

**STRATEGY EVALUATION AND ORGANIZATIONAL PERFORMANCE  
OF THE KENYA REVENUE AUTHORITY**

**BY**

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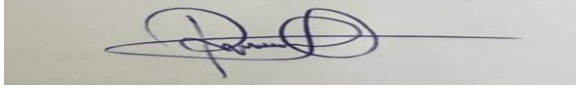
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## DECLARATION

I Pauline Nguyu declare that this MBA research project titled “Strategy Evaluation and Organizational Performance of The Kenya Revenue Authority” is my original work that has never been presented in any University for the award of any certificate, diploma or degree.

Signature:



Date: 14<sup>th</sup> November 2022.

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## SUPERVISOR'S APPROVAL

This research project prepared by Pauline Nguyu titled “Strategy Evaluation and Organizational Performance of The Kenya Revenue Authority” has been handed in for assessment with my endorsement as the appointed University Supervisor



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I acknowledge our almighty God for the opportunity He has given me to be alive and study. I also wish to thank my supervisor Professor James Gathungu PhD (CPS) K for guiding me from start to the end of this project.

## **DEDICATION**

I dedicate this project to my dear parents and siblings who supported and encouraged me during the entire period of study and research.

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## **ABBREVIATIONS**

<b>DCT</b>	Dynamic Capability Theory
<b>KRA</b>	Kenya Revenue Authority
<b>NGOs</b>	Non-governmental Organizations
<b>RBV</b>	Resource Based View
<b>SCs</b>	State Corporations
<b>VAT</b>	Value Added Tax

## **ABSTRACT**

The study sought to establish the influence of strategy evaluation on organizational performance of the Kenya Revenue Authority. The study was guided by the following objective; to establish the influence of strategy evaluation on performance of KRA. A case study design was adopted and data was obtained in its primary form supported by the interview guide. Data in this study was gathered in its qualitative form and its analysis was guided by content analysis. Only one unit of analysis was used being KRA. The findings were presented in propose and figures. The study observed that strategy evaluation was being carried out at KRA on a monthly, quarterly, semi-annually and annual basis. The relevant strategy evaluation practices that had been adopted by the authority include customer satisfaction evaluation, revenue risk areas evaluation and performance appraisal, internal and external audits correction of challenges in performance, assessment of external and internal forces and business evaluation. Strategy evaluation had positively contributed towards an improvement in customer satisfaction despite the inability of the authority to meet revenue collection targets. The study recommends that in order to enhance strategy evaluation process at KRA, there is need to invest more resources in strategic planning, frequent field visits and impact evaluation of the strategy. There is need to implement recommendations at end of the strategy evaluation process. Annual reviews should be adopted instead of quarterly or semi-annual reviews at KRA.

# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

Organizational performance is one of the goals that drive existence of firms and it is reflected in ability to meet the established goals (Stanciu, 2019). Strategy evaluation is a critical process that drives organizational performance. Given the ever changing and dynamic business environment that organizations operate in, it is important that the formulated and implemented strategies are constantly reviewed and monitored to track their progress (Muiruri, 2014). Strategy evaluation is an important step towards better performance of an organization. Success in implementation of any strategies in organizations depends on how they are constantly monitored against established standards (Hieu & Nwachukwu, 2019). Strategy evaluation helps organizations to adapt their strategies to any risks of volatilities in the business environment. A strong strategy evaluation process cushions the organization against corporate failure, prevents the organizations from undertaking unviable decisions that would results to better performance. As a concept, strategy evaluation has received limited focus and attention in the literature of strategic management (Chebet, 2021).

The nexus between strategy evaluation and organizational performance can be explained through the dynamic capability theory (DCT) and the resource based view (RBV). The DCT argues that firms should constantly renew and reconfigure their competencies including the existing strategies in responses to the turbulence in the business environment (Teece, Pisano & Shuen, 1997). Therefore, for proper performance, firms should constantly monitor the progress made in implementation of the formulated strategies so that any deviation from the planed standards is detected and corrective measures undertaken (Teece et al., 1997). The RBV school of thought on the other hand postulates that firms leverage on the pool and bundles of both internal and external

resources to remain competitive (Wernerfelt, 1984). This means that in order for organizations to gain superior performance, they must effectively leverage the pool of resources and competencies that are in place (Barney, 1991). However, unlike the argument of DCT, the proponents of the RBV observe that the resources and competences in question are static.

KRA is a State Corporation in Kenya that is charged with administration and collection of revenues on behalf of the government. A number of tax revenues are collected by KRA, key among them being the income tax and value added tax (VAT) as well as custom tax. KRA operates under the overall supervision of the Ministry of Finance. KRA has been facing a number of challenges that have adversely affected its performance as reflected by its constant inability to meet revenues collection planned against actual targets. For instance, in 2018/19, 2019/2020 as well as 2020/21 the authority gathered Ksh. 1.475 Trillion, Ksh. 1.510 Trillion and Kshs. 1.539 Trillion actual exchequer tax revenues against the targeted Kshs. 1.553 Trillion, Kshs. 1.530 Trillion and Kshs. 1.544 Trillion respectively (KRA, 2021). This trend of inconsistent inability to meet revenue collection targets has constrained the available revenues to the government resulting into a surge in public debt that overally increased from 48.6 percent to an estimated 69 percent at end of 2015 to 2020 respectively (Wandeda, 2021). This background provides the motivation of this present study.

### **1.1.1 Strategy Evaluation**

Strategy evaluation is a process used to monitor the activities of the firm and performance outcomes to facilitate comparison between actual and desired outcomes (Hieu & Nwachukwu, 2019). Strategy evaluation helps in identifying the level of implementation of the formulated strategies. It provides an early warning on barriers likely to hinder successful strategy

implementation (Chebet, 2021). Strategy evaluation is a highlight of the effectiveness of the firm in responding to emerging challenges. The critical action in strategy evaluation is determination of whether the execution of the formulated strategies contributes towards realization of the objectives of the organization. The outcomes from strategy evaluation process are important for undertaking further action in case some problems have been identified after the evaluation likely to have adverse impact on realization of organizational goals (Hieu & Nwachukwu, 2019). Strategy evaluation determines the effectiveness and efficiency of the comprehensive plans in realization of the planned outcomes. Through strategy evaluation, management in an organization is able to determine the appropriateness of the present strategy in the dynamic environment that organizations exist.

There are four key criteria for any successful strategy evaluation process as identified by Kunene (2004) and Johnson and Scholes (2008) which include consistency, suitability, acceptability and feasibility. The goals from a given strategy should always be consistent. A strategy giving inconsistent policies and goals need to be rejected in an organization. At the same time, the strategy needs to be adaptive to key changes and the external surroundings in an organization (consonance) (Hieu & Nwachukwu, 2019). Acceptability requires that competitive edge should be created by an effective strategy. For feasibility, it implies that an organization should have in place competences and resources that help in delivering the strategy in question (Lehmann, 2012). Strategy feasibility is a general test to generate information of whether the strategy has capability to be attempted in the limited resources in the organization (Litov, Moreton & Zenger, 2012). Adaptability is the planned ability of the entity to react effectively after an abrupt variation in business and environmental issues. It is important for organizations to plan for the unexpected so as to realize the strategic objectives (Muiruri, 2014). These are the four criteria that strategy evaluation should

be based on and any identified flaws would lead to rejection of the strategy (Litov, Moreton & Zenger, 2012). In this study, strategy evaluation was measured by strategy consistency, strategy suitability, strategy consonance as well as strategy feasibility.

### **1.1.2 Organization Performance**

Organizational performance provides guidance on the actions of the firm towards some critical outcomes. Conventionally, organizational performance has been defined as the ability of the firm to accomplish the established goals (effectiveness) by leveraging the available limited resources (efficiency) (Ondoro, 2015). Hence, a well performing organization is one that realized its goals and objectives on limitations arising from scarce resources in place. Lebars and Euske (2006) defined organizational performance as a set of monetary and non-monetary parameters that provide information on the extent of realization of the results and objectives. It is a measure and comparison of the actual results or outs of the organization against the desired ones (Shafi, Ahmad, Nawab, Bhatti, Shad, Hameed & Shoaib, 2019).

Organizational performance is not just determined on the basis of the financial indicators but also from non-financial information that include individual satisfaction and social performance. In most cases, the capability of the enterprise to respond to opportunities and threats in an effective and efficient manner has an influence on performance (Stanciu, 2019). The key measures of organizational performance that have been widely adopted in literature include customer satisfaction, goal achievement and efficiency. Well performing organizations are able to identify and measure the progress of Key Performance Indicators (KPIs) against some pre-determined targeted values of the respective proxies (Herciu & Şerban, 2018). Organizational performance in this study was measured by tax revenue collection against targets as well as client satisfaction.

### **1.1.3 The Kenya Revenue Authority**

It is the Act of Parliament that gave rise to formation of KRA, a government agency that was formed to collect tax revenues on behalf of the government. The operations of the authority are overseen by the Ministry of Finance (KRA, 2020). The authority has faced a number of challenges like rapid advancement in technology and the widening of the informal sector that have contributed towards increased incidences of avoidance and evasion of taxes by the taxpayers. This has significantly contributed to the inability of the authority to realize its revenue collection targets (KRA, 2020).

Performance of KRA in terms of revenue collection being its core mandate has been poor. For instance, for the financial periods 2015/16, 2016/17, 2017/18, 2018/19, 2019/20 and 2020/21 the variance between actual and targeted revenue collections were Kshs. (12.6) billion; Kshs. (66.6) billion; Kshs. (106) billion; Kshs. (63.1) billion; Kshs. (34.2) billion and Kshs. 47.3 billion respectively (KRA, 2021). Thus, apart from 2020/21 financial year, KRA has been underperforming below the revenue collection targets and this justified the need for the present study.

## **1.2 Research Problem**

In order to survive the ever changing forces in the environments and realize better organizational performance, firms should constantly re-evaluate their strategies. The demands of customers are ever changing coupled with high level of competition and constantly changing needs of the customers (Hieu & Nwachukwu, 2019). Organizations are undertaking strategy evaluations with the aim of realizing integrated business that are strategic and operationally efficient. From a theoretical point of view, strategy evaluation is important because organizations operate in a



changing environment that needs constant review of the strategies in response to changes in the surroundings. This can help the firm to remain viable and thus perform even in the most turbulent business environment. Thus, strategy evaluation is an instrumental process needed for better organization performance (Litov, Moreton & Zenger, 2012).

SCs in Kenya are faced with numerous challenges like high level of competition from the private institutions and limited technological proficiency that have contributed towards their performance. KRA is among the SCs in Kenya charged with the mandate of collecting tax revenues on behalf of the government. One of the greatest challenges of organizational performance that KRA has consistently encountered is its inability to meet tax revenues collection targets (KRA, 2020). This has constrained the available revenues to the government to fund development projects. The situation has also increased the appetite of the government on external borrowing that is likely to be unsustainable if no urgent policy action has been done to improve organizational performance of KRA.

The available studies include Chebet (2021) who appraised the implication of strategic evaluation and control on financial performance of the smaller and medium entities in South Sudan where a significant nexus was registered between the variables. Hieu and Nwachukwu (2019) did an exploration of the nexus between strategy evaluation and strategic performance within the context of Nigeria. It was observed that mobile telecommunication firms within the context of Nigeria have embraced systematic methods towards evaluation of the strategies and this has significantly impacted on their performance.

Locally in Kenya, Muiruri (2014) used a case of the University of Nairobi to establish the relevant strategy evaluation and control practices that are in place. It was shown that regular evaluations

were conducted within the institution. Through evaluation, the study observed that the institution had an opportunity of monitoring the relevant activities against the established targets. While concentrating on NGOs within Nyanza region, Awiti, Imbambi, Aketch, Mande and Okumu (2019) appraised the nexus between evaluation and control of strategies in regard to performance of health related interventions. The inquiry observed existence of a strong and direct nexus between the variables covered. Using a case of Centre Star Company limited, Abdalla (2015) did an appraisal of strategy evaluation and how it interacts with organizational performance. It emerged that four approaches were used for strategy evaluation: consistency, suitability, feasibility and acceptability.

However, the reviewed studies create gaps in that some like Chebet (2021) were done in other countries like South Sudan and Nigeria (Hieu & Nwachukwu, 2019) respectively and not in Kenya thus creating contextual gaps. These two countries are different from Kenya they have different tax revenue authorities that are differently regulated from the KRA. Furthermore, Nigeria is more developed than Kenya. The study by Awiti et al (2019) creates methodological gap adopting descriptive survey research design unlike the present study which will adopt case study design. The study by Muiruri (2014) exclusively focused on strategy evaluation and control without including performance as a dependent variable thus a conceptual gap. Thus, to fill these gaps, the present study sought for answers to the following research question: what is the role of strategy evaluation on organizational performance of the Kenya Revenue Authority?

## **1.2 Research Objective**

The study objective was to establish the influence of strategy evaluation on organizational performance of the Kenya Revenue Authority

#### **1.4 Value of the Study**

The study is expected to help strategy managers at KRA to strengthen the existing frameworks for strategy evaluation to enhance performance of their institutions. The senior managers at KRA shall be able to recommend best practices of strategy evaluation in their departments. The management team of the other SCs in Kenya shall also leverage the study to put in place adequate mechanisms of carrying out strategy evaluation in their organizations.

The policy makers at KRA shall leverage the study to develop sound policies that would guide the activities of strategy evaluation. The policy makers working in other SCs in Kenya shall be guided in policy formulation for their organizations in regard to strategic planning issues. Policy makers at the National Treasury are expected to leverage the study to develop strategic planning policies that are reconfigured with those at KRA.

The study is also expected to contribute to the existing knowledge and literature on strategy evaluation and organizational performance. It shall either support or extend the views of the dynamic capability and RBV theories as reviewed in this study. Future scholars carrying out related studies shall be in position to review the literature of this study as a reference point.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

The chapter presents the theoretical review, the review of literature on constructs of strategy evaluation and performance as well as the past empirical studies. A summary of the reviewed studies is provided with a discussion of the gaps. The review of empirical studies focuses on the most current literature.

### **2.2 Theoretical Foundation**

The study was guided by the dynamic capability theory (DCT) and the resource based view (RBV). The DCT was used to anchor the independent variable strategy evaluation. On the other hand, the RBV was used to underpin the dependent variable organizational performance.

#### **2.2.1 Dynamic Capability Theory**

This theory was developed by Teece et al. (1997) who offered a definition of dynamic capability as the entity's ability of consolidating, growing and reconstituting the internal and external expertise in response to the ever changing business environment. It is the ability that the firm can have a development or an improvement on its resources. The key premise of this theory is that firms should leverage the key expertise so as to have an improvement in short term competitive positioning which can further be utilized as the basis of building superior performance on a long term horizon (Mikalef, Boura, Lekakos & Krogstie, 2019).

They were the challenges in RBV that led to the development of this DCT through an attempt to offer detailed illustration of how firms remain competitive in the increasingly turbulent environment. The key emphasis of the DCT is on the need to develop, acquire, regenerate and

renew the resource pool (Valdez-Juárez & Castillo-Vergara, 2020). Dynamic capability describe the capacity of incorporating and reengineering expertise that can be external as well as internal to the organization so as to respond to the dynamics posed by the surroundings. In doing so, there is a possibility that resource configuration can be realized. Therefore, dynamic capability is the capacity of the firm in creation, enlargement or transformation of resources so that there is an alignment with the changing environment (Schoemaker, Heaton & Teece, 2018).

In most cases, the capabilities of the firm have a deep rooting in the structures and therefore may have greater adaptation to some specific strategies as opposed to others. Therefore, an organization can be a constraint to these strategies although a significant change in strategy of the firm may call for reshaping of the institutional structure (Valdez-Juárez & Castillo-Vergara, 2020). Strategy evaluation can help the firm to identify challenges within the environment that are likely to inhibit successful execution of the strategies (Ferreira, Coelho & Moutinho, 2020). This theory was successfully applied by Gathungu and Mwangi (2012) in an assessment of dynamic capabilities. Therefore, this theory was used to underpin the independent variable strategy evaluation.

### **2.2.2 Resource Based View**

Significant people who have made progress to this theory include Penrose (1959), Wernerfelt (1984) and Barney (1991). This RBV perspective places emphasis on capabilities and competences as drivers of competitive advantage of the firm. Under RBV, the essence of the distinct capabilities of the firm and the need to develop dynamic capabilities that can help in exploiting expertise in the organization is underscored (Penrose, 1959). The RBV consider the firm as constituting abilities, processes and assets which create value that can be hard to be imitated by rivals since they are rare, valuable and with high level of non-substitutability. Barney (1991) argue that

owning strategic resources help the firm to remain competitive. The theory provides a prediction of performance as an indication of the capability of the enterprise to use the resource pool it has in place.

Resources cover the core capabilities and competences that a firm administers and which are used in formulation and execution of strategies that contribute towards efficiency and effectiveness. There exists a direct nexus between the resource pool of the entity and the capabilities that can be utilized by the firm to gain superior performance. According to Barney (1991), competitive advantage is accrued to the firm whenever a strategy is being executed that leads to superior value creation. The theory argues that each firm has an ability of developing competencies from the bundle of resources in place. This theory was used in this study to anchor the dependent variable organizational performance. Based on this theory, firms that have adequate resources are able to leverage on them in developing competences that can help the firm to gain superior.

### **2.3 Strategy Evaluation and Organizational Performance**

The contribution of strategy evaluation on organizational performance can be examined through its four constructs: consistency, suitability, consonance as well as feasibility. Strategy consistency aims to ensure that business strategies should not give mutually inconsistent policies and goals (Lehmann, 2012). Thus, during strategy evaluation process, the accepted strategies are the one that yield consistent policies, objectives and goals (Lamberg, Tikkanen, Nokelainen & Suur-Inkeroinen, 2009). In large organizations, there exists a disconnect between the strategies and goals of every business unit and the overall strategic goals in place (Richter & Schmidt, 2005). This disconnect could be due to the fact that some of the business units are autonomous resulting in inadequate cooperation, coordination and integration (Brauer & Schmidt, 2006). Strategy

consistency exists in an organization if success in one of the units is not interpreted as failure in all other units and departments within the enterprise (Lehmann, 2012).

Strategy suitability is related with an assessment of whether a given strategic option would help in addressing the circumstances that an organization carry out its operation or wish to operate (Hieu & Nwachukwu, 2019). It is also an assessment of the degree which the strategy proposed is a fit in the circumstance as found out during strategic analysis (Punt, Butterworth, de-Moor, De-Oliveira & Haddon, 2016). At the same time, strategy suitability is an analysis of how the strategies go a long way towards contributing to the competitive edge of the entity. Thus, strategy suitability is the degree which the strategy chosen can be critical in exploitation of the opportunities available in the surrounding while seeking to avoid possible threats (Goodwin & Wright, 2001). It also covers the ability of the entity to leverage the advantages arising from the strengths that an entity has in its surrounding while establishing relevant ways to deal with the inherent weaknesses. Furthermore, the identified strategy should be in line with the existing culture in the firm (Tayler, 2010). One of the critical techniques of establishing strategy suitability is that cash flow method (Virvilaite, Seinauskiene & Sestokiene, 2011). Prior to this, Doyle (2008) had indicated the use of external analytical tools like gap analysis, value chain analysis, Porter's Five forces analysis and sensitivity analysis as key techniques of determining strategy suitability.

Strategy consonance is the extent which the strategists can have an examination of set of trends and people in evaluation of the strategies (Schwarz, 2011). A strategy should be a representation of adaptive response to external surroundings of the enterprise and to the key changes taking place on it (Butterworth, Bentley, De-Oliveira, Donovan, Kell, Parma & Stokes, 2010). Matching the

internal and external factors of the firm during strategy evaluation is challenging since majority of the trends result from interaction in other trends (Litov, Moreton & Zenger, 2012). The manner that an enterprise associates with its surrounding is categorized in two aspects: there is need for the business to be matched and adapted to the surroundings and that it needs to remain competitive with other enterprises trying to have adaptation (Andrews & Russell, 2012).

Strategy feasibility relates with whether the organization has adequate resources to pursue a given identified and selected strategic choice (Popkova, Abramov, Ermolina & Gandin, 2015). On the basis of this, feasibility becomes an executed evaluation of the internal capabilities of the enterprises (Coulter & Coulter, 2008). This evaluation seeks to determine if there are adequate resources in the firm to undertaken the identified strategies (Kettunen, 2007). Resources in this context can be on the basis of the materials, markets, machines as well as personnel and funds that are instrumental when executing strategies as established and hinged on the RBV. Kunene (2004) observed that an analysis of the requirements of strategies in future is conducted to identify the relevant key capabilities and resources even before undertaking a strategy. In case the resources in the firm are not adequate, efforts will be made to borrow so as to bridge the gap in short fall although this attracts additional costs of capital (David, 2011).

## **2.4 Empirical Studies and Research Gaps**

The study conducted by Chebet (2021) was an examination of strategic evaluation and control and the implication on financial performance. The context of the inquiry was in the SMEs with operations in South Sudan. The adopted design in this inquiry was cross sectional where 4,951 registered firms were targeted but 381 sampled. Evidence from this inquiry pointed out that strategic evaluation practices had significant implication on ability of the firms to financially



perform. The conceptual gap arising from this inquiry is that it focused on financial performance and not specifically the general organizational performance. It also focused on strategic evaluation that is different from strategy evaluation that will be central in the present inquiry.

An examination by Hieu and Nwachukwu (2019) was on the process of evaluation of strategies and the implication on strategic performance of the enterprise. This study was conducted among large multinational corporations with operations in Nigeria. From the preliminary survey of literature in this inquiry, it was pointed out that evaluation of strategies help the firm to carry out continuous assessment of the existing practices and how they contribute to the practices of implementation of strategies. A single industry was covered in this inquiry underpinned by quantitative approaches and survey to gather information from staff of the four telecommunication entities in Nigeria. It emerged from analysis that systematic approach to evaluation of strategies had been adopted by the telecommunication firms in Nigeria. This was found to have positively impacted on the strategic performance of the studied firms. The conceptual gap arising from this study is that it was done using strategic performance as the dependent variable that could be different from organizational performance. Contextually, the study was conducted in the telecommunication firms unlike the present study that will focus on KRA which relates with tax revenue collection.

The study by Muiruri (2014) was an assessment of strategy evaluation and control within the context of the University of Nairobi. The key emphasis of the inquiry was on determining the importance arising from the practices of evaluation and control of strategies and any inherent challenges that could be in place. Information was obtained in its primary form supported by the interview guides and content analysis was instrumental during the processing of the gathered views. It emerged that performance appraisal and audits within the contexts of ISO standards were

the commonly embraced practices of strategy evaluation and control with majority of the departments within the institution. It also emerged that evaluation and control of strategies was conducted on a regular basis. Through strategy evaluation, the study noted that the University was able to carry out monitoring of the various activities undertaken against the established targets in the strategic plan. Through strategy evaluation, the institution was able to stay on track in realization of the objectives established in the strategic plan. Performance appraisal helped in determination of the departments that were performing better. However, the conceptual gap created by this inquiry is that it failed to link how strategy evaluation impacts on organizational performance which the present study will seek to address.

In a study by Awiti, Imbambi, Aketch, Mande and Okumu (2019), the focus was strategy evaluation and control and their implication on performance of the health related intervention. Two paradigms adopted in this inquiry were positivist and interpretive and the adopted design was ex post facto research survey. The approaches adopted included qualitative and quantitative in nature. The approaches for sampling that were adopted in this inquiry was purposive. Gathering of information from the participants was supported by the questionnaire as well as the interviews. It emerged from analysis that evaluation and control of strategies is an instrumental process towards performance of a health intervention. The study noted that an evaluation of the strategic option for consonance, consistency, feasibility as well as adaptability has positive contribution towards performance of a health intervention. The contextual gap arising from this inquiry is that it focused on health related intervention unlike the present study whose focus will be on KRA.

The study executed by Abdalla (2015) placed emphasis on strategy evaluation and its nexus with performance with main focus on Centre Star Company limited. The study variables covered strategy evaluation, approaches to evaluation of strategies and strategies for enhancement of

strategy evaluation process. In total, 200 employees of the entity were targeted from which 60 were involved in the survey. Four approaches towards evaluation of strategies were identified in this study: consistency, suitability, feasibility and acceptability. The approach of consistency required that the strategy adopted was in line with the operations, culture and objectives of the enterprise. For suitability, the identified strategy needed to have an ability of effective exploitation of the opportunities existing in the environment while seeking to avoid any possible threats and weaknesses and address the political and cultural context of the entity. The criteria of feasibility required that the implemented strategies are aligned with all the available resources in the entity. Acceptability criteria required that the identified strategies should be imposition of increasing the development of dividends, decrease costs and increase the wealth of the owners of the entity. In regard to the aspects of strategy evaluation, the study pointed out that it contributed towards direction setting in the entity while ensuring there is compliance with the established mission and vision. Strategy evaluation was also found to play an instrumental role in inspiration and motivation of the staff in the enterprise while allowing the firm to benchmark with other players in the industry. The contextual gap created by this study is that it focused on Centre Star Company limited while the present study will use KRA as the point of reference.

A study was conducted by Gaturu, Waiganjo, Bichang'a and Oigo (2017) focusing on strategic control and the implication on organizational performance. The context of the study was on Mission hospitals within the Kenyan context. It emerged from the study that firms do not gain superior performance from well formulated strategic plans alone but also from efforts done to ensure that the same strategic plans are suitable, acceptable to stakeholders and feasible to be implemented. The contextual gap created by this study is that it was done focusing on Mission hospitals while the present study will focus on KRA which is one of the SCs in Kenyan context.

**Table 2.1: Summary of Empirical Studies and Research Gaps**

<b>Study</b>	<b>Methodology</b>	<b>Key Finding</b>	<b>Research Gaps</b>	<b>Focus of Present study</b>
An examination of strategic evaluation and control and the implication on financial performance (Chebet, 2021)	Cross sectional design	Strategic evaluation practices had significant implication on ability of the firms to financially perform.	The conceptual gap arising from this inquiry is that it focused on financial performance.	Organizational performance was the focus of the proposed study.
Strategy evaluation and control and their implication on performance of the health related intervention. (Awiti et al. 2019)	Ex post facto research survey	That evaluation and control of strategies is an instrumental process towards performance of a health intervention.	The study focused on health related intervention.	The present study whose focus was on KRA.
The process of evaluation of strategies and the implication on strategic performance of the enterprise ( Hieu & Nwachukwu, 2019)	Descriptive survey design	Evaluation of strategies help the firm to carry out continuous assessment of the existing practices and how they contribute to the practices of implementation of strategies	A single industry was covered in this inquiry underpinned by quantitative approaches and survey to gather information from staff of the four telecommunication entities in Nigeria	The present study was conducted in Kenya
Placed emphasis on strategy evaluation and its nexus with performance with main focus on Centre Star Company	Case study design	Four approaches towards evaluation of strategies were identified in this study: consistency, suitability, feasibility and acceptability.	The contextual gap created by this study is that it focused on Centre Star Company limited	The present study used KRA as the point of reference

limited (Abdalla, 2015)				
An assessment of strategy evaluation and control within the context of the University of Nairobi (Muiruri, 2014)	Case study design	Performance appraisal and audits within the contexts of ISO standards were the commonly embraced practices of strategy evaluation and control with majority of the departments within the institution	The conceptual gap created by this inquiry is that it failed to link how strategy evaluation impacts on organizational performance	The focus of the present study was on exploring the nexus between strategy evaluation and performance of KRA

Source: Researcher (2022)

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

The chapter details the methodologies that guided actualization of this proposed inquiry. It focuses on the design and the means of gathering data that was embraced. The other contents of the chapter include the means to be adopted in processing the information that was gathered from the participants in the study.

### **3.2 Research Design**

The study adopted case study design, as only one unit of analysis being KRA was used. Lê, and Schmid (2022) provide a description of case study as a form of analysis that is qualitatively executed where their social units are carefully and completely observed. Busetto, Wick and Gumbinger (2020) provided the definition of this social unit as an individual, institution or even family. The justification for adoption of the case study is that the study is motivated to gain an in-depth understanding of the strategy Evaluation-Performance nexus at KRA. This helped in generation of relevant recommendations to all other SCs existing in Kenyan context. Other past and related studies that adopted this case study approach include Muiruri (2014) who used a case of UON and Abdalla (2015) who used Centre Star Company limited as the point of reference. Therefore, a case study approach was found suitable to be used in this present study as well. Since only one unit of analysis was used in this study, there was no need for population section.

### **3.3 Data Collection**

Data was obtained in its primary form supported by the interview guide. The reason for choosing on primary data was because it was first hand and chances of being manipulated were minimal and this contributed towards enhancing the quality of the established results. The interview guide was used as a data gathering tool because the data gathered in the study was qualitative in nature. The

interview guide was designed to cover only open ended questions that provided an opportunity where participants shared in detail their views with regard to strategy evaluation and performance of their organization. The respondents of the study included the strategy managers and monitoring and evaluation (M&E) managers who are critical personnel in strategy evaluation process.

### 3.4 Operationalization of the Study Variable

Table 3.1 is a summary of the operationalization of the study variables. Strategy evaluation was the independent variable while organizational performance was the dependent. The three aspects of strategy evaluation covered include consistency, suitability and feasibility while tax revenue collection against target and client satisfaction were proxies of organizational performance.

**Table 3.1: Operationalization of the Study Variables.**

<b>Variable</b>	<b>Operational Indicators</b>	<b>Measurement</b>	<b>Measurement scale</b>	<b>Data collection tool</b>	<b>Data analysis</b>
Independent strategy evaluation	<ul style="list-style-type: none"> <li>• strategy consistency</li> <li>• strategy suitability strategy</li> <li>• strategy feasibility</li> </ul>	Nominal scale	Nominal	Interview guide	Content analysis
Dependent organizational performance	<ul style="list-style-type: none"> <li>• tax revenue collection against targets</li> <li>• client satisfaction</li> </ul>	Nominal scale	Nominal	Interview guide	Content analysis

**Source: Researcher (2022)**

### 3.5 Data Analysis

Data in this study was gathered in its qualitative form and its analysis was guided by content analysis. In this regard, key themes from the data were extracted and analyzed and the findings were presented in propose form. Before using this content analysis, the written materials were

assessed to ensure they were relevant to the study to help in analyzing the research question. After the assessment, the key issues raised by the participants in the interview were listed as a step in structuring the data to ease the analysis and interpretation. The focus of content analysis was on implications and meaning drawn from the information that was obtained from the participants with regard to strategy evaluation and performance.



## **CHAPTER FOUR: DATA ANALYSIS AND RESULTS**

### **4.1 Introduction**

The chapter presents data analysis based on the design of the study. The response rate, findings on strategy evaluation practices and performance of KRA are also detailed in this chapter.

### **4.2 Response Rate**

From the 7 strategy managers and monitoring and evaluation (M&E) managers, 5 of them were available for the interview. This translated to a response rate of 71.4% which was adequate for analysis (Mugenda & Mugenda, 2004).

### **4.3 General Information**

The general information of the respondents covering their gender and levels of education were determined and summarized as shown in subsequent sections.

#### **4.3.1 Gender Distribution**

The study sought to establish the distribution of the respondents by their gender categories. From the results, 3 respondents were male and 2 were female. This means that the views and information obtained from the respondents were representative thus minimizing possibility of biasness.

#### **4.3.2 Highest Level of Education**

The highest level of education of the respondents was determined and summarized. From the results, while 3 respondents had masters degrees, 2 had undergraduate degrees. This means that respondents who participated in the study were graduates and perhaps they were more knowledgeable on strategy evaluation issues that were so crucial in the present study.

#### **4.4 Strategy Evaluation Practices at KRA**

The study was set out to establish strategy evaluation practices at KRA. The findings were determined. This was achieved by providing questions to respondents resulting themes as summarized in the subsequent sections: execution of strategy evaluation at KRA, strategy evaluation practices at KRA, challenges in strategy evaluation at KRA and recommendations of enhancing strategy evaluation process.

##### **4.4.1 Execution of Strategy Evaluation at KRA**

Respondents were asked to indicate whether strategy evaluation was carried out at KRA. It emerged from one of the respondents that corporate strategies were subjected to monitoring and coordination process on a monthly, quarterly, semi-annually and annual basis. The respondent further disclosed that mid-term field evaluation was conducted on the midpoint of the strategic plan about 1.5 years. It was disclosed that at end of the 3 year period, strategy evaluation is conducted at KRA aimed at assessing the level of implementation of the KPIs and initiatives that support the intended strategic goals and objectives of the organization.

Another respondent observed that strategy evaluation was carried out in two perspectives at KRA, field evaluation and annual evaluation. During field evaluation, respondents shared that strategy evaluation staff visit the field with the aim of assessing different projects that had been implemented across the strategic period in the organization. For annual evaluation, the respondents shared that it was done to assess the level of implementation of the strategic plan at KRA. The third respondent shared that execution of strategy evaluation at KRA placed emphasis on operational strategies and the risk assessment frameworks in place. Thus, it can be deduced from the observations of the respondents above that strategy evaluation was being carried out at KRA.

#### **4.4.2 Adoption of Strategy Evaluation Practices at KRA**

The study probed to understand the evaluation practices that KRA had adopted. In response to this question, one of the respondents shared that performance measurement, correction of challenges in performance, assessment of external and internal forces and business evaluation were some of the strategy evaluation that KRA had adopted. The respondent went further and elaborated that business evaluation was conducted with an objective of determining the level of efficiency of the processes in the organization.

Another respondent observed that customer satisfaction evaluation, revenue risk areas evaluation and performance appraisal were the salient strategy evaluation practices that KRA had adopted. The respondent shared that customer satisfaction evaluation was conducted through market surveys and its essence was to determine the rate of customer satisfaction at KRA. The third respondent noted that internal and external audits were some of the strategy evaluation practices that KRA had adopted. The respondent shared that internal audits were conducted to provide assurance on soundness and robustness of the internal controls at KRA. It was further disclosed from the respondent that external audits were done by the office of the Auditor General and the outcomes were meant to complement those from internal audits. Thus, the study deduced that KRA had adopted relevant strategy evaluation practices.

#### **4.4.3 Challenges in Strategy Evaluation at KRA**

The study sought to establish the challenges that KRA faced as far as strategy evaluation was concerned. As reported by one of the respondents, dynamic work procedures and shifting of targets midway in the strategic period were challenges that affected strategy evaluation at KRA. Another respondent shared that it was difficult to measure and assess some of the strategic progress that KRA had attained. The study observed that at some point, there were changes in strategic direction

within the strategic plan period and this affected strategy evaluation at KRA. One noted that there were some strategies that were not clear and another one shared that there was lack of cooperation that reduced synergy in the entire strategy evaluation process at KRA. It was strongly and unanimously pointed out by all respondents that quarterly performance evaluation and validation shifted focus of employees from revenue objectives and goals to quarterly reviews. Thus, it can be inferred that there were underlying challenges even as KRA did strategy evaluation.

#### **4.4.4 Recommendations of Enhancing Strategy Evaluation Process**

Respondents were requested to point out the recommendations that can help to enhance strategy evaluation process at KRA. It was observed by the respondents that KRA should invest more resources in strategic planning, there should be frequent field visits by the relevant staff and that impact evaluation of the strategy should be adopted. The respondent further elaborated that resources include finances, people and relevant infrastructures. Another respondent shared that a participatory approach should be adopted during strategy evaluation process.

Another respondent noted that more training is required in form of workshops among staff of KRA on the importance of strategy evaluation. The respondent recommended the need to remove bureaucracies at KRA. The study noted that it was important for the management of KRA to follow up the suggestions and recommendations detailed in the strategy evaluation report and implement some of the recommendations therein. Respondents recommended that KRA should adopt annual as opposed quarterly reviews or semi-annual reviews that would interfere less with priority objectives of KRA.

## **4.5 The Role of Strategy Evaluation on Performance of KRA**

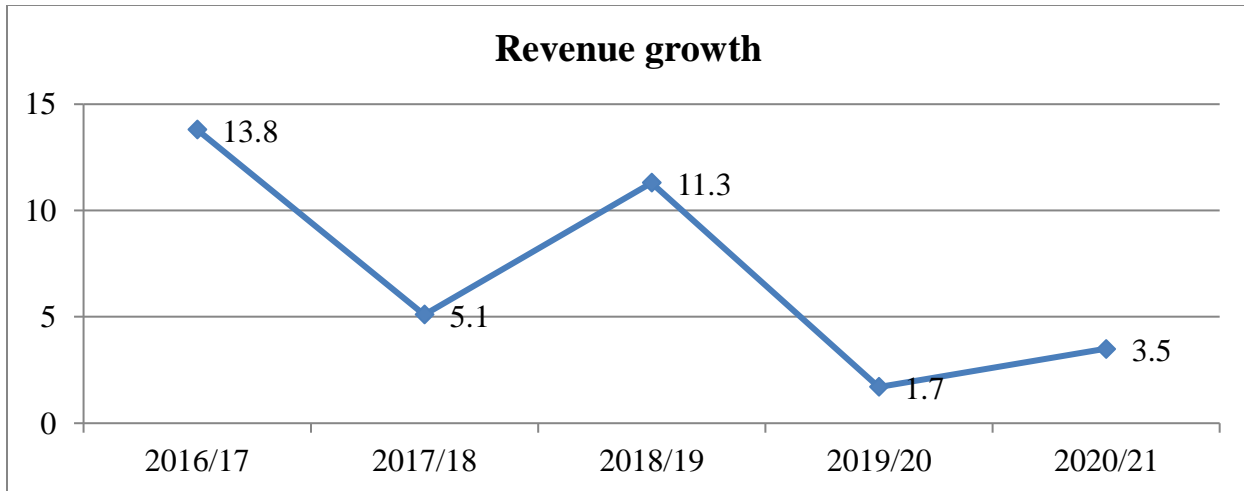
The study sought to establish the role played by strategy evaluation on performance of KRA. The following themes emerged: organizational performance of KRA (revenue collection performance as well as client satisfaction with KRA) and the contribution of strategy evaluation to organizational performance of KRA.

### **4.5.1 Organizational Performance of KRA**

The study used revenue collection and customer satisfaction as measures of organizational performance at KRA. The findings were established and summarized as shown in subsequent sections.

#### **4.5.1.1 Revenue Collection Performance**

Respondents were required to explain how their organization had been performing in terms of tax revenue collection as its key mandate. One of the respondent shared that KRA had consistently met revenue targets in last 2 years (2021-2022). The respondents further noted that prior to these last two years, KRA had not been in position to meet its revenue collection targets. Another respondent observed that there had been an improvement in debt collection attributed to intensive reporting. The study observed that there has been fluctuation in revenue growth collected by KRA from 2016-2020 as demonstrated in Figure 4.1.



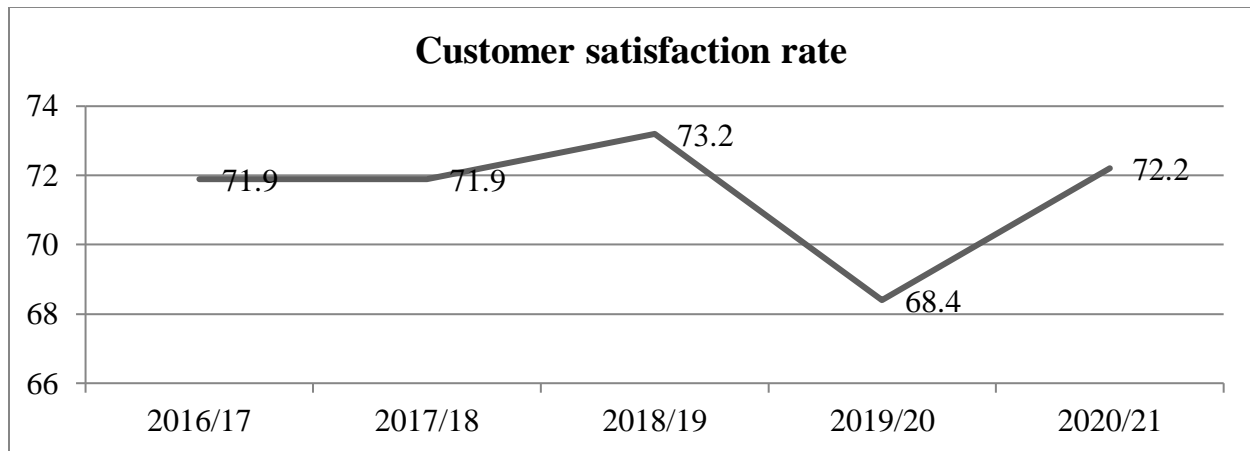
**Figure 4.1: Revenue Growth**

**Source: Research Data (2022)**

Figure 4.1 shows that revenue growth in 2016/17 was 13.8%, 2017/18 was 5.1%, 2018/19 was 11.3% and 1.7% and 3.5% for 2019/20 and 2020/21 respectively. From this statistics, it is evident that there has been a steady decline in revenue growth at KRA.

#### **4.5.1.2 Client Satisfaction with KRA**

In order to appreciate the role of clients' satisfaction as a measure of organization performance at KRA, respondents were provided with a question to indicate the satisfaction of the clients with their organization. Respondents shared that the clients of KRA were generally satisfied with the organization. Respondents shared that the customer satisfaction rate by then was at 72.2% and that plans were in place to raise this to 75% by June the year 2023 through effective resolution of complaints registered by customers and stakeholder engagement. The study observed that automation had allowed clients to interact with KRA from the comfort of their offices. Figure 4.2 is a summary of the customer satisfaction rate at KRA in the last 5 years.



**Figure 4.2: Customer Satisfaction Rate**

**Source: Research Data (2022)**

Figure 4.2 shows that customer satisfaction rate for 2016/17 and 2017/18 were 71.9%, respectively, 73.2% for 2018/19, 68.4% for 2019/20 and 72.2% for 2020/21. This shows that the level of customer satisfaction has been varying from time to time.

#### **4.5.2 Contribution of Strategy Evaluation to Organizational Performance of KRA**

Respondents were asked to indicate how strategy evaluation had contributed towards organizational performance of their institution. From the findings, the study observed that strategy evaluation had been guided by the board of KRA in its decision making on the strategic direction and intent of the organization. One respondent shared that strategy evaluation at KRA had contributed towards an improvement in performance measurement. Respondents shared that strategy evaluation at KRA had helped in determination of the correction course of action to ensure strategies are kept on track.

It was noted that strategy evaluation facilitated assessment of the level of performance relative to the formulated and established goals. It was shown that strategy evaluation helped KRA to assess the effectiveness and efficiency the formulated strategies. It emerged from respondents that strategy evaluation helped KRA to come up with relevant response strategies to counter the

turbulences in the environment that KRA operated in. This therefore implies that strategy evaluation had positive role towards performance of KRA.

#### **4.6 Discussion of the results.**

##### **4.6.1 Strategy Evaluation Practices at KRA**

Strategy evaluation was being carried out at KRA on a monthly, quarterly, semi-annually and annual basis. Relating this finding to the dynamic capability, it implies that strategies were regularly reviewed to ensure their implementation was on course. Thus, any change in the environment likely to have an adverse implication on the strategy evaluation process at KRA would easily be identified in advance and control mechanisms identified. This is what Teece et al. (1997) in the dynamic capability recommends firms to do in order to survive in a turbulent environment and achieve superior performance. This finding agree with another study conducted in Nigeria by Hieu and Nwachukwu (2019) where it was also observed that systematic approach to evaluation of strategies had been adopted by the telecommunication firms in Nigeria. The finding further concur with Lamberg et al. (2009) who shared that during this strategy evaluation process, the accepted strategies are the one that yield consistent policies, objectives and goals.

KRA had adopted relevant strategy evaluation practices including customer satisfaction evaluation, revenue risk areas evaluation and performance appraisal, internal and external audits, correction of challenges in performance, assessment of external and internal forces and business evaluation and business evaluation. These findings strongly agree with Muiruri (2014) whose study established that performance appraisal and audits within the contexts of ISO standards were the commonly embraced practices of strategy evaluation and control with majority of the departments within the institution. Viewing the afore stated strategy evaluation practices in terms



of internal resources and capabilities, the same can be explained by the resource based view. In this theory, Penrose (1959), Wernerfelt (1984) and Barney (1991) recommend firms to leverage their bundle of internal resources to achieve superior performance. Thus, KRA ought to leverage the strategy evaluation practices as its resources to ensure it effectively realizes its mandate.

### **6.6.2 The Role of Strategy Evaluation on Performance of KRA**

Strategy evaluation had positive role towards performance of KRA by guiding the board in its decision making on the strategic direction and intent of the organization. This finding is supported by Chebet (2021) who observed that a strong strategy evaluation process cushions the organization against corporate failure, prevents the organizations from undertaking unviable decisions that would results to better performance. These findings are also supported by the dynamic capability theory whose argument is that constant renewal and realignment of the strategies, competencies and capabilities allow the firm to meet the changing forces in

Strategy evaluation contributed towards an improvement in performance measurement, it helped in determination of the correction course of action to ensure strategies are kept on track besides facilitating assessment of the level of performance relative to the formulated and established goals. These findings are consistent with Hieu and Nwachukwu (2019) who noted that the critical action in strategy evaluation is determination of whether the execution of the formulated strategies contributes towards realization of the objectives of the organization. Hieu and Nwachukwu (2019) further argued that the outcomes from strategy evaluation process are important for undertaking further action in case some problems have been identified after the evaluation likely to have adverse impact on realization of organizational goals.

Strategy evaluation contributed to an improvement in customer satisfaction although meeting of revenue collection targets had been challenges in the previous years. These findings are consistent with KRA (2021) where it was pointed that in 2018/19, 2019/2020 as well as 2020/21 KRA gathered Ksh. 1.475 Trillion, Ksh. 1.510 Trillion and Kshs. 1.539 Trillion actual exchequer tax revenues against the targeted Kshs. 1.553 Trillion, Kshs. 1.530 Trillion and Kshs. 1.544 Trillion respectively. A number of reasons have been highlighted for the increasing inability of KRA to meet revenues targets. In a report of KRA (2020)., it was pointed out that the faces a number of challenges like rapid advancement in technology and the widening of the informal sector that have contributed towards increased incidences of avoidance and evasion of taxes by the taxpayers. These among other issues have significantly contributed to the inability of the authority to realize its revenue collection targets (KRA, 2020).

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

The chapter presents the analyzed findings and conclusion and recommendations are pointed out in this study. The suggestions for further research are also indicated.

### **5.2 Summary of the Study**

The subsequent sections provide summary of the key findings.

#### **5.2.1 Strategy Evaluation Practices at KRA**

The study established that strategy evaluation was being carried out at KRA. Corporate strategies were subjected to monitoring and coordination process on a monthly, quarterly, semi-annually and annual basis. Mid-term field evaluation was conducted on the midpoint of the strategic plan about 1.5 years. At end of the 3-year period, strategy evaluation is conducted at KRA aimed at assessing the level of implementation of the KPIs and initiatives that support the intended strategic goals and objectives of the organization. Strategy evaluation was carried out in two perspectives at KRA, field evaluation and annual evaluation.

The findings were that KRA had adopted relevant strategy evaluation practices. These practices included customer satisfaction evaluation, revenue risk areas evaluation and performance appraisal. There were also internal and external audits as some of the strategy evaluation practices that KRA had adopted. While external audits were conducted from within KRA by an independent department, external audits were being conducted by the Auditor General. The other strategy evaluation practices at KRA include performance measurement, correction of challenges

in performance, assessment of external and internal forces and business evaluation and business evaluation.

The study established a number of challenges faced at KRA during strategy evaluation process. These include dynamic work procedures and shifting of targets midway in the strategic period. It was difficult to measure and assess some of the strategic progress that KRA had attained. Changes in strategic direction within the strategic plan period, some strategies that were not clear, there was lack of cooperation and that that quarterly performance evaluation and validation shifted focus of employees from revenue objectives and goals to quarterly reviews.

A number of recommendations were suggested by respondents that were critical in enhancing the strategy evaluation process at KRA. These included the need to invest more resources in strategic planning, frequent field visits and impact evaluation of the strategy. More training in form of workshops among staff, removal of bureaucracies, following up and implementation of recommendations at end of the strategy evaluation process and strong preference of annual as compared to quarterly or semiannual reviews were other recommendations of enhancing the strategy evaluation process at KRA.

### **5.2.2 The Role of Strategy Evaluation on Performance of KRA**

Strategy evaluation had positive role towards performance of KRA by guiding the board in its decision making on the strategic direction and intent of the organization. It had contributed towards an improvement in performance measurement. Strategy evaluation at KRA had helped in determination of the correction course of action to ensure strategies are kept on track. It facilitated assessment of the level of performance relative to the formulated and established goals, assessment of the effectiveness and efficiency the formulated strategies besides KRA to come up with relevant

response strategies to counter the turbulences in the environment that KRA operated in. It contributed to an improvement in customer satisfaction although meeting of revenue collection targets had been challenges in the previous years.

### **5.3 Conclusion of the Study**

Strategy evaluation was being carried out at KRA on a monthly, quarterly, semi-annually and annual basis. Mid-term field evaluation and annual evaluation were some evident at KRA. KRA had adopted relevant strategy evaluation practices including customer satisfaction evaluation, revenue risk areas evaluation and performance appraisal, internal and external audits correction of challenges in performance, assessment of external and internal forces and business evaluation and business evaluation. The challenges that were encountered during strategy evaluation process at KRA included dynamic work procedures, shifting of targets midway in the strategic period, difficulties in measuring and assessing some of the strategic progress attained, c in strategic direction within the strategic plan period, lack of clarity in some strategies, lack of cooperation quarterly performance evaluation and validation that shifted focus of employees from revenue objectives and goals to quarterly reviews.

Strategy evaluation had positive role towards performance of KRA by guiding the board in its decision making on the strategic direction and intent of the organization. Strategy evaluation contributed towards an improvement in performance measurement, it helped in determination of the correction course of action to ensure strategies are kept on track besides facilitating assessment of the level of performance relative to the formulated and established goals. It contributed to an improvement in customer satisfaction although meeting of revenue collection targets had been challenges in the previous years.

## **5.4 Implication of the Study**

The implication of the study is discussed in this section.

### **5.4.1 Theoretical Implication**

The DCT and the RBV provided the theoretical foundation to this study. The study has demonstrated that sound strategy evaluation is a prerequisite for superior organizational performance. In essence, strategy evaluation will constantly monitor the processes and projects to ensure they are being implemented as per the established goals and timelines. This will require modification and adjustments in case deviations have been identified. This resonates well with the DCT that require firms to modify and reconfigure the competences to ensure they are best aligned with the dynamism in the environment. Thus, this study extends the views and arguments of this DCT.

In light of the RBV, strategy evaluation requires people (employees) and their unique skills. Employees are the most important resource available in an organization. As per the RBV, KRA should leverage the resources in place to invest in strategy evaluation processes and practices so as to meet revenue collection targets while satisfying the clients. Hence, this study extends the argument of the RBV theory in terms of resources and their implication on strategy evaluation practices required to attain superior performance.

### **5.4.2 Implication to Practice and Management**

The study has observed that strategy evaluation allows the firm to enhance its organizational performance. This knowledge will allow the practitioners in the field of strategic management including the strategists as well as the monitoring and evaluation officers to adopt sound strategy evaluation practices for better performance of their organization. In practicing strategy evaluation,

responsible officers should adhere to the principles of strategy consistency, strategy suitability, strategy consonance as well as strategy feasibility.

#### **5.4.3 Policy Implication**

State Corporations in Kenya including KRA should align the existing policies and practices towards strategy evaluation as doing so contributes towards superior performance. The policy makers at the National Treasury should come up with policies that require KRA to track and implement suggestions and recommendations raised in evaluation reports. This way, the resources invested in strategy evaluation process would be recovered allowing taxpayers to get the value for money of the taxes they pay.

### **5.5 Recommendations of the Study**

The recommendations for management and policy are detailed in this section

#### **5.5.1 Recommendations to Management**

A number of recommendations were suggested by respondents that were critical in enhancing the strategy evaluation process at KRA. These included the need to invest more resources in strategic planning, frequent field visits and impact evaluation of the strategy. More training in form of workshops among staff, removal of bureaucracies, following up and implementation of recommendations at end of the strategy evaluation process and strong preference of annual as compared to quarterly or semiannual reviews were other recommendations of enhancing the strategy evaluation process at KRA.

#### **5.5.2 Recommendations for Policy**

The policy makers working at KRA should develop sound policies and regulations that will support strategy evaluation processes. There is need for policy makers at KRA to review the

policies guiding strategy evaluation in line with the changing environmental dynamics. Efforts at KRA to reconfigure the existing policies with overall strategy evaluation practices that are in place. The policy makers should make relevant recommendations for improvement in strategy evaluation practice at KRA and follow up should be done to ensure the same have been implemented.

### **5.6 Limitations of the Study**

This study was limited to a case study design, where KRA was used as a point of reference. Although the advantage with this design is that it provided an opportunity for an in-depth understanding of KRA, it limits generalization and applicability of the findings to the wider State Corporations in Kenya. This design also limits the adoption of more robust quantitative methods for analysis of the findings since it is mostly restricted to qualitative data that require qualitative methods for analysis like thematic and content analysis.

### **5.7 Suggestions for Further Research**

The study recommends further studies to be conducted by taking into consideration all the State Corporations in Kenya rather than selecting only one of them. This will call for adoption of survey design that will support quantitative analysis. Future studies can be conducted by comparing revenue collection agencies of the governments in the sub-Saharan Africa that will yield sufficient unit of analysis to support quantitative analysis. This will also create room for comparison of the findings across different government revenue collection agencies in Africa.



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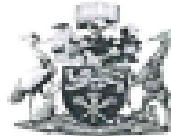
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# APPENDICES

## Appendix I: Letter of Introduction



**UNIVERSITY OF NAIROBI**  
**FACULTY OF BUSINESS AND MANAGEMENT SCIENCES**  
**OFFICE OF THE DEAN**

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Our Ref: **dB1/36685/2020**    October 19, 2022

National Commission for Science, Technology and Innovation  
NACOSTI Headquarters  
Upper Kabete, Off Waiyaki Way  
P. O. Box 30623- 00100  
**NAIROBI**

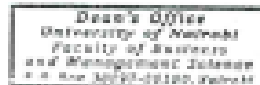
**RE: INTRODUCTION LETTER: NGUYU PAULINE NJOKI**

The above named is a registered Masters in Business Administration candidate at the University of Nairobi, Faculty of Business and Management Sciences. She is conducting research on "*Strategy Evaluation And Organizational Performance Of The Kenya Revenue Authority*".

The purpose of this letter is to kindly request you to assist and facilitate the student with necessary data which forms an integral part of the Project.

The information and data required is needed for academic purposes only and will be treated in **Strict-Confidence**.

Your co-operation will be highly appreciated.



**PROF. JAMES NJIHIA**  
**DEAN, FACULTY OF BUSINESS AND MANAGEMENT SCIENCES**



**Appendix II: Interview Guide**

1. Kindly indicate your gender

.....

2. Kindly indicate your highest level of education

.....

3. Is strategy evaluation carried out in your organization? Please explain

.....

.....

4. Kindly explain the strategy evaluation practices that your organization has adopted

.....

.....

5. Kindly explain how the variation in strategy evaluation practices over time has affected the performance of KRA.

.....

.....

6. Kindly explain how your organization has been performing in terms of tax revenue collection as its key mandate.

.....

.....

7. Kindly explain the level of client satisfaction within your organization.

.....  
.....

8. Kindly enlist the key challenges in strategy evaluation that hinder your organization from meeting the goals.

.....  
.....

9. How has strategy evaluation contributed towards organizational performance of your organization?






.....  
.....

10. Kindly recommend some of the ways which your organization can enhance its strategy evaluation process

.....  
.....

**Thank you**

## Appendix IV: NACOTSI Research License

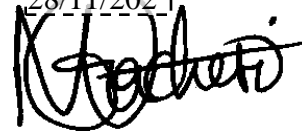
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Appendix IV: Plagiarism Report



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Appendix III: Plagiarism Report

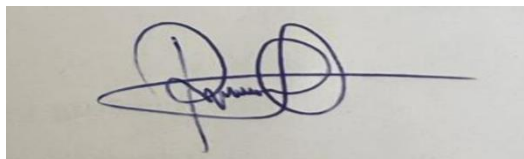
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