evasion of paying VAT on the sales made. In November 2010, Turnover Tax (TOT) was also introduced for small and medium taxpayers for those with amount between 350 and 750 million, which broadened the tax base, among other advantages. The study differs from this research since it only focused on the financial aspect in performance and the current one aimed to focus on performance based on the four perspectives of the BSC approach.

Kondo (2015) examined ways in which KRA performance relates to firms' strategic choices. The specific variables examined included taxpayers' education, computer operations and revenue point's enhancement strategies. To achieve this objective, a descriptive study design was employed and data was analyzed by use of descriptive statistics including mean scores, frequencies, regression models and correlation analysis. There was also an examination on how each of the two variables, dependent and independent are correlated. Findings revealed that revenue collection point's expansion positively influenced the performance of the agency. This would imply that it would be important to increase the revenue collection points to increase revenue collection. The independent variable of the study (effect of revenue enhancement) differs from this study's and may elicit different outcomes, thus a gap.

Locally, Nyaegah (2018) studied the influence of iTax project on tax return compliance by taxpayers in Nakuru Central Business District. The study adopted quantitative and descriptive methods as the research designs. Data was collected using structured questionnaires, which covered all the variables of the study from 50 individual taxpayers based in Nakuru town CBD. The study found out that majority of Nakuru town taxpayers are willingly registered online with iTax. 77.8% file their own taxes individually at their own convenience. The rate of compliance is relatively high as 88% of tax payers meet their tax obligations before the deadline. Among those that have ever requested for a tax compliance certificate from KRA, 76% were given

while 24% were denied. However, a methodological gap emanated since cross-sectional survey design was the data analysis method, different from this study's which employed descriptive study design.

Kenya Revenue Authority has continuously highlighted tax base expansion as one of its strategic thrusts in its corporate plans to ensure that the organization can achieve its targets. The tax base expansion focuses on different aspects in each plan. For example, in the 7th Corporate plan, tax base expansion focused on increasing active taxpayers number from 3.94 million in 2018 to 7 million in 2025 through various initiatives that involved establishing strategies to improve compliance in the professional sectors, development of e-commerce, m-commerce strategies and real estate strategies, collaboration with other government agencies and integration with other systems among others (KRA, 2018).

Strategic priorities currently that the organization has aimed at in the 8th corporate plan includes the theme of expanding its tax base. This, according to its strategic plan, will be achieved through expansion of taxable bases and other obligations. For instance, informal sectors will be taxed on the Turnover Tax (TOT) regime, Digital Service Tax (DST) focusing on taxation of the digital economy and strategies to shoot up High Net-Worth Individuals (HNWI) compliances as well as VAT taxation in the digital markets among other programs (KRA, 2021).

2.3.3 Taxpayers' Education and Performance

Effective tax systems rely on voluntary compliance and cooperation with tax authorities since laws and regulations often change. Taxpayers' education is an initiative oriented towards raising tax compliance culture through the provision of in-depth training, taxpayers' awareness through communication tools and knowledge of tax compliance through practical assistance according to Park and Yoon (2017). These initiatives transform the correlation among tax administrations, systems and taxpayers thus benefiting them and society.

Kikvi (2020) reviewed taxpayers' education influence on VAT compliance by small and medium-sized enterprises (SMEs). This was a descriptive study where 92 respondents were randomly selected and issued questionnaires. Simple random sampling technique was used to select the study sample. This study established a significant link between taxpayers' education and SMEs' compliance with VAT and

performance. The study concluded that taxpayers' education positively impacts SMEs' VAT compliance. Despite the contextual bias, the study did not reveal how taxpayers' education affects organizational performance, which was the aim of the current research study.

Kulubi (2018) used data from 137 cross-sectional enterprises to measure the impact of education and training on firm performance. The study established that there lies a significant relationship between market shares and education on the performance of a firm. These assertions play a significant role in the current study. It was emphasized that job training should be provided to enterprises for the purpose of positive results in their performance.

Ayega and Muathe's (2018) study noted that education, as a human capital development asset, helps individuals to differentiate between the truths and fallacies and can be developed to improve performance in a firm. This study examined diversity in the workplace and the performance of an organization. To attain the set objective, the study was supported by analysis of the past studies. The study recommended that an organization must invest in education to attain set goals, retain the flow of skills and maintain them. The study was based on published literature which can generate very different outcomes when used in this study.

Omondi and Theuri (2019) in Nakuru County, Kenya assessed taxpayer's awareness impact to SMEs compliance with tax. Taxpayer awareness measures were both training and administrative skills. The study implementation strategy was guided by descriptive research design. Postulations of the economic-based theory of a firm were used to underpin the research variable. The instrument employed as a tool to collect data was a questionnaire and the study population was 1416 licensed SMEs in Nakuru town. Data analysis was done quantitatively and summarised as charts and tables. The study found that in situations where traders possess taxpayer awareness, financial performance potential is much greater. The study recommended education and tax awareness for an overall positive impact among SMEs in Nakuru County. Besides the contextual biasness that characterized the study, it was a longitudinal field research and this study was a descriptive research study.

Masaku (2019) research stipulated that taxpayer's education on the effects of VAT compliance has a positive effect on countries economy and stability. This is due to the

fact that knowledge focuses mutually changes taxpayers' behaviour. IPSOS (2015) further elaborates that evading tax for VAT by taxpayers will be determined by tax information and opportunities. Gap created was that the study focused on government subsidies on manufacturing firms but failed to address the current study variables.

2.3.4 Customer Service and Performance

Customer service is crucial for a company with a target market and customers. Kavulya *et al.* (2018) assessed ways in which customer service influenced the performance in Kenyan SACCOs. A descriptive design, a cross-sectional survey and a questionnaire for data collection were applied. The descriptive technique analyzed data and the results gave an analysis of how customer service adoption strategy is significantly and positively connected with Kenyan SACCOs performance. The research made a recommendation that SACCOs should provide quality customer service to their customers and confidence will be created as a resultant factor. The contextual gap is that the study is based on SACCOs different from this study's area of interest.

Another study on customer relation services effect and management of commercial banks on its performance in terms of marketing in Kenya was done by Kafko (2017) and had significant input in the field of study. This was a descriptive research where a questionnaire was employed as the instrument of data collection and the collected data analyzed by SPSS software. The analysis gave a mutual collective responsibility amongst the study variables. The findings clarified that there is a useful link between performance and the customer service orientation strategy. Kafko's (2017) study recommended that all firms that focus on meeting their set objectives should consider a customer service orientation strategy as this leads to a performance increase. The study's independent variable differs from this study's and there is the likelihood of study difference elicitation.

Qadir and Ali's (2017) study informs that customer service facilitates communication between customers and the organization, which results in good relations and enables an organization to understand and meet the needs of its consumers. It purposed to examine the link between customer service in logistics processes and firms' performance in Pakistan. Wang and Voss (2016) concur with this and elaborate that customer service is keen on the buyer's journey while doing marketing and the rate at

which they adopt new services and features. Therefore, with good and commendable customer service, the company can maintain its customers through good customer relations as well as their understanding in meeting their needs which results in good performance for the organization. This study, however, despite its significant and interesting results, creates a geographical and contextual difference and measurements of performance is different from that of a government organization focal point.

2.3.5 Strategy Communication and Performance

Communication facilitates strategic implementation since it ensures that the company uses different methods of communication to communicate the set goals and objectives. Communication should constantly be open and should flow between the different staff members. There is an exchange of ideas, knowledge, information and guidance which aids in strategic implementation. Communication occurs through either formal and informal or written means through the organization's structure which facilitates strategic implementation of the appropriate methods for achieving set goals and objectives. Therefore, organizations should develop plausible communication channels to ensure strategic implementation of the set goals and objectives.

Quite recently, Huo, Haq, and Gu (2021) examined ways in which communication and sharing of information on strategies influence the performance of manufacturing firms in China. Using structural modelling, data was collected from 213 firms. From the study findings, it was revealed that supply chain dimensions of the firms improved due to the process of sharing information for the firm's performance. The study also gave managers a recommendation to seek added advantages through information sharing and communication. The study uses structural modelling to collect data and if used in this study, could have generated different outcomes thus, a gap.

Wesulah's (2016) motive was to investigate the strategic management changes effect to Barclays Bank of Kenya. It was found that time planning and the involvement of stakeholders played a positive role in reducing resistance to change. The study used primary and secondary data and showed that Barclays Bank of Kenya is more interested in upholding its organizational culture of communication rather than work. Strategic communications processes help organizations effectively communicate and engage with key audiences by distributing compelling, consistent messages. As the

findings stipulated, the ideal outcome promotes the achievement of specific goals and objectives and helps organizations establish and maintain strong relationships with key participants. However, although this research was very informative on the influence of affordable credit assessment on firms, the knowledge gap is hinged on the methodology used to analyze data, which differs from the current study, which will employ a descriptive research design; thus, findings could differ, hence the focus of the current study to fill this gap.

2.4 Summary and Research Gaps

This segment reviewed relevant studies which mutually link strategy communication, taxpayers' education, customer service, technology adoption and tax base expansion to the growth of an organization. An empirical review allows a researcher to review other similar research and monitor how the studies were conducted. Gaps are exposed by the reviewed literature. Much of the research was done in other different countries; hence impossible to generalize their findings to Kenya. A short description of the studies, the authors and years of publications, findings, conclusions and identification of gaps created are indicated as table 2.1 shows.

Table 2.1: Summary of Research Gaps

Author & Year	Study Topic	Study Findings	Research Gaps	The focus of the current study
Huo, Haq & Gu (2021)	Impact of communication and sharing of information on performance flexibility in manufacturing firms in China.	Findings from data obtained showed that all supply chain dimensions were improved with information sharing.	The study uses structural modelling to collect data and if used in this study, can generate different outcomes thus, a gap.	The current study analyzed data using descriptive statistics and relied on proper methodology.
Kikuvi	Taxpayers'	Taxpayers'	There was a	This study

(2020)	education influence to VAT compliance by small and medium-sized enterprises (SMEs) in Kenya.	education strategy is positively associated with VAT compliance by SMEs.	contextual bias whereby the study failed to establish how taxpayers' education affects organizational performance.	focused on how taxpayers' education affected KRA.
Nguyen, Nguyen and Phung (2019)	Technology alignment effect on the performance of organizations in Vietnamese manufacturing firms.	Data stipulated that adopting technology in their firms improved performance in market shares.	Intervening variable was employed and this study did not use an intervening variable.	The current study adopted key independent variables that affected performance.
Kavulya et al. (2018)	Effect of customer service and the performance in Kenyan SACCOs.	Customer service adoption strategy is positively associated with the performance of Kenyan SACCOs.	The study is based on SACCOs, a contextual gap where this study was based on KRA.	The current study was based on a Kenyan government organization. Secondly, the current study adopted descriptive statistics.
Ombati (2018)	Tax reforms influence on revenue collection	Tax base expansion plays a pivotal role in	The study only focused on the financial aspect	The current study focused on performance as

	efficiency based in Kenya.	tax payments.	of performance.	per the BSC approach.
Mutisya and Kinoti (2017)	Ways in which adoption of technology in supply chain impacts Nairobi manufacturing firms' performance.	Technology plays a pivotal part in the effectiveness and efficiencies of organizations and mutually improves the communication between organizations with their suppliers hence becoming more productive in the market.	The study is limited since the target population is disproportionate as it was based on multiple firms and may affect the comparison between data collected.	The target population in the current study did not create biases while sampling the final data.
Mozael (2015)	Effects of training programs as a strategic educational method in Uganda Revenue Authority.	Training as a strategic educational method positively impacts the performance of employees.	The research focused on Uganda Revenue Authority.	The study researched on Kenya Revenue Authority.
Macharia, Iravo, Tirimba, and Ombui	Firm's performance about their information	The four authors affirmed that adopting	The target population is too large compared to the	The current study used 90 respondents as the sample, a

(2015)	and technology adoption strategic choice in Nairobi.	technology in a firm plays a significant role in its performance.	current study, which may lead to biases in sampling final respondents who partook in the research.	workable size that allowed results generalization.
Kondo (2015)	Effects of revenue enhancement and the performance of KRA.	Revenue collection points expansion has strong, positive and significant effects on the financial performance of KRA.	The study's independent variable differs from the current study and the likelihood of difference in findings is high.	The current research focused on strategic choice as the main independent variable.

Source: Researcher (2022)

2.5 Conceptual Framework

The conceptual framework illustrated the expected link between independent and dependent study variables. Specific strategic choice variables focus of the study included technology adoption, tax base expansion, taxpayers' education, customer's service and strategy communication. On the other hand, the dependent variable of the study was represented by organizational performance.

Independent Variable
Variable

Dependent

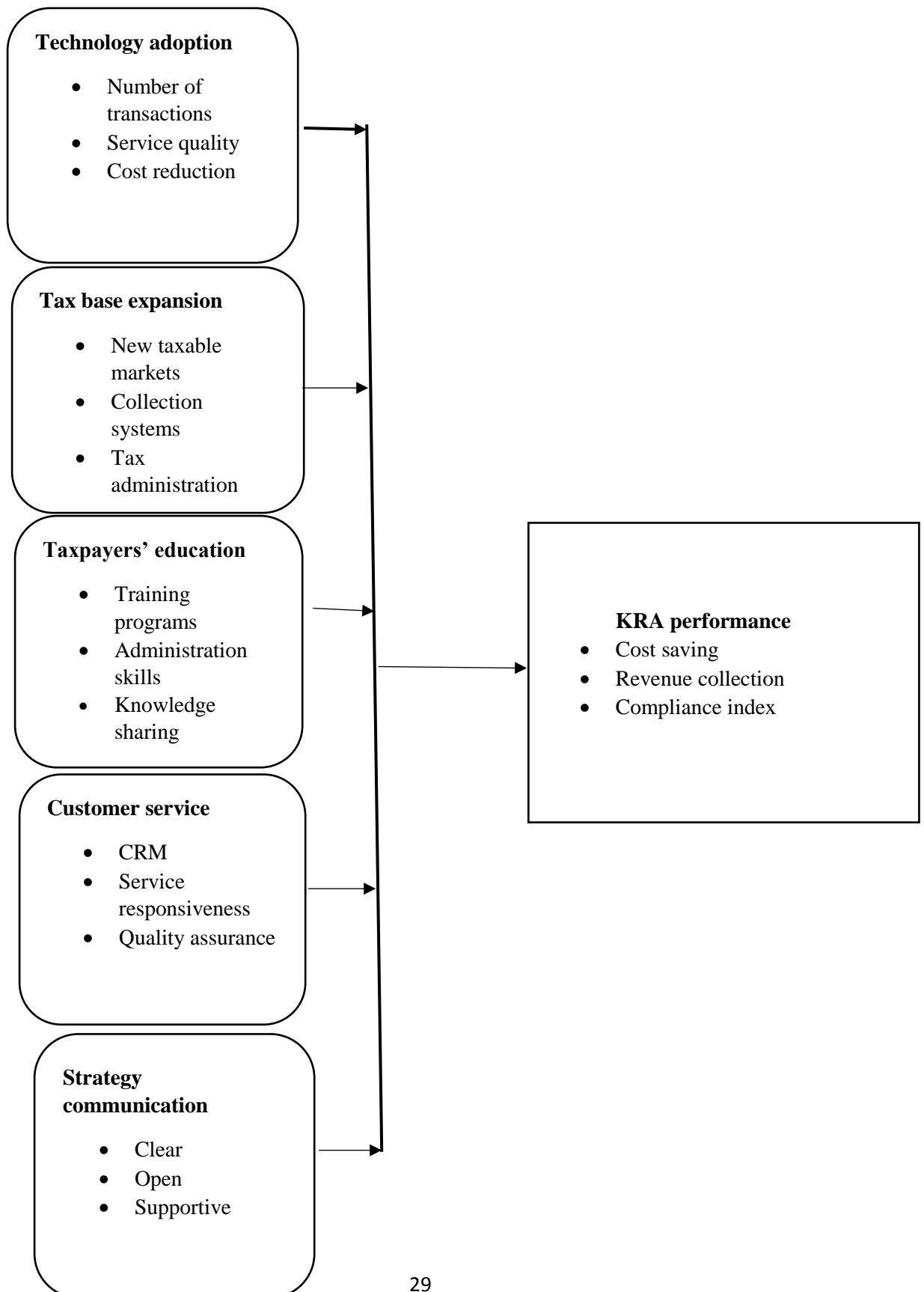


Figure 2.1: Conceptual Framework
Source: Researcher (2022)

Each of the variables had its indicators. They were examined concerning the performance of Kenya Revenue Authority. Technology adoption meant to increase the number of transactions regarding the filing of returns and making of payments, increase the quality of service offered and ultimately reduce costs for the organization. Technology provides simple and efficient methods to access, retrieve and securely store huge volumes of data.

Tax base expansion involved identifying new taxable markets, enhancing collection systems and developing laws and regulations to increase revenue through tax administration. Taxpayers' education involved providing administrative skills to staff, knowledge sharing and training programs to enhance taxpayer uptake of tax related knowledge. These initiatives transform the correlation among tax administrations, systems and taxpayers thus benefiting them and society. Customer service entailed service responsiveness, quality assurance and the tools used for customer relationship management.

Strategy communication was to be clear, open and supportive to promote achieving the organization's goals and objectives. It ensures that the company uses different methods of communication to communicate the set goals and objectives. Performance in Kenya Revenue Authority context included cost-saving, revenue collection and compliance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The current chapter comprises various concepts, research methods and approaches the researcher followed. The chapter structure comprises of the research design, the targeted population and the sampling design, procedures used to collect data, its analysis and interpretations. The segment on ethical considerations concludes the section indicating moral values adhered to by the researcher.

3.2 Research Design

A descriptive design was used to analyze data. The type of research design provides an accurate and detailed picture of a particular subject or population's characteristics and behaviours (Muathe, 2010). The purpose of descriptive research as Kothari (2004) notes is to conduct comparisons, measure data trends, validate existing conditions, conduct research at different times and define the characteristics of the respondents. Therefore, through this design, the researcher could observe and collect data without the attempt of cause and effect relationship interferences. As such, the information gave a true picture of the situation at KRA.

3.3 Target Population

A population in research is a group of persons or elements owning an element in common leastwise (Kothari, 2004). A target population is the entire set that is considered qualified with a specialized set of characteristics, to which researchers are interested in generalizing and drawing conclusions, as affirmed by Muathe (2010). The study location was at Kenya Revenue Authority Headquarters in Haile Selassie Avenue, Nairobi, Kenya.

KRA has 4633 estimated employees on different departments according to the 2018 report and this formed the population of the research study. The study target population comprised 180 departmental employees; 64 from top departmental staff and 116 from middle-level departmental employees drawn from KRA's three main departments (SIRM, Revenue Operations, i.e., DTD & CBCD, and CSSD). Table 3.1 shows this study's population categorization (KRA, 2018).

The choice of these top and middle-level departmental employees in the study was to ascertain that data was collected from only individuals with the capacity to make decisions. Also, the calibre of these choices was applicable in the study since the study objective could be evaluated in a supervisory manner leading to a smooth process of filling in the questionnaire. In addition, top-ranking departmental heads are mandated with ascertaining organizational decisions and goals and the middle level to completing tasks and goal achievement. Because of the group responsibilities in KRA, they were the best-suited respondents.

Table 3.1: Distribution of Target Population

Category	Population number	Percentage
Top departmental staff	64	35
Middle level departmental staff	116	65
Total	180	100

Source: KRA (2018)

3.4 Sampling Design and Procedure

Sampling in research studies is the procedure of choosing a segment from a given population to tell the number of items that will be included as a sample (Andrew *et al.*, 2019). It significantly helps draw the workable size that allows results generalization in the target population (Leedy & Ormrod, 2015). The study used proportionate stratified and random sampling to divide the population into sub-groups. Census was applied in the two sub-groups of the population to select 50% of respondents. A census is a collection of information from all units in the population or as a complete enumeration of the population. Kothari (2004) singles out that census is used when accurate information for many subdivisions of the population is needed. Therefore, 50% of respondents in the two sub-groups gave 90 respondents as the research sample table 3.2 shows the study sample size.

Table 3.2: Distribution of Sample Size

Category	Target	Sample size	Sample %
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	Population		
Top departmental staff	64	32	35.5
Middle level departmental staff	116	58	64.4
Total	180	90	100%

Source: Author (2022)

3.5 Data Collection Instrument

Methods or instruments of acquiring data are based on the field data results, but the emphasis on accuracy across the board remains the same (Muathe, 2010). The evaluation of instruments for data collection helps in error reduction, the method of choice for the study's research problem, the information to be gathered and the design applied (Mugenda & Mugenda, 2003). Primary data was collected by questionnaires that were adequately prepared to aid the process. The questionnaire was designed with questions that were open and closed-ended. Closed-ended provided elaborate responses for quantitative analysis and summation of the conclusion.

In designing the questionnaire, the researcher first read the study literature to grasp the key strategic choice practices regarding each study variable. Guided by the literature concept, the researcher applied personal knowledge to develop five research questions under each variable. Also, to create valid and reliable questions to address the study objectives and place them in a useful manner to provide quantitative and qualitative data that is easily measured, the study instrument was divided into two distinct categories; closed-ended questions and open-ended questions as suggested by Krosnick (2018).

The questionnaire was designed in six segments. The first segment looked up general information. In the next section, the focus was on technology adoption, section C on tax base expansion, section D on taxpayers' education, section E on customer service, section F on strategy communication and finally, section G concentrated on organizational performance. While designing the questionnaires, the study applied a five-point Likert scale where; point 1 implied strong disagreement and 5 implied strong agreement as recommended by Krosnick (2018) in empirical studies. The use of this scale in the study significantly standardized responses; hence the analysis process was easier.

3.6 Pilot Testing

This is a mock study that comes before the main study purposely for testing the data instrument. The aim of conducting pilot study in researches is to increase the success rate of the main study due to the capability of helping identify shortcomings of the research tool and in time, fix them (Kothari, 2004). The study selected 18 respondents, which is 10% of the target population as Mugenda and Mugenda (2003) recommends and included them in the pilot testing. The main role was to identify any issues in the actual study and how to tackle them. The pilot study's respondents were excluded during analysis to avoid the biasness effects.

3.6.1 Validity of the Research Instrument

The validity of the study instrument tool refers to the quality based on reason or truth. It is the ability to conduct a study that is accurate within the right conditions and tools and yield reliable or acceptable data which is reproducible (Muathe, 2010). Validity is the degree by which the sample of test items represents the content the test is designed to measure (Kothari, 2004). In validity determination, it is paramount for a researcher to consider sources of bias and confounding facts or errors that may affect the final results. The questionnaire was planned well and tested before the research study to ascertain that the final results would be correct. Construct validity was employed by reviewing the elements of strategic choice and performance. The supervisor checked the validity for certification before use.

3.6.2 Reliability of the Research Instrument

Instruments reliability in research refers to whether the selected instrument gives the reproducible results when used with the same subject types in the same setting. This means that the instrument consistency should reflect the constructs being measured. Internal consistency was tested to ascertain the value of Cronbach Alpha in each variable. In this regard, a threshold of 0.7 was adopted. According to Mugenda and Mugenda (2003), a Cronbach Alpha equal to or greater than 0.7 is adequate to confirm the research reliability of the overall instrument and the research variables. The test results are displayed as shown in table 3.3.

Table 3.3: Reliability Test

Variables	Total items per variable	Cronbach's Alpha	Remarks
Technology adoption	5	0.9	Acceptable
Tax base expansion	5	0.7	Acceptable
Taxpayers' education	5	0.8	Acceptable
Customer service	5	0.9	Acceptable
Strategy communication	5	0.7	Acceptable
Organizational performance	5	0.9	Acceptable
Overall Cronbach's Alpha	30	0.8	Acceptable

Source: Pilot test data (2023)

The study selected 18 respondents and included them in the pilot testing. The main role was to identify any issues in the actual study and how to tackle them. The pilot study's respondents were excluded during analysis to avoid the biasness effect. From table 3.3 above, findings indicated that adoption of technology as a strategic choice variable had an index of 0.9 while tax base expansion was 0.7, taxpayers' education was 0.8 while that of customer service was 0.9, strategy communication was 0.7 and organizational performance was 0.9 while standard alpha coefficient was 0.8, all of which are higher or at the threshold of 0.7.

Overall, all the variables in the study alpha's coefficient exceeded 0.7 and proves the data collection instrument was reliable when measuring variables of the study. As noted by Cronbach (1951), Cronbach Alpha value higher than 0.7 is dependable. It is applicable to use reliability by internal consistency in each dimension considering that the researcher used distinct variables to measure dimension.

In this research study, strategic choice in KRA has been measured through strategic choice variables which are distinct such as technology adoption, tax base expansion, taxpayers' education, and customer service and strategy communication. These

variables help to establish organizational performance hence Cronbach alpha computation would be pertinent to assess internal consistency in each variable.

3.7 Data Collection Procedure

The researcher collected quantitative and qualitative data. The questionnaires were self-administered and a drop and pick-up later method was used. This purposely was to increase the response rate and get quality information on the study subject. Respondents were guided by instructions to mark their responses in the appropriate box representing their answer and provide a narrative for open-ended questions. Before going to the field to obtain data, a Kenyatta University permit letter was obtained and a research permit was also applied from NACOSTI. The researcher also requested a permit for research from KRA offices before embarking on data collection. This purposely was to increase the response rate and get quality information on the study subject.

3.8 Data Analysis and Presentation

Muathe (2010) notes that data analysis is the method of data interpretation using analytical reasoning to determine trends and patterns. After field data collection, their level of completion, edition, evaluation, classification and coding for analysis purposes was done using quantitative and qualitative methods as endorsed by Muathe (2010). Qualitative data was measured in a non-numeric way, description through the use of natural language whereas quantitative data was measured arithmetically by analysis of mean, frequencies and standard deviations as Muathe (2010) suggests.

Data collected was also analyzed in descriptive and inferential statistics. Descriptive statistics involved standard deviation and mean computation as suggested by Muathe (2010) to describe the link between strategic choice and the performance of KRA. Inferential statistics involved correlation analysis and the multiple linear regression analysis models of the strategic choice and organizational performance and was linked with the model as detailed below;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

Y = Organizational performance

β = Beta co-efficient

X_1 = Technology adoption

X_2 =Tax base expansion

X_3 =Taxpayers' education

X_4 =Customer service

X_5 =Strategy communication

ε =Error

3.9 Ethical Considerations

Ethics is the emulative conduct code adhered to by people in a social setup perspective. An introductory letter and research permit were sought from Kenyatta University, National Commission for Science, Technology and Innovation (NACOSTI) and Kenya Revenue Authority before fieldwork. Participants were assured that the information was for academic purposes only. Also, study participation was voluntary, with no obligation whatsoever upon all the participants to reveal their names on the questionnaire.

CHAPTER FOUR RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This section captures further explanations of the study findings obtained. It offers further explanation and interpretation of the results that are obtained from the research. This segment specifically presents the respondents' bio data as well as results discussion after analysis was conducted.

4.2 Response Rate

The analysis below gives a detail of the response rate derived from the sample size that were issued with the questionnaires.

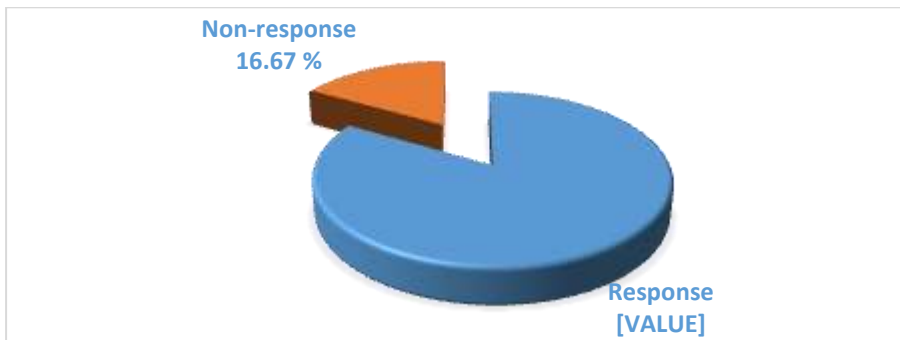


Figure 4.1: Response Rate
Sources: Survey Data (2023)

90 questionnaires were administered to KRA departmental staff where, 75 questionnaires were filled completely and returned, a representation of 83.33 % response rate as figure 4.1 indicates. According to Dannels (2018), a response rate in a research study of above 70% is very good for usage. Therefore, obtaining a response rate of 83.33% for the study was most relevant while drawing conclusions and findings generalization to the whole population.

4.3 Demographic Background

Respondents' background is briefly described in this segment together with their demographic characteristics. The researcher evaluated each of the chosen respondents' background from KRA to assess gender, length of service, their qualifications and finally their working positions. Responses were given in tables, figures, frequencies and percentages.

4.3.1 Gender of Respondents

The researcher examined the distribution of gender of the respondents and findings are as indicated in figure 4.2.



Figure 4.2: Respondents' gender

Sources: Survey Data (2023)

Figure 4.2 shows that the major group were female respondents with a representation of 42 (56%) and male respondents were 33 (44%). The results of the findings reveal that there was inclusion of both genders in the study, an indication that there was no biasness. This also confirms Wang's (2020) findings that financial performance of firms improves more with gender-equality.

4.3.2 Length of Service

Respondents were asked to state the years they have been working in KRA. Table 4.1 reveals the results from the findings.

Table 4.1: Length of Service

Length of service	Frequency	Percentage
5 years and below	20	26.7 %
6-10 Years	27	36 %
11-15 Years	16	21.3 %
Over 16 years	12	16%
Total	75	100 %

Source: Survey Data (2023)

As indicated in table 4.1, most of the respondents have been with the agency above 5 years with an aggregate of 73.3% ,where 36% was indicated by (6-10 years), 21.3% (11-15 years) and 16% (above 16 years). These findings revealed that the participants have the capability and authenticity to handle their tasks, hence comfortably responded effectively to the questionnaire. As observed by Meeks (2017), experience and soft skills significantly improve any organization's performance.

4.3.3 Academic qualifications of the respondents

The study sought to determine respondents' level of education. The results are revealed in table 4.2.

Table 4.2: Academic qualifications of the respondents

Level of education	Frequency	Percentage
Certificate and below	0	0
Diploma	0	0
Bachelors	33	44
Post graduate	42	56
Other qualifications	0	0
Totals	75	100

Source: Survey Data, (2023)

From 75 respondents sampled, as shown in table 4.2, the lowest academic qualifications were 33 respondents with an undergraduate degree and 42 had post graduate qualifications and there were no respondents with certificates, diplomas or other qualifications in the area of study. This indicates that most of the departmental heads among Kenya Revenue Authority have post graduate qualifications, therefore learned and have the ability to comprehend and effectively answer the data collection tool. The findings concur with the study by Kiema (2017), who found that public entities had more educated staff to perform the tasks and yield better service to the public.

4.3.4 Rank of respondents

The researcher of the study moreover pursued to ascertain the respondents' rank. Findings are as indicated below.

Table 4.3: Rank of Respondents

Rank	Frequency	Percentage
Revenue managers	35	46.7
Marketing managers	20	26.7
Operational managers	16	21.3
IT managers	4	5.3
Total	75	100

Sources: Survey Data (2023).

Based on revelation in table 4.3, a higher percentage of employees were from the Revenue departments with a 46.7% followed by Marketing department (26.7%), Operations department with 21.3% and finally Information Technology department with 5.3%. This creates an ordinary distribution thus making an authenticity of the information derived.

4.4 Descriptive Findings

The research's primary goal was to determine how strategic choice influences organizational performance, a case of KRA. It aimed to determine whether KRA encouraged the use of technology, tax base expansion, taxpayers' education, strategy communication and customer service to measure its strategic choice. This section gives descriptive statistics of each variable. Sample characteristics and descriptions for summary measures were indicated using mean and standard deviation. Descriptive statistics evaluated responses and feedback on the five variables the study focused on. Analysis outcome launched inference-making and statistical analysis foundation.

4.4.1 Technology adoption and Organizational Performance

The study's first variable was technology adoption and the results are shown in table 4.4 derived from five-point Likert scale employed that ranges from 1 through 5, 1 demonstrated "strongly disagree" and "strongly agree" was signified by scale 5.

Table 4.4: Technology Adoption and Performance

Question statements on technology adoption	MEAN	SDEV
1. Technology adoption increases the number of transactions for the organization in terms of filed returns.	4.87	0.380
2. Technology adoption results in increased revenue collection for the authority.	4.03	0.716
3. Quality of service the authority provides improves due to technology adoption.	4.29	0.693
4. Operational costs are reduced as a result of the organization adopting technology.	4.07	0.704
5. There has been a significant improvement in the authority's documentation with technology.	4.68	0.470
Overall Score Mean & SDEV	4.39	0.593

Sources: Data Survey (2023)

In accordance to table 4.4 results, study variable mean score overall was 4.39, thus confirming that variance in responses was minimal with most of the respondents falling under the agreement side attesting that technology employed in KRA improved the organization's performance. The study findings also indicated that there was a small response variation considering that the standard deviation was 0.593. These findings are similar to research by Uchegbulam and Akinyele (2015), who disclose that agencies in Nigeria largely depend on a technology adoption strategy that has enabled effectiveness while dealing with data and providing efficient, effective and updated services based on customer needs. On the same note, the study findings show that the performance of KRA depicted improvement in revenue collection and reduced operational costs due to the adoption of different technological activities.

Nguyen, Nguyen and Phung's (2019) research indicates that technological adoption enables a firm to improve performance in market shares since there is the delivery of market quality and data analysis. The part on filing returns in link with the number of transactions had the highest mean at 4.87 and SD of 0.380; next was revenue collection documentation at 4.68 mean scores with an SD of 0.470. This proves that effective technology adoption should primarily consider these two elements. It

indicates that KRA, without a doubt, had considered the technology adoption aspect that significantly led to enhancement.

Revenue collection due to the adoption of the technology line had the least mean at 4.03. Responses varied slightly from the mean score with a standard deviation of 0.716, an implication that majority gave nearly a similar opinion proportionate to the statement. It also reveals that there was a variation of responses on key aspects under technology adoption. However, it still supports that revenue collection through the employment of technology increases financial performance.

4.4.2 Tax Base Expansion and Organizational Performance

The second variable was tax base expansion. Findings established were as per table 4.5 reveals.

Table 4.5: Tax Base Expansion and Performance

Question statements on tax base expansion	MEAN	SDEV
1. Tax base expansion allows the authority to access new taxable markets.	4.69	0.464
2. Tax collection systems impact tax base expansion.	4.39	0.634
3. Tax administration impacts tax base expansion.	4.23	0.831
4. Tax base expansion is hindered by some regulations introduced within the country.	3.59	0.790
5. Adequate research in the market is done accordingly before adopting a tax-based expansion strategy.	3.55	0.776
Overall Score Mean & SDEV Score	4.09	0.699

Sources: Survey Data, (2023)

Based on results presented in table 4.5 above, majority of respondents assented that the tax base expansion strategy employed by KRA positively influenced the organization's performance. This was ascertained with a summation mean of 4.09 and 0.699 as the overall standard deviation score thus confirming that variance in responses was minimal with most of the respondents fall under the agreement side. From the five-point Likert scale that ranged from 1 through 5 employed, it was revealed that a higher percentage of respondents agreed that expanding the tax base

has significantly allowed the organization to access new taxation markets, with a mean of 4.69 and SD of 0.464. Kyengo (2013) echoes this statement by disclosing that revenue collection points expansion strongly and significantly influences a firm's performance.

Further, the researcher aimed to establish whether several regulations introduced within the country prevent tax base expansion. According to descriptive analysis results presented in table 4.5, it is observed that with mean of 3.59 that was posted implied that there was a variation in responses. Also, with an SD of 0.790, implying that there was more agreement than disagreement for majority of the responses, which implies that this indicator for tax base expansion was moderately adopted and significantly affected organizational performance.

The research study's findings on tax administration structure and processes disclose that the administration of tax plays a pivotal role in tax base expansion. This was affirmed by the indication of a mean of 4.23 and 0.831 as the overall score of SD, implying that most of the participants at KRA considered some administrative skills and structures in tax administration. These findings are as per the quantitative study of Kondo (2015), who informed that tax administration provides the capability of managing tax procedures and regulations for expansion. According to the author, this is because tax administrators significantly play a part in encouraging voluntary tax payments as a method of building fiscal responsibility. The study's general implications of these findings were that most respondents agreed with the statements used to measure the tax base expansion strategy in KRA. These findings imply that KRA adopted the variable in its strategies to improve and meet its objectives.

4.4.3 Taxpayers' Education and Organizational Performance

On the third variable of taxpayers' education, respondents were aligned to the five-point Likert in the variation range of between 1 and 5 in the perspective that 1 designates strongly disagree and, on the other hand, five pinpoints strongly agree on the scale. The descriptive analysis of the results is in table 4.6.

Table 4.6: Taxpayers' Education and Performance

Question statements on taxpayers' education	MEAN	SDEV
1. Taxpayers' education leads to improvement of understanding of the different tax regimes in Kenya.	4.91	0.336
2. Staff are equipped with the right skills to ensure they can provide reliable information to taxpayers.	3.81	0.817
3. Training programs increase the effectiveness of taxpayers' education.	4.36	0.629
4. Television, radio and other tax adverts enhance taxpayers' education.	4.04	0.761
5. Taxpayers' education eases the process of filing tax returns more than before.	4.73	0.445
Overall Mean & SDEV Score	4.37	0.604

Source: Survey Data (2023)

On average, taxpayers' education impacted the performance of KRA. The variable inferred this at an aggregate mean of 4.37 and 0.604 as the overall SD score, implying that majority of the responses fell within the scale of 4 and above. At the highest mean, there was an agreement from the respondents that one of the significant ways for citizens in Kenya to understand different tax regimes is through taxpayers' education which was indicated with a mean of 4.91 and an SD of 0.336. This aligns with Mukhlis, Utomo, and Soesetio (2015), who looked at the influence of taxpayers' education and Indonesian firms' performance through compliance. The investigation uncovered that taxpayer education to citizens improves morale, tax responsibilities and awareness of laws that, as a result, boost the willingness of individuals to pay taxes voluntarily.

Further, the study sought to understand whether programs like training help improve taxpayers' education in KRA. The response mean obtained was 4.36, thus signifying that there was an inclination within the agreement scale by most of the respondents. To measure variation in the degree of responses, the standard deviation was 0.629, implying minimal variation in responses considering that the standard deviation was less than one. It was further agreed that KRA's taxpayers' education strategic choice variable enabled individuals to file taxes more easily than before, demonstrated by a mean of 4.73 and SD of 0.445.

Moreover, from the findings, it was noted that most of the respondents concurred that mass media used by KRA to reach the vast majority of the general public, either through adverts, radio or television, played a pivotal role in realizing improved performance in KRA and this was confirmed by a mean of 4.04 and 0.761 SD posted. KRA had poor communication methods previously, which explains the role of having pivotal means of communication where knowledge is provided on a subject to reach the majority of the general public. The results conform to Omondi and Theuri's (2019) discoveries that the situations where traders possess taxpayer awareness financial performance potential is much greater and this can easily be configured with implementation strategies in a firm.

4.4.4 Customer Service and Organizational Performance

Customer service was the fourth objective and the study respondents were required to respond to variable statements indicators in KRA in the range of 1 to indicate not at all in agreement through 5 to indicate very large extent. Values of dispersion and variation were analyzed through mean and SD analysis and the results were as tabulated as they appear in table 4.7.

Table 4.7: Customer Service and Performance

Question statements on customer service	MEAN	SDEV
1. The authority has plausible ways of measuring customer service metrics.	4.60	0.593
2. The authority has the right tools to ensure that customers are well served.	4.12	0.838
3. All staff are significantly empowered to offer quality service.	4.20	0.900
4. The authority has invested its best in ensuring quality service responsiveness.	3.68	0.738
5. Customer service enhances knowledge and professional capacity.	4.00	0.771
Overall Mean & SDEV Score	4.12	0.768

Sources: Survey Data (2023)

According to the results presented in table 4.7 above, it was realized that KRA employs customer service to increase tax compliance and foster revenue collection. Based on the findings, the aggregate mean was 4.12 and SD of 0.768 on the 5-point Likert scale for customer service. With an SD of 0.768, it was established that there was a small variation in the responses. The small variation of standard deviation also implied that customer service is a pivotal ingredient to the performance of KRA. These findings are in tandem with Khan, Garg and Rahman (2015), whose study discovered that with good and commendable customer service, the company can maintain its customers through good customer relations as well as their understanding in meeting their needs which results in a good performance for the organization.

The indicator that the authority has plausible ways of measuring customer service metrics had the highest mean at 4.60 and SD of 0.593, followed by the agency having the right tools to ensure that customers are well served at 4.12 and SD of 0.838, indicating that firms should consider these two elements for effective strategic choice competencies. However, the statement that KRA has invested its best in ensuring quality service responsiveness had the lowest mean at 3.68 and minimal response variations, which was implicated by an SD of 0.738. These findings insinuated that in relevant instances, KRA usually involves only the staff who are qualified for specific tasks and only those who are directly employed.

According to the statement about whether KRA customer service enhances knowledge and professional capacity, a mean response of 4.00 was recorded, a conclusion that more responses fell in agreement. This was also implicated by SD of 0.771, confirming a small variation in responses. Given the agreement of most of the respondents to the statement, the implication drawn was that KRA departments considered customer service mechanisms as a significant tool to meet performance.

4.4.5 Strategy Communication and Organizational Performance

The fifth objective was to examine whether strategy communication at KRA influenced organizational performance. The participants were requested to rate their agreement level using a scale where 1 denoted strongly disagree through to 5 which portrayed strongly in agreement. Findings were analyzed using statistical methods and the results are shown in table 4.8.

Table 4.8: Strategy Communication and Performance

Question statements on strategy communication	MEAN	SDEV
1. Strategy communication within the authority is clear, regular and timely.	4.53	0.622
2. Staff are well-sensitized in their role towards the organization implementing its strategies.	4.12	0.788
3. The authority has established clear channels of communication.	4.20	0.854
4. The organization provides a supportive communication channel to allow feedback provision.	3.68	0.701
5. Strategy communication enables the authority to achieve its set targets and goals.	3.95	0.787
Overall Mean & SDEV SCORE	4.10	0.750

Sources: Survey Data (2023)

Based on the findings concerning the overall aggregate mean and standard deviation for strategy communication indicators, the mean was 4.10 on the 5-point Likert scale. On the other hand, the standard deviation was found to be 0.750, demonstrating minimal variation in responses. The small variation of SD also implied that strategy communication is a pivotal factor in KRA performance. Based on the findings on whether communication in authority is clear, timely and regular, the mean and SD was 4.53 and 0.63, respectively, confirming that variance in responses was minimal, with most of the respondents falling under the agreement side. These findings are in tandem with Shonubi and Akintaro's (2016) discovery that clear communication mechanisms to organizational stakeholders and employees improve the achievement of objectives.

On whether the authority's staff are well-sensitized in their role towards the organization implementing its strategies, a mean response of 4.12 was established; thus, most of the responses skewed within the scale of agreement. The study further established an SD of 0.788, implying that there was more agreement than disagreement for most of the responses. In response to clear channels of communication establishment in KRA, the response mean obtained regarding this statement was 4.20, implying that the majority of the responses fell within the scale of 4 and above. On the other hand, the standard deviation established was 0.854, thus indicating minimal response alterations.

These findings are harmonious with Huo, Haq, and Gu's (2021) research discovery, which researched the impact of communication and sharing of information on performance flexibility. The investigation uncovered that all firm dimensions are improved with information sharing as a strategic choice in a firm's performance. In the same vein, Otieno, Waiganjo and Njeru (2015) shared that for effectiveness in performance, clear ideas should always be embraced before any communication is done and that the physical environment before communication should be identified. This was depicted by the respondents who shared that KRA provides a supportive communication channel to allow feedback provision at a mean of 3.68 and SD of 0.701.

4.4.6 Organizational Performance

The research study dependent variable was organizational performance and was analyzed using descriptive research methods. Participants rated organizational performance elements using a five-point Likert scale where; 1 affirmed strongly disagree, 2 meant disagree, 3 was moderate, 4 agreed and finally, 5 demonstrated strongly agree. Means and standard deviations were established and the findings are presented in table 4.9.

Table 4.9: Organizational Performance

Question statements on the performance of KRA	MEAN	SDEV
1. The organization has developed strategic choices that positively influence its performance.	4.15	0.608
2. There has been an increase in the total revenue collected by the authority.	4.68	0.498
3. Level of tax compliance amongst taxpayers has increased.	4.56	0.500
4. With the efficient use of resources, the authority has been able to save on some costs.	3.77	0.798
5. The authority is continually developing better strategic choices for better performance.	4.37	0.487
Overall Score	4.31	0.578

Source: Survey Data (2023)

From the findings as presented in table 4.9, mean aggregate score was 4.31 and standard deviation was at 0.578. Responses strongly agreed that KRA has increased total revenue collection by a mean of 4.68 and SD of 0.498 and the organization has

significantly provided knowledge on tax which led to tax compliance increase by a mean of 4.56 and SD of 0.5. Also, most of the respondents fell on the agreement side that KRA has developed better strategic choices for better performance, attracting a mean of 4.37 and SD of 0.487.

On the statement that KRA has been able to save some costs through the use of resources, a mean score of 3.77 was posted and SD was at 0.798, an elaboration that resources were moderately adopted and influenced performance. These study results support earlier findings by Barney (2016) that performance is a kin to strategic choices position attained by effective and efficiency rank.

4.5 Inferential Analysis

This section presented inferential statistics results for independent variables effect on the dependent one. The analysis of both correlation and regression were the tests examined.

4.5.1 Correlation Analysis

Examination of existing trends or connection between the study independent variables and dependent variable was done through correlation analysis and results are as identified in table 4.10.

Table 4.10: Correlation Matrix

		Technol ogy adoption	Tax Base Expansi on	Taxpaye rs' Educati on	Custom er Service	Strategy Communica tion	Org. Perfor m'
Tech adoption	Pearson Correlation	1					
Tax Base Expansion	Pearson Correlation	.705**	1				
Taxpayers' Education	Pearson Correlation	.921**	.693**	1			
Customer Service	Pearson Correlation	.690**	.884**	.679**	1		
Strategy Comm.	Pearson Correlation	.621**	.831**	.605**	.855**	1	
Org. Performance	Pearson Correlation	.716**	.702**	.681**	.706**	.657**	1
	Sig. (2- tailed)	<.001	<.001	<.001	<.001	<.001	<.001
	N	75	75	75	75	75	75

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

Source: Research Data (2023)

The correlation coefficient between two continuous-level variables is also called Pearson's r or Pearson product-moment correlation coefficient. A positive r value expresses a positive relationship between the two variables (the larger A, the larger B) while a negative r value indicates a negative relationship (the larger A, the smaller B) as noted by Huber (2004).

From the findings as indicated in table 4.10, the relationship between technology adoption and organizational performance was positive and significant where $r = 0.716$ and p value $<.001$, for tax base expansion it was strongly positive at $r = 0.702$ and p value at $<.001$. Taxpayers' education had a significant link with organizational performance at $r = 0.681$ and p value $<.001$, customer service and organizational performance was strongly linked at $r = 0.706$ and p value $<.001$, while strategy communication had a positive and significant connection with organizational performance where $r = 0.657$ and p -value $<.001$.

In coherence to the results interpretation, Huber (2004) elaborated linear relationship interpretations by ranking the data into either weak, moderate or strong relationship of correlation within the study variables. According to the author, r results that ranged from ± 0.10 to ± 0.29 are weak, ± 0.30 to ± 0.49 are moderately correlated and finally where r was from ± 0.5 up to ± 0.9 in the results they are strongly correlated. From the findings, all the results were above ± 0.5 , an indication of strong significant relationship between all the study independent variables with the dependent variable.

The study findings insinuated a direct association in both independent and the dependent variables, meaning any of the independent variables rise would lead to firm performance shoot up. The findings also were consistent with Kondo (2015) who assessed the link between firm strategies and KRA performance and found that the ability of the organization to use pivotal strategies had a significant influence on the financial performance. It was also supported by Kyengo's (2013) research that recommended KRA to put in place accountable procedures to improve and enforce all adopted strategies to improve its performance as they affected it.

4.5.2 Regression Analysis

The researcher performed regression analysis with the reason of determining whether the core strategic choice variables (technology adoption, tax base expansion, taxpayers' education, and customer service and strategy communication) significantly impacted on the performance of KRA. This section indicates results of regression analysis of the model summary, ANOVA and regression co-efficient conducted. The analysis of the coefficient of determination and the findings are indicated in table 4.11.

Table 4.11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.780 ^a	.608	.580	.2551

- a. Predictors: (Constant), Technology adoption, Tax Base Expansion, Taxpayers' Education, Customer service, Strategy communication

Sources: Data Survey, (2023)

According to table 4.11 results, the coefficient of correlation was 0.780 and this revealed a strong and positive correlation. The R-squared values relate to the precision of your predictions. Adjusted R-squared only increases if the newly added predictor improves the model's predicting power. The findings indicated that the five independent variables in this study accounted for 58 % of the variations in performance of KRA. The residue effect of 42 % would be explained by other competencies outside the limit and scope of this research study. The predictors were technology adoption, tax base expansion, taxpayer's education, customer service and strategy communication .These findings were supported by the study by Gomez and Yassin (2017) who shared that strategic choices in a firm influences performance in a positive and significant manner.

Table 4.12: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression <.001b	6.975	5	1.395	21.431	
Residue	4.491	69	.065		
Total	11.467	74			

- a. Dependent Variable: Organizational Performance
- b. Predictors: (Constant), Technology adoption, Tax Base Expansion, Taxpayers' Education, Customer service, Strategy communication

Source: Survey Data (2023)

The study conducted a two way ANOVA at a significance level of 5% to test the model fitness in estimating the ascendancy of independent variables on KRA performance. From the findings as presented in table 4.12, it was noted that statistics (F= 21.431, P- value = <.001) were realized implying that the model was significantly applicable and fit in estimating the interaction between the strategic choice and organization's performance.

Table 4.13: Regression Coefficients

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	.032	.426		.074	.044
TECH	.438	.225	.388	1.948	.045
TBE	.163	.206	.139	.791	.043
TED	.020	.212	.019	.096	.032
CUSVC	.246	.220	.206	1.115	.026
ST.COM	.144	.194	.113	.741	.046

- a. Dependent Variable: Organizational Performance

Source: Survey Data (2023)

To describe the individual influence of each independent variable of strategic choice on the performance of KRA, the researcher generated the results in the table above from the SPSS tool.

The resultant equation became;

$$Y = 0.032 + 0.438X_1 + 0.163X_2 + 0.020X_3 + 0.246X_4 + 0.144X_5$$

Where Y= Organizational Performance, X₁ = Technology adoption, X₂= Tax Base Expansion, X₃ = Taxpayers' education, X₄ = Customer service, X₅ = Strategy communication.

According to table 4.13 results indicate the regression model coefficients of each indicator of strategic choice that was included in the study; technology adoption, tax base expansion, taxpayers' education, customer service and strategy communication. It was noted that when all the study variables were held constant (technology adoption, tax base expansion, taxpayers' education, customer service and strategy communication), the performance of KRA would be held at 0.032. When the other variables were held sustained, a shoot-up unit in technology adoption meant that the performance of KRA would be at 0.438 units. When all variables were held constant and there was an increase in tax base expansion, the performance of KRA would be at 0.163 units.

Moreover, from the findings, when there was an increase in taxpayers' education while the other variables were held constant, organizational performance would be at 0.02 units. When a single unit of customer service increases, KRA performance would be at 0.246 units with the other variables constant. Also, escalating a single unit in strategy communication when the other variables were kept constant increased organizational performance by 0.144 units.

Findings also indicated a positive link between technology adoption and KRA performance, where the p-value was $0.045 < 0.05$. These findings agreed with Nguyen *et al.* (2019), who studied the technology alignment to Vietnamese manufacturing firms' performance and revealed that adopting technology in their firms improved performance in market shares. A study by Uchegbulam and Akinyele (2015) attested that lowering operating costs resulted from technology adoption, which was in line with this study.

Macharia *et al.* (2015) investigation findings recommended improved technology adoption for a smooth flow of information to improve performance. The study by Kamau (2014), which offers a comprehensive analysis of technology adoption tools to enhance compliance with tax in Kenya, showed a positive relationship between the adoption of technology and the levels of tax compliance in KRA which supported this study's results as compliance affected the organization's performance.

Tax base expansion's p-value was $0.043 < 0.05$, a signal that tax base expansion positively impacted the performance of KRA. Ombati (2018) highlighted different steps made regarding tax base expansion to increase revenue collection and the results

are congruent with the study since tax base expansion was a key to organizational performance. Also, Kondo's 2015 research elicited that it would be important to increase the revenue collection points to increase revenue collection, which reinforces the need for tax base expansion to improve KRA's performance. This was also alluded to by Kyengo's (2013) research on the influence of strategic response on revenue collection in Kenya Revenue Authority.

According to the findings, taxpayers' education variable p-value was at $0.032 < 0.05$, an affirmation that it positively impacted the performance of KRA. Kikuvi (2020) reviewed the influence of taxpayers' education on small and medium-sized enterprises (SMEs) compliance with Value Added Tax and from the study concluded that taxpayers' education positively impacts SMEs' VAT compliance which was in line with this study's proposition that taxpayers' education influenced KRA's performance.

This was also in line with sentiments held by Ayega and Muathe (2018), who noted that education, as a human capital development asset, helped individuals to differentiate between the truths and fallacies and could be developed to improve performance in a firm. This study examined diversity in the workplace and the performance of an organization. It offered skills and knowledge which played a significant role in developing and preserving an organization. Holding the same idea, Mozael (2015) emphasized the need for job training and seminars as the strategic choices that positively impacted performance.

The p-value for customer service was at $0.026 < 0.05$; this was a gesture that the variable positively influenced KRA's performance. This relationship was significant, indicating that improving customer service leads to better performance of organizations. Kavulya *et al.* (2018) researched the influence of customer service and performance in Kenyan SACCOs, which indicated that SACCOs should provide quality customer service to their customers and confidence will be created as a resultant factor, thus improving the performance of the SACCOs which is the same effect it would have on the performance of KRA.

The findings followed Qadir and Ali's (2017) quantitative study, which informed that customer service facilitated communication between customers and the organization, which resulted in good relations and enabled an organization to understand and meet

the needs of its consumers. Customer service was keen on the buyer's journey while marketing and the rate at which they adopted new services and features. Findings from Khan *et al.* (2015) study on the impact of customer service on the hotel industry's performance in India supported the findings of the current study by putting forward that good customer service provides firms value and endorsements, reduces employee turnover and helps retain customers which is vital in measuring performance.

Strategy communication variable was also positively and significantly established as a determinant in the organization's performance through a p-value of $0.046 < 0.05$. In this regard therefore, positive influence linked that improvement in communication strategies led to improvement in the organizational performance of KRA. Huo *et al.* (2021) examined how communication and information-sharing strategies influenced the performance of manufacturing firms in China. The results indicated that all dimensions of the supply chain were improved with information sharing as a strategic choice in a firm's performance. The study also recommended that managers seek added advantages through information sharing and communication.

The current study's findings were also in tandem with the revelation of Shonubi and Akintaro (2016) that the key to organizational performance was communication and that for effectiveness in performance, clear ideas should always be embraced before any communication is done. Also, management should know the physical environment before communication is identified. Findings also attested that communication is a key factor in strategy implementation at KRA from research based on factors influencing the implementation of a strategic plan in KRA done by Wachira (2014). These supported the view that strategy communication positively impacted KRA's performance.

4.6 Qualitative Data

Open-ended questions on each independent variable were provided to explore each study variable in detail and opinion to analyze the variable's quality rather than only measuring the number of parameters. A deductive approach was employed which involved coming to the data with some preconceived themes. Six steps were followed as suggested by Braun and Clarke (2017) where; the first step was to get a thorough overview of all the data collected, coming up with shorthand labels or codes to

describe their content, identifying patterns among them and coming up with themes, ascertaining that the themes are useful and accurate representations of the data and finally coming up with a succinct and easily understandable name for each theme.

On the question to explain other ways technology adoption had influenced the performance of KRA, some of the perspectives that were mostly highlighted included; technology had improved compliance, improved issue tracking and facilitated tax base expansion. These findings were in unity with the study of Uchegbulam and Akinyele (2015), whose findings revealed that adopting technology enabled a company to effectively deal with data and provide efficient, effective and updated services based on customer needs.

On the open statement to mention other ways in which tax base expansion had affected the performance of KRA, most respondents attested that tax base expansion had led to the introduction of new obligations, e.g., Income Tax-Rent Income, increased revenue collection, reduced tax evasion and avoidance and provided a fair business environment. Regarding other ways in which taxpayers' education had impacted the performance of KRA, most respondents indicated that taxpayers' education had increased civic education on tax matters, increased voluntary compliance and enhanced taxpayers' trust in the authority. According to Kivuva (2020), taxpayers' education enabled firms to comply with Value Added Tax, leading to performance.

On the question of other ways in which customer service had influenced the performance of KRA, most of the respondents who filled up the open-ended statements mentioned that it had led to improved service delivery due to the introduction of service centres and Huduma centres to cater to customer queries, improved service accessibility leading to increased compliance due to the access of tax-related information and improved revenue collection as it gave KRA an approachable view to taxpayers which had increased taxpayers confidence in the authority.

The last open-ended question statement was on other perspectives in which the performance of KRA has been influenced by strategy communication. Most respondents indicated that it had improved their understanding of organizational and corporate plans, increased staff dedication and enabled them to work towards

achieving their set targets. It had also led to sealing gaps in communication breakdown within the authority.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a study results summary where all major findings and conclusion are outlined in the summary. Further recommendations in practice and specifically to future researchers and academicians are indicated. The study's conclusions are derived from findings that all addressed the core role of the research.

5.2 Summary

Entities within public sectors are often dominated by performance challenges rooted in the private sphere competitions, corruption and technology capacity, issues in human resources and strategic choices that are poor or inapplicable to firms. The declining performance of the Kenya Revenue Authority and its failure to meet revenue collection targets calls for alternative measures to encourage determination and foster organizational performance. For this reason, an assessment was established and determined by the latter goal. The study was designed to determine strategic choice influence on KRA performance. The core strategic choice variables under the research study were technology adoption, tax base expansion, taxpayers' education, and customer service and strategy communication.

The study revealed that technology adoption enabled the organization's employees to understand users' needs and fulfill their expectations through platforms like iTax, which has led to ease in the tax filing and compliance process. Paperless transactions are another advantage brought about by digitization. All these digital transformation services and tools lead to more efficient business operations and cost reduction. Regarding tax base expansion, the results revealed that Kenya Revenue Authority offers significant tax collection systems and clear tax administration. Moreover, local

and foreign entities trading have had new taxes introduced within their markets, expanding the taxable markets. Some taxes include the Digital Service Tax (DST), which affects foreign entities, while the re-introduction of Turnover Tax (TOT) affects the local markets.

Regarding taxpayers' education, the results indicated that Kenya Revenue Authority offers training on technical and compliance measures to taxpayers to facilitate them to file and make payments for respective tax heads on time which in turn enhances compliance and revenue collection for the organization. Regarding customer service, the study results indicated that Kenya Revenue Authority prioritizes understanding customer needs and preferences and building customer loyalty through quality assurance to enhance organizational performance. The results also demonstrated KRA's investment into the right tools to ensure quality of service.

The fifth objective was to examine strategy communication and Kenya Revenue Authority's performance relationships. It was found that the authority engages in clear and regular communication with their staff to ensure they work collectively with the organization's goals and visions. The study revealed that the organization had implemented a communication feedback mechanism that allows employees to raise issues in line with the organization's strategy and objectives and have them addressed.

Correlation results highlighted technology adoption and customer service with the strongest positive and significant association with KRA's performance, followed closely by tax base expansion, taxpayers' education and strategy communication. The research proved that a concentrated effort towards technology adoption, tax base expansion, taxpayers' education, customer service and strategy communication doubtlessly impacted the organization's performance through taxpayer compliance, cost saving and enhanced revenue collection.

5.3 Conclusion

Firms seeking to improve their performance based on market share, cost saving and compliance must adopt strategic choices in their organizations. To improve performance, Kenya Revenue Authority has adopted a core strategic choice, including technology adoption, tax base expansion, taxpayers' education, customer service and strategy communication. These have led to improved performance of the organization through research and coming up with plausible ways to increase compliance among

taxpayers, like training as well as using customer-centric approaches like using technology and provision of quality service through customer service to boost taxpayers' perception of revenue collection and the authority at large.

On technology adoption, the research concludes that focusing on service quality, reducing firms' overall spending and increasing the number of transactions within the concept of filing returns and tax payments results in greater authority performance. Also, the study concluded that implementing technology is pivotal to firms that were previously evading paying tax and substantially reduces corruption. The development and implementation of a technological integrated revenue collection system can provide the necessary platform to support tax administration more efficiently. All these technology adoption indicators collectively predict the performance of KRA.

The study also sought to determine ways in which tax base expansion strategy identifies new taxable markets for the organization to obtain revenue for the performance of KRA. Given the results obtained, the research study infers that KRA has designed strategies by formalizing sub-sectors and effectively administering taxes through, for instance, the electronic Tax Invoice Management System (eTIMS) introduction to enhance collection and compliance in VAT. Tax base expansion can also be achieved through various ways including harmonising taxes to reduce the multiplicity of taxes both at national and subnational levels and providing tax education for taxpayers to understand the need for tax payment. The investigation, therefore, concluded that tax base expansion is a cardinal determinant in the performance of KRA. Strategic choice relates to tax base expansion in revenue authorities since it is based on the decisions that determine a firm's future strategy in a dynamic process.

The study sought to assess how adopting taxpayers' education influences organizational performance in the case of KRA. The study suggests that taxpayers' education improves tax knowledge and training, enabling close relationship maintenance through administration skills. The investigation concluded that taxpayers' education is a significant determinant in revenue collection in the performance of KRA. The strategic choice of education brings a learning environment of policies and new forms of action.

The research also examined customer service's influence on organizational performance in the case of KRA. It was established that customer service and tax compliance were positively related and affect customer satisfaction, loyalty, retention and advocacy, which are all key drivers of revenue and profitability. It was concluded that creating a sense of trust between taxpayers and the revenue authority through the use of the right tools in terms of customer service, ensuring service responsiveness and offering quality service boosts revenue administration hence improving the performance of KRA.

Further, on strategy communication influence on KRA performance, strategy communication incorporation was pivotal to KRA performance. To achieve maximum efficiency, tax administrations continuously improve and modernize their services to taxpayers. An important aspect is timely and regular communication with them. External communication aims to provide taxpayers with information related to taxes and obligatory contributions and informing them about their rights. Hence a combination of all communication elements, information dissemination and supportive communication avenues had a positive and significant effect on the performance of KRA. The study concluded that implementing and utilizing the strategic choice variables outlined in the study led to better performance for Kenya Revenue Authority.

5.4 Recommendations for Policy and Practice

The researcher gives recommendations seeking to assist all managers and directors of Kenyan government-owned companies and corporations with the mandate to draft strategic plans, policies or regulations. These recommendations would be significant in enhancing the current knowledge of these bodies. Grounded on the findings, the study implies that technology adoption, tax base expansion, taxpayers' education, customer service and strategy communication positively and significantly influenced the performance of the Kenya Revenue Authority. Therefore, the recommendations are that KRA management should include strategic choices in its strategic plans and the authority's structure to ensure high performance continues. Other government-owned corporations and companies should adopt strategic choices to improve their performance.

On the technology adoption variable, since the conclusion was drawn that it significantly affects cost saving and increased compliance, the research recommends that KRA management consider that proper and modern information systems are in place in the organization. The management should also ensure that modern technological tools are in place to assist the taxman in monitoring and enforcing compliance for transparency and auditing process efficiency in Kenya Revenue Authority. The organization should maximize output by ensuring its technological assets are often serviced and systems protected from outside attacks.

On the second objective of tax base expansion, it was concluded that the variable of tax base expansion for performance is a pivotal predictor of KRA. More revenue has been collected, which has eased the capability of detecting non-compliant taxpayers. The study, therefore, proposes that the government of Kenya should ensure that they formalize informal sectors to broaden tax brackets through business registrations and obtaining licenses and finally ensure that these sectors comply with statutory requirements.

Concerning taxpayers' education, it was concluded that education is the key to providing and boosting the willingness of businesses and individuals to pay taxes and improve KRA performance. The research, therefore, suggests that the government of Kenya, through KRA, should strengthen taxpayers' initiatives through the provision of practical assistance in tax compliance. KRA management should further ensure that there is continuity of taxpayers' education from an early age to allow citizens to understand the tax system's working and benefits.

In view of the fourth objective, the research study alluded that customer service was one of the significant predictors of KRA's accomplishments. Customer centricity is a critical strategy for any firm that is envisioned to improve its performance. Therefore, the study proposes that KRA management should establish more contact centres and service touch points to facilitate taxpayers' needs in time. KRA should further ensure that the trust between the authority and taxpayers is strong to boost revenue administration.

The study further recommends that all strategies formulated at KRA should be effectively communicated to all its staff in the firm. Regular departmental meetings should be conducted to share each personnel's target and managers should be

responsible for ensuring that the formulated targets are met. Senior management ownership should further support KRA strategy implementations and promote the organization's performance through clear communication channels.

5.5 Recommendation for Further Studies

Since the research study explored ways strategic choice influences KRA achievements from a performance perspective, wider research involving other government-owned companies and corporates is as a result of this recommended. This will significantly bring a better and broad understanding of the comparisons to be made together with the generalization of the results.

Future studies also should be conducted in different contexts like education sectors, hospitality and management, among others, using different research methods to discover the effect of strategic choice from another point of view. The research further suggests research conduction related to the study using categorical or survey data. The correlation coefficient was at .608 and a residue of 39.2% which can be attributed to other variables beyond the research study scope that future practitioners and scholars should focus on.

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APPENDICES

Appendix I: Introduction Letter

Dear respondent,

RE: PARTICIPATION REQUEST IN DATA COLLECTION EXERCISE

I am a post-graduate student at Kenyatta University student undertaking Business Administration research titled “**STRATEGIC CHOICE AND ORGANIZATIONAL PERFORMANCE OF KENYA REVENUE AUTHORITY**”. The questionnaire attached herein is meant to collect data for the study. I humbly request your participation in this study. It is my sincere hope that my request meets your consideration.

Thanks and regards,

Michelle K Vita.

0707224667

Appendix II: Questionnaire

SECTION A: DEMOGRAPHIC INFORMATION

1. Please, with a tick, show your gender.

Male Female

2. Fill in appropriately year range of work at Kenya Revenue Authority.

Less than five years 6- 10

11- 15 Over 16

3. Please show your education level

Certificate level and below

Diploma level

Bachelors

Postgraduate levels

Other qualifications

4. Kindly indicate your job role in Kenya Revenue Authority.

Revenue Manager Marketing manager Operational manager IT Manager

SECTION B: TECHNOLOGY ADOPTION

5. Kindly rate your agreement extent with below statements regarding technology adoption. Key:

	Totally disagrees (TD)	Disagree (D)	Neutral (N)	Agree (A)	Agree totally
(AT)	1	2	3	4	5

	1	2	3	4	5
1. The adoption of technology adoption increases the number of transactions for the organization in terms of filed returns.					
2. Technology adoption results in increased revenue collection for the authority.					
3. Quality of service provided by the authority improves due to technology adoption.					
4. Operational costs are reduced as a result of the organization adopting technology.					
5. There is significant improvement in the authority's documentation with the adoption of technology.					

Kindly indicate other ways that you think technology adoption has influenced KRA's performance.

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SECTION C: TAX BASE EXPANSION

6. Kindly rate tax base expansion statements based on the level to which they have achieved measures of organizational performance using the Likert scale of 1 through 5, where; strongly disagree is denoted by 1, 2 connotes disagree, 3 describes neutral, agree is described by 4, and finally 5 describes strongly agree.

	1	2	3	4	5
1. Tax base expansion allows the authority to access new taxable markets.					
2. Tax collection systems impact tax base expansion.					
3. Tax administration impacts tax base expansion.					
4. Tax base expansion is hindered by some regulations introduced within the country.					
5. Adequate research in the market is done accordingly before adopting tax base expansion strategy.					

Kindly indicate other ways that you think tax base expansion has influenced KRA's performance.

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SECTION D: TAXPAYERS' EDUCATION

7. The statements below seek to find out your agreement extent on taxpayers' education. Please rate your agreement extent by ticking appropriately. Key: 1 is strongly Disagree, 2 =Disagree, 3 is neutral, 4 =Agree, 5= Strongly agree

	1	2	3	4	5
1. Taxpayers' education leads to improvement of understanding of the different tax regimes in Kenya.					
2. Staff are equipped with the right skills to ensure they are able to provide reliable information to taxpayers.					
3. Training programs increases the effectiveness of taxpayers' education.					
4. Television, radio and other tax adverts enhance taxpayers' education.					
5. Taxpayers' education eases the process of filing tax returns more than before.					

In your view, kindly indicate to what extent taxpayers' education is relevant to enhancing the performance of KRA.

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SECTION E: CUSTOMER SERVICE

8. Below statements on customer service endeavour to examine either agreement or disagreement and to what extent thereof. Kindly rate appropriately to indicate 1=strongly disagree, 2=Disagree 3=Neutral, 4=Agree and 5=strongly agree.

	1	2	3	4	5
1. The authority has plausible ways of measuring customer service metrics.					
2. The authority has the right tools to ensure that customers are well served.					
3. All staff are significantly empowered for the purpose of offering quality service.					
4. The authority has invested its best in ensuring quality service responsiveness.					
5. Customer service enhances knowledge and professional capacity.					

Kindly indicate other ways that you think customer service has influenced KRA's performance.

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SECTION F: STRATEGY COMMUNICATION

9. For each of the statements below provided are options on the statements. Kindly tick only one option that explains your agreement extent using scale 1 to indicate strongly disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly agree.

	1	2	3	4	5
1. Strategy communication is clear, regular and timely within the authority.					
2. Staff are well sensitized on the role that they play towards the organization implementing its strategies.					
3. The authority has established clear channels of communication.					
4. The organization provides a supportive communication channel to allow feedback provision.					
5. Strategy communication enables the authority to achieve its set targets and goals.					

Kindly indicate other ways that you think strategy communication has influenced KRA’s performance.

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SECTION G: ORGANIZATIONAL PERFORMANCE

10. Kindly show your agreement extent in percentage with the below statement on the performance of KRA using 5-point Likert scale to indicate, 1= (20-40 %) strongly disagree, 2= (40-60%) disagree, 3= (60-80%) neutral, 4= (80-90%) agree and 5= (100%) strongly agree.

	1	2	3	4	5
1. The organization has come up with strategic choices that positively influence its performance.					
2. There has been an increase in the total revenue collected by the authority.					
3. There has been an increase in the level of tax compliance amongst taxpayers.					
4. With the efficient use of resources, the authority has been able to save on some costs.					
5. The authority is continually developing better strategic choices for better performance.					

Thank you very much.

APPENDIX III: Research Authorization Letter



KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke

Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 810901 Ext. 4150

Internal Memo

FROM: Executive Dean, Graduate School

DATE: 22nd February, 2023

TO: Michelle Kahenda Vita
C/o Business Administration Dept.

REF: D53/CTY/PT/28563/2019

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL.

This is to inform you that Graduate School Board at its meeting of 15th February, 2023 approved your Research Project Proposal for the M.B.A Degree entitled, "Strategic Choice and Performance of Kenya Revenue Authority, Nairobi County".

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking and progress report Forms per semester. The Forms are available at the University's Website under Graduate School webpage downloads.

Also, please ensure that you publish article(s) from your project before submitting it to Graduate School for examination as per the Commission for University Education and Kenyatta University guidelines.

Thank you.

ANNBELL MWANIKI
FOR: EXECUTIVE DEAN, GRADUATE SCHOOL






c.c. Chairman, Business Administration.

Supervisors:

1. Dr. Stephen Muathe
C/o Department of Business Administration
Kenyatta University

AM/Am

APPENDIX IV: Research Permit

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 375436	Date of Issue: 25/March/2023
RESEARCH LICENSE	
	
This is to Certify that Miss. Michelle Kahenda Vita of Kenyatta University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: STRATEGIC CHOICE AND PERFORMANCE OF KENYA REVENUE AUTHORITY, NAIROBI COUNTY. for the period ending : 25/March/2024.	
License No: NACOSTI/P/23/24437	
375436 Applicant Identification Number	 Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
	Verification QR Code 
NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.	
See overleaf for conditions	

APPENDIX V: Data Collection Authorization Letter



4th May 2023

Michelle Kahenda Vita,
P.O. Box 43491-00100,
Nairobi, Kenya.

Dear *Madam,*

RE: DATA COLLECTION AUTHORIZATION

The corporate data office (CDO) has authorized Michelle Kahenda to collect data within KRA premises for academic works. This authorization is granted in accordance with the requirements for academic program and the objectives of as undersigned.

The data to be collected may include, but is not limited to, documents, records, surveys, interviews, and any other relevant information that **DOES NOT** entail **ANY** personal identifiable information necessary for the completion of the academic research.

Ms Michelle will collect this data from sources within the company under the guidance and strict conformance to Corporate Data Office policies. This authorization is effective as of the date of this letter and will remain in effect until the completion of the academic project or as otherwise agreed upon.

Mr. Joseph Tonui
Deputy Commissioner – Corporate Data Office,



Tulipe Ushuru, Tujitegemei

Terra Tower Building – Hurler & Searle Avenue – P.O. Box 43491-00100, CDO, Nairobi, Kenya, Tel: 020-281 0000

