

**STRATEGY CONTROL AND EVALUATION AT THE KENYA REVENUE
AUTHORITY (KRA)**

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**A MANAGEMENT RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE
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OCTOBER, 2009

DECLARATION

This management research report is my original work and has not been presented for a degree in any other university.

Signature  _____

Date: 13/11/09

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This management research report has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

I dedicate this study to my dear wife and children for their love, moral support, patience and understanding whenever I had to be away in order to complete on this research.

ACKNOWLEDGEMENT

I would like to acknowledge the support and advice of my supervisor Mr. Jackson Maalu. Through his encouragement and stimulating suggestions this study has been successfully completed.

My gratitude also goes to my employer KRA and my colleagues for their support during this study. I also acknowledge the lecturers and students of the University of Nairobi for their support and encouragement.

ABSTRACT

The objectives of the study were (1) to establish strategy evaluation and control practices at KRA and (2) to determine the factors that influence successful strategy evaluation and control. The study surveyed views managers of departments and employees in each of the departments at KRA. The results were analyzed using content analysis.

The study is a case study. This method was chosen because it was to enable the researcher to probe and obtain an in-depth interview of a case such as KRA and provide valuable insights to a phenomenon that may be vaguely known and understood. The methodology used in this study involved personal interviews to gather data from the selected top managers in KRA and also follow -up face to face or telephone interviews to increase the response rates.

The findings of the study showed the majority of the people involved in strategy evaluation have worked at KRA for at least nine years which implies that they understand well the systems and processes. The principal method used for strategy evaluation and control is special team/task force approach. It was used by the managers in order to gain support for the strategy being implemented by constantly communicating with all employees and explaining the merits and the viability of the strategy.

The study also showed that the most critical success factor is resources in terms of finances and qualified personnel. Indeed, no strategy evaluation and control can be done without adequate resources. To assure success early in the process, implementing managers demonstrated how KRA's organization practices can be made better by meeting individually with people believed to be critical to the successful implementation of the new strategy and allowing increased employee participation through delegation of

activities and responsibility for such activities. The objective was to seek their views about the new strategy, obtain their commitment and minimize resistance or sabotage. It was also noted from the study that the use of rewards was the least employed tactic to achieve success.

The framework for strategy evaluation and control at KRA was characterized by high outcome measurability and perfect task programmability. Therefore, the most effective form of control was behavior or outcome control. At KRA though both control mechanisms were used, performance control was the most dominant. Perhaps this reflects the use of performance contracting implemented by all government institutions. The major outcomes of the strategy process are not only observable but can also be reliably measured.

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CHAPTER ONE: INTRODUCTION

1.1 Background

Literature on strategic management typically distinguishes between business and corporate strategy. Business strategy deals with the ways in which a single-business firm or an individual business unit of a larger firm competes within a particular industry or market. Corporate strategy deals with the ways in which a corporation manages a set of businesses (Grant, 1995). In the past several years, researchers have sought to assess the relative importance of industry, business, and corporate factors in determining profitability differences between firms. Perhaps the best known of these works in the field of strategy (Rumelt, 1991) finds that effects specific to individual businesses explain the largest portion of the variance of business-level profitability, followed by much smaller industry effects. Rumelt also finds that corporate effects explain almost none of the variance of profitability. Based in part on Rumelt's work, a number of scholars have suggested that industry effects on profitability are small and that corporate effects do not exist (Carroll, 1993; Ghemawat, 1994; Ghemawat and Ricart i Costa, 1993; Hoskisson, Hill and Kim, 1993).

1.1.1 Strategic Management, Evaluation and Control

Strategic management is the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives. Even after the grand strategies have been determined and the long-term objectives set, the strategic management process is far from complete (Pearce and Robinson, 1999). Strategic managers now move into a critical new phase of translating strategic thought into organizational action. That is strategy implementation stage.

The basic steps of the strategic management can be examined through the use of strategic management model Carter (1997-2006). The strategic management model identifies concepts of strategy and the elements necessary for development of a strategy enabling the organization to satisfy its mission. Historically, a number of frameworks and models have been advanced which propose different normative approaches to strategy determination. However, a review of the major strategic management models according to carter (1997-2006) in figure 1 below indicates that they all include performing an environmental analysis, establishing organizational direction, formulating organizational strategy, implementing organizational strategy; and evaluating and controlling strategy.

Figure 1: Model Two – Issue-Based (or Goal-Based) Planning



Source: Carter McNamara, Authenticity Consulting, LLC.

Strategic management is a continuous and dynamic process. Therefore, it should be understood that each element interacts with the other elements and that this interaction often happens simultaneously (Kotter and Schlesinger 1979). The major models differ primarily in the degree of explicitness, detail, and complexity. These differences derive from the differences in backgrounds and experiences of the authors

Strategic management is meant to be useful for managers and tends to see organizations from the top downward, from the manager's point of view. Organizations worldwide are confronting markets that are more turbulent, more demanding shareholders and more discerning customers and many are restructuring to meet such challenges (Archrol, 1991). Strategies are a critical element in organizational function, but whereas most organizations have good strategies, successful strategy implementation remains a major challenge and must be controlled and evaluated in order to see if the objectives of the organization are achieved.

Strategic control is concerned with tracking the strategy as it is being implemented, detecting any problems areas or potential problem areas, and making any necessary adjustments or is the process of evaluating strategy and is practiced both after the strategy is formulated and after it is implemented (Arrow 1974). It is aimed at improving the efficiency and effectiveness of a project or organization. It is based on targets set and activities planned during the planning phases of work. It helps to keep the work on track, and can let management know when things are going wrong. If done properly, it is an invaluable tool for good management, and it provides a useful base for evaluation. It enables you to determine whether the resources you have available are sufficient and are

being well used, whether the capacity you have is sufficient and appropriate, and whether you are doing what you planned to do (Pearce and Robinson, 1999).

On the other hand, evaluation is the comparison of actual project impacts against the agreed strategic plans. It looks at what you set out to do, at what you have accomplished, and how you accomplished it. It can be formative (taking place during the life of a project or organization, with the intention of improving the strategy or way of functioning of the project or organization). It can also be summative (drawing learning from a completed project or an organization that is no longer functioning) (Pearce and Robinson, 1999).

1.1.2 The Kenya Revenue Authority (KRA)

The Kenya Revenue Authority (KRA) was established by an Act of Parliament, Chapter 469 of the laws of Kenya, which became effective on 1st July 1995. Before the establishment of KRA, there were four departments: Customs and Excise, Income Tax, VAT and Road Transport and each was being run by a commissioner independently appointed by the Minister for Finance. However with the establishment of KRA as an umbrella for all revenue departments, Investigation and Enforcement, Research and Corporate Planning were formed. A Board of Directors, consisting of both public and private sector experts, makes policy decisions to be implemented by KRA Management. The Chairman of the Board is appointed by the President of the Republic of Kenya. The Chief Executive of the Authority is the Commissioner General who is appointed by the Minister for Finance.

The purpose for KRA is to assess, collect, and administer and enforce laws relating to revenue. KRA has tried to enhance revenue collection which has grown from Ksh

201,699 billion collected in 2002/2003 to Ksh 309,810 billions for 2005/2006. This is the target that was set in the Second Corporate Plan Period. It has also achieved a relative quality service delivery through decentralization of services such as PSV licenses, Transport Licensing Board (TLB), and DDT rationalized all stations to offer VAT, excise and income tax services. Other achievement is the taxpayer education, simplified compliance programs, corporate social responsibility, modernization of internal processes, and revitalization of human resources (KRA, Corporate Plan, 2006 - 2009).

Today KRA has grown into a modern and fully integrated revenue collection and administration outfit. Revenue collection has risen from Ksh. 122 billion in 1995 to Ksh. 409 billion in 2008. KRA also plays a very important facilitating role in trade and investment, protection against prohibited goods and enhancing national security. These achievements have been realized through the development and implementation of focused strategic planning and performance management systems (KRA, 2006).

Since its inception, KRA has been under pressure to collect higher revenue as per the government targets. The revenue departments: Domestic Taxes, Custom Services and Road Transport have not been performing to the expectations of Government in terms of collecting sufficient revenue (KRA, 2007). As a result, the government was not able to fully finance its capital and recurrent expenditures, hence was forced to seek additional funds from donors. The shortfall of revenue by the main revenue departments has been below the expectations. This led to KRA Board of directors and management, to establish Research and Corporate Department to come up with a corporate strategy stipulating ways and administrative measures required to increase revenue collection and protect the country from importing banned and contraband goods.

1.2 Statement of the Research Problem

The need for strategy evaluation and control arises from the risk of strategic failure (Bardach, 1977; Zand and Zorensen, 1975). There are four major causes of strategic failure, (Miller 1990): leadership traps, monolithic cultures and skills, power and politics, and structural memories. All of these causes emerge while an organization is experiencing success-especially in its strategic initiatives.

There are individuals or groups within the firm who want to maintain the status quo – maintain existing relationships, procedures or control over valued activities that will be changed; and the sheer misunderstanding or disagreements over expected benefits (March, 1981). This makes it extremely difficult for managers to swiftly respond to unmet needs and opportunities, renew the organization, launch new products or streamline internal operations. Thus strategy evaluation and control aims at achieving compliance to strategic objectives of the firm. In order to assure success, the middle level managers must use tactics (practices) that counter or contain those who attempt to derail the strategy implementation process.

The Research and Corporate Planning Department was mandated to come up with corporate strategic plan to guide and provide a sense of direction for the Authority. The strategic plan contains grand strategies with functional strategies that the authority ought to implement over a 3-year period on a continuous basis starting from year 2000. The Authority is expected to have implemented the chosen strategies to the satisfaction of its shareholders, but to the contrary the general business community and its taxpayers are complaining about its poor service delivery. The complaints range from inadequate

capacity in handling and processing huge tax returns to the corrupt practices between some employees and the taxpayers.

There is little empirical evidence on strategy evaluation and control as one of the sequential stages in the strategic management process. The available studies have only focused on strategy implementation in different organizations, non-profit sector (Bwibo, 2001; Kiruthi, 2003; Musyoki, 2003; Muthuiya, 2004), the manufacturing sector (Aosa, 1992; Gekonge, 1999, Machuki, 2005; Otieno, 2006), and parastatals (Koske, 2003; Ateng, 2007; Tai, 2007). However none has shown how each sequential stage in strategic management process has contributed immensely to successful strategy implementation.

Strategy evaluation and control will ensure successful strategy implementation at KRA and assure the Kenya government of the revenue expectations to meet its obligations to the citizen. Improved revenue collection will reduce the amount of borrowing both locally and internationally. The impact of reduced government borrowing from local capital markets will be low interest rates in Kenya. This will stimulate investment, increase production, lower unemployment rate and generally increase economic growth. Thus effective strategy implementation is of considerable interest not only to policy makers but also to politicians and citizens alike.

Overall, research on strategy implementation has illuminated the challenges and opportunities in the strategy process. Nonetheless there is very little in terms of insight into how managers actually implement strategies. Many scholars (Bower, 1970; Mintzberg, Raisinghani, and Theoret, 1976; Soelberg, 1967; Witte; 1972) have advocated and popularized a technique that draws the researcher deep into raw data describing each case. This is the approach adopted in this study to examine the narrow aspects of strategy

implementation, strategy evaluation and control. Much of the evidence available locally (and internationally) has not studied these two aspects of implementation. Therefore the research questions this study answers are: (1) what practices are used in strategy evaluation and control at KRA? (2) What factors influence the selection of strategy evaluation and control practices at KRA?

1.3 Objectives of the Study

The objectives of this study are to:

- i. Establish strategy evaluation and control practices at KRA.
- ii. Determine the factors that influence strategy evaluation and control practices.

1.4 Importance of the study

The study will give an insight to the management of KRA. The fundamental objective of the corporate manager's decision-making is the maximization of shareholders wealth by way of maximizing the market value of a company's shares. Managers of KRA will therefore find the results of this study useful in guiding them towards making strategic decisions that are in line with the fundamental objective while taking into account the macro-economic variables. Management will appreciate the resultant effect of collecting revenue and move towards implementing cost-effective revenue collection methods.

Most investors would want to know how tax structural changes are introduced by the KRA in order to plan for their investments. The current research will provide evidence on the challenges KRA middle level management deal with when implementing corporate strategic plans. The study will be useful to the academicians who may want to broaden their understanding on the strategic implementation in the Kenyan public corporations.

This will pave way for further research. Hence, the research will add to the existing body of knowledge on strategic management.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Strategic management can be viewed as a process in the sense that it involves interrelated stages toward the achievement of an aim. Each stage in the process is related to and influences the other stages. This process begins with strategic choice, definition of long term objectives, design of the grand strategy, definition of short term objectives, design of operating strategies, institutionalization of the strategy, and review and evaluation (Pearce and Robinson, 2007: 15). Thus strategy formulation and implementation are sequential stages in the strategic management process. Strategy implementation involves control and evaluation of strategic actions (tactics) to assure efficiency and effectiveness of the strategy being implemented.

The final stage in strategic management is strategy evaluation and control. All strategies are subject to future modification because internal and external factors are constantly changing. In the strategy evaluation and control process managers determine whether the chosen strategy is achieving the organization's objectives. The fundamental strategy evaluation and control activities are: reviewing internal and external factors that are the bases for current strategies, measuring performance, and taking corrective actions.

Strategic management is meant to be useful for managers and tends to see organizations from the top downward, from the manager's point of view. Strategic management is the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives. Even after the grand strategies have been determined and the long-term objectives set, the strategic management process is far from complete (Pearce and Robinson, 1999). Strategic managers now move into a critical new

phase of what process-translating strategic thought into organizational action. That is strategy implementation stage.

Organizations worldwide are confronting markets that are more turbulent, more demanding shareholders and more discerning customers and many are restructuring to meet such challenges Archrol, (1991);. Strategies are a critical element in organizational function, but whereas most organizations have good strategies, successful strategy implementation remains a major challenge and must be monitored and evaluated in order to see if the objectives of the organization are achieved. Monitoring is the systematic collection and analysis of information as a project progresses. It is aimed at improving the efficiency and effectiveness of a project or organization. It is based on targets set and activities planned during the planning phases of work. It helps to keep the work on track, and can let management know when things are going wrong. If done properly, it is an invaluable tool for good management, and it provides a useful base for evaluation. It enables you to determine whether the resources you have available are sufficient and are being well used, whether the capacity you have is sufficient and appropriate, and whether you are doing what you planned to do (Pearce and Robinson, 1999).

On the other hand, evaluation is the comparison of actual project impacts against the agreed strategic plans. It looks at what you set out to do, at what you have accomplished, and how you accomplished it. It can be formative (taking place during the life of a project or organization, with the intention of improving the strategy or way of functioning of the project or organization). It can also be summative (drawing learning from a completed project or an organization that is no longer functioning) (Pearce and Robinson, 1999).

2.2 Strategy Evaluation

Management control is the process by which managers influence other members of the organization to implement the organization's strategies, Guth and Macmillan (1989). The practices for implementing new strategy are many and vary from one organizational context to another. Thus the nature and type of evaluation and control practices adopted are not uniform across organizational contexts.

Four managerial intervention tactics can be distinguished: intervention, participation, persuasion, and edict tactics. Each of these tactics is discussed below. The intervention tactic is not different from change agent prescriptions of Lewin (1974) and Schein (1964). This tactic involves unfreezing, change and refreezing of change (Dalton, 1970). Following the prescriptions of Kotter and Schlesinger (1979), successful managers take time to monitor the entire change process, regulating and controlling political issues, as they arise.

Managers using the intervention tactic often create new norms in systems they sought to change. They come up with new criteria of acceptable performance, provide a justification for them and demonstrate how practices could be made better. Following these steps sponsoring managers are able to reduce or eliminate ambiguity, deal with scale, self educate, collect necessary information to overcome barriers to successful implementation, manage resistance, build confidence, and bolster expectations (Zand and Zorensen, 1975).

The participation tactic was first suggested by Coch and French (1948). They found that the use of participation during implementation elicited positive responses and

commitment from the actors in the change process. This tactic involves creating task groups that represent key stakeholders. The manager then delegates the development activities to the task groups.

The advantages derived from deploying the participation technique vary from one situation to another. However, the nature of the task and the participation of key people are critical success factors.

According to Churchman (1979) implementation depends on anticipating and countering moral, aesthetic, religious, and political objections to planned changes (clan control). They argue that implementation should be tied to experts who determine what should be done and appeal to rationality to obtain acquiescence. Implementation is here construed as an educational process. Thus, when there is failure in strategy implementation, blame is laid at the specific manager's failure to learn the necessary skills to successfully implement their development processes or products

To use edicts successfully the sponsor manager requires power. There are different types of power available to the manager: reward, legitimate, expert, informational and reverent power (French and Raven, 1959). Reward power derives from the authority to offer rewards or to remove irritants. In order to exercise this type of power, the manager must have control over the incentives; these could be financial and otherwise.

Legitimate power is based on the manager's rights to act in a particular way within the organization. Expert power arises from a past characterized by success, candid and honest dealings. Therefore, to exercise, expert power the manager must be perceived credible, and trustworthy. Information power is based on the unique sets of information the

manager possesses. To exercise information power the manager need only demonstrate trust. Reverent power is based on the manager's ability to attract other actors or charisma. Managers draw upon one or more of these sources of power to execute edicts (Nutt, 1983). To assure success, managers exchange social credit for action. However, there is a risk of failure when managers are perceived to possess less power than expected. There is another disadvantage to using power in organizations. It causes social strains and slowly diminishes managers' credibility.

Organizational control framework notes two different approaches to control in the organization – performance evaluation and socialization. Performance evaluation involves receiving a signal from a worker, measuring it, evaluating it and rewarding it accordingly. The signal measured can be either the actions of the worker or the outcomes of those actions (Ouchi, 1979). Socialization involves efforts to minimize the divergence of preferences among members of a group (Ouchi, 1979). Thus, socialization can be considered a form of behavior control.

According to Eisenhardt (1985) model, the type of control required in a particular context depends on outcome measurability and task programmability. This model is summarized below.

A task which is programmable is one where required behaviors to execute it can be clearly delineated. When the task is perfectly programmable there is certainty about the required behavior to successfully accomplish the task. Eisenhardt (1985) developed a link between task programmability and outcome measurability. If outcome measurability is high and task programmability is perfect, both behavior and outcome control can be used.

As task programmability declines, behavior control cedes to outcome controls as the principal control mechanism.

Figure 2: Organization theory-agency theory framework of control strategies

		Task programmability	
		Perfect	Imperfect
Outcome measurability	High	1 Behavior outcome control	3 Outcome control
	Low	2 Behavior control	4 Clan socialization (Behavior control)

Source: Eisenhardt, K.M. (1985). *Control: Organizational and economic approaches. Management Science (Pre-1986), 31(2), 134.*

Outcome measurability refers to the ease with which a particular output can be reliably and validly measured. Thus, if outputs are unobservable or unreliable, hence poor predictors of behavior, output control is inappropriate. For example, if the goals of an organization are not understood, or agreed upon, output control is not appropriate (Ouchi, 1979). It is important to note that the matrix given above is not prescriptive, it is normative. This means that for effective performance, an organization should apply the indicated control mechanisms.

Porter (1980) distinguishes two generic strategies: the low cost strategy and the differentiation strategy. A business using a low cost strategy possesses the following five characteristics: vigorously pursues cost reduction; employs people with high levels of experience and practice all possible economies of scale; acquires process engineering skills, or the skills needed in order to design an efficient plant; routine task environment and produces a standard, undifferentiated product. Task programmability is high in a

routine task environment with standardized products. Porter (1980) argued that the primary focus of an SBU with a low cost strategy cost control. Since costs are easily quantified, the managers output is observable. Then a low cost SBU manager typically faces conditions shown in cell 1 and 2 of Figure 2. However conditions in cell 1 are not usually encountered in practice. Therefore, the SBU is more likely to use output control for high effectiveness. For those firms following a differentiation strategy, behavior control is the most effective control mechanism.

To increase effectiveness for a low cost SBU, an organization will employ output control. For a differentiation strategy SBU, it will employ behavior control. Resource sharing measures the extent to which a focal SBU shares functional activities like manufacturing, marketing and R & D with other SBU's within the organization. The possible costs arising from resource sharing as pointed out by Porter (1985) and Gupta and Govindarajan (1986) are: (1) coordination costs of SBU's sharing resources (2) reduced flexibility at the individual SBU level; this is because when a resource is shared an SBU must consult other SBU's before adapting the resource.

The main benefits of high resource sharing are; Synergistic cost advantage which helps achieve economies of scale; it enhances differentiation of contributing to the uniqueness of an activity and by lowering costs (Porter, 1985: 330). The effects of resource sharing are not as clear for and SBU using differentiation. On the one hand resource sharing may inhibit flexibility. On the other hand, it could be a source of uniqueness as pointed out, above.

In summary, the benefits of resource sharing are likely to be higher for businesses practicing a low cost strategy than those with a differentiation strategy. According to

Ouchi (1979) behavior control is subjective. For example, a manager using behavioral control will determine a worker's bonus on personal judgment that is not objective. However, it is possible to calculate a worker's bonus objectively. This happens when a manager applies output control which is amenable to quantitative measurement.

Gupta and Govindarajan (1986) argued that the use of subjective approaches to determine workers' bonus is likely to benefit SBU's with a high level of resource sharing. The reason is that the decisions and actions of other managers in group of SBU's can affect the performance of the local SBU. Consequently, for SBU's with high resource sharing, formula based incentive plans closely tied to quantitative performance criteria are likely to be counterproductive. The SBU's with high resource sharing falls in cells 2 and 4 because they have low output measurability. This provides a good case for behavioral control.

2.3 Strategy Control

In the recent past there has been a proliferation of concepts and tools to help managers formulate their strategies. The problem, however, is that many of these well laid out plans have failed miserably. Without successful implementation, all resources invested in strategy formulation are wasted. Thus, the one million dollar question for managers is – how do we convert a new strategy into solid competitive advantage? Ansoff (1984).

Widespread strategic failure may be an indicator of inappropriate strategy formulation. The litmus test for a good strategy is therefore successful implementation Abbas (2003). Consequently, as mentioned earlier, implementation should be ubiquitous in the strategy process. However, as noted above, it is not possible neither is it necessary for the

manager to delineate every step when the strategy is crafted for the first time. But the manager must have good foresight to determine the obstacles and the risks involved

According to Hambrick, and Cannella (1989), the following are the patterns of behavior for effective strategy implementation: Obtain broad based inputs and participation at formulation stage; A careful and deliberate assessment of obstacles to implementation; Strategic use of implementation lever such as resource commitments, sub-unit policies and programs, structure, people and awards. Use a good selling strategy: sell the strategy upward, downward, outward and across. Continuously monitor, tune, adjust, and respond to any contingencies.

In order to guarantee implementation success, people must be involved early on in the development and discussion of strategic choices. Thus, implementation is as good as the strategy formulation process. Naturally, complete consensus on strategic direction is an illusion. However, widespread inputs improve the quality of choices, raise crucial implementation issues, and reduce resistance to the selected strategy (Kimberly and Quinn, 1984).

There are at least two approaches to securing early broad based inputs on a new strategy. First, the formation of multifunctional teams/task forces to work competitively (in parallel) to analyze the business strategic situation and give appropriate recommendations. This widespread participation may secure their commitment to the new strategy and also give an indication of key issues expected to arise during implementation. The second approach is to meet individually with people believed to be critical to the successful implementation of the new strategy. The objective is to seek their views about the new strategy and obtain their commitment. The drawback of this

approach is that it is time consuming. However, once commitment is pledged, it would be both psychologically and interpersonally difficult to renege on the promise. Consequently, chances of sabotage, blockage or vendetta are minimized (Guth and MacMillan, 1989).

The environment for strategy implementation is rarely benign. Many obstacles – generally recognized but albeit overlooked- Care and do cause new strategies to fail. An effective strategist must understand these obstacles. There are at least three major categories of obstacles – internal obstacles, external obstacles, and the corporate officials. Resources present within the organization determine to a greater extent the success or failure of a new strategy Bower (1970). Limited human capital and physical capital significantly decrease the chances of success of a new strategy. The configuration of physical assets, human capital, and system and procedures may be inappropriate. This problem could be made severe by internal resistance to efforts to remedy them. Usually, political resistance arises from persons who feel threatened by the implementation of the new strategy. Resistance arising from differences in ideologies emanates from persons who believe that the new strategy is doomed or assails major values of the firm. There are also those who will resist the new strategy for no good reason. They are simply scared of the new changes the new strategy will bring about.

An effective strategist must maneuver around barriers outside the organization. Conspicuous by its impact is competition. Changes in technology and economic developments can also be a hindrance to the new strategy. More subtle barriers are suppliers, distributors, and trade associations. These are all stakeholders in the new

strategy and may choose to resist the new strategy for the same reasons as internal stakeholders.

Lastly, corporate managers can act as a barrier to strategy implementation even after approving the new strategy in principle. The corporate managers may also be impatient with or lack confidence in the new strategy. This is not out of the ordinary; it is normal and it happens.

After the manager has obtained different inputs, selected the new strategy, and critically assessed the main barriers, the next logical step is to begin implementing the new strategy. The series of actions and their various types is dictated by the particular circumstances of the new strategy. However, Hambrick and Cannella (1989) indicate the following critical areas the manager must consider during implementation of the new strategy: resource commitments, sub-unit policies and programs, structure, rewards, and people. They argue that successful implementation intensively exploits these six levers within a period of three months after initiating the new strategy. How precise or detailed the levers should be, is not important at this stage. The important issue is to systematically raise key questions with respect to each of the implementation levers. These questions will clearly identify key areas of controversy in a well-orchestrated implementation schedule.

Every new strategy requires some resources to be allocated to it to make it happen. Thus, new strategies should consider acquisition of new resources Bower (1970). The allocation of resources to new strategy has a signaling effect. This shows that management is ready to break off with its past and ready to embrace the evolving future. The key questions

here are: How much do we need in terms of resources for each product or market? How much should we invest in each strategy?

The subunits of the business can be either functional areas like marketing, product groups, or regions served by the corporation. The function of subunits is to translate the new strategy into solid action plans. Therefore the subunit policies and programs are part and parcel of the new strategy. Thus they should reinforce and bolster the new strategy in order to ward-off the competition. Mid-level managers play an important role in translating the new strategy into action. The key questions to be asked here are: What actions should each sub unit take? What is the time plan for implementation and what resources are required and have been made available? Porter (1980).

The implementation of a new strategy often requires a new organizational design. New strategy groups will be created, the hierarchical structure is replaced by a flat-matrix structure, and new cross functional relationships formed (bureaucratic control). The routines for transmitting information are also not spared from change (Galbraith and Kazanjian, 1985). The objective is to develop the information system and decision making procedures which will increase chances of successful implementation. The key questions to be asked here are: How do we define roles and relationships in the organization? How should decisions be made and what information systems should buttress them?

Rewards can be used to influence the level of effort and commitment of the actors in the implementation process (French. and Raven 1959). However, the effect of rewards on strategy implementation is one of the least studied areas in the strategy process. Two types of rewards can be distinguished: Formal rewards like promotions, incentives

schemes or commission can be used as motivators; Informal rewards such as sense of pride and enthusiasm are also powerful tools for booting motivation.

In order to counteract the possible negative impacts of rewards on other actors, criteria for receiving awards should be tailored to the particular strategic focus of the business. Therefore, creativity and wisdom should be exercised when deciding what to give and to whom. The two important questions that should be asked here are: What behaviors and outcomes should be rewarded? What should be the types and amounts of rewards?

As noted above, human capital is crucial to successful implementation of strategy. Human capital is used as a catch all term for the aptitudes, skills, values and networking capability of individuals across the organizational structure Eisenhardt (1985). The implementation of a new strategy may call for new skills, experiences and aptitudes. However, it is paramount that the nature and type of changes needed are clearly understood. Until then, no meaningful strategy can be brought to fruition. The options available to the manager include changing the composition of the teams, recruiting new members into existing teams, training and skill development programs, and employee coaching and counseling initiatives.

One can confidently assert that the five elements discussed above are the key weapons in the manager's arsenal for implementing strategies. Indeed, they constitute the substance of strategic implementation and change (Hambrick and Cannella, 1989). These five elements are intertwined with one another strengthening and bolstering each other. The implementation of a new strategy introduces fundamental changes across the organization. As mentioned earlier, the process of change can cause fear and anxiety among individuals with vested interests in the old strategy or who doubt the successful

implementation of the new one. The manager therefore faces the Herculean task of selling the strategy to the entire organization and its stakeholders.

Here selling a strategy is taken to mean the maneuvers the manager executes in order to marshal and sustain interest and support among key stakeholders for a plan that is gradually evolving Bardach (1977). Thus the manager's persuasive skills will be put to test. The question here is: who should be persuaded? The answer to this question suggests four possible directions in which persuasion efforts should be directed: Upwards to superiors; Downwards to subordinates; Sideways to other organizational units; and Outwards to stakeholders without the organization. The need to sell the new strategy upward to senior managers at the corporate level is to secure the resources required for implementation. Senior managers are naturally keen on the merits and viability of the new strategy. Therefore, they continuously demand justification of every step in the implementation process.

The task of actually implementing the strategy is done by employees. Therefore constant communication with employees cannot be gain said. Employees need to understand what is happening to not only allay their fears but also elicit their support and commitment Bass (1985). Business units within the firm are rarely independent of one another. Thus units dependent on one another need to be bought into the new strategy. More important, however, they need to understand their roles in the new strategy. Like internal stakeholders, external stakeholders have similar fears and anxieties about the new strategy that must be addressed. An effective manager will pay close attention to these concerns and find ways around them. The key external stakeholders include customers, regulatory institutions, the media, and suppliers.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

The study is a case study. This method was chosen because it enables the researcher to probe and obtain an in-depth interview of a case such as the KRA. It is also valuable for detailed analysis. Young, (1960) and Kothari, (1990) concur that a case study often provides focused and valuable insights to a phenomena that may be vaguely known and less understood.

3.2 Data Collection

This study employed primary data. Qualitative research was used in this study because most required the use of interview guide (Appendix 2). Therefore primary data was used to examine strategy controlling and evaluation at the KRA. The informants comprised the Commissioner General and the top managers drawn from all the departments of KRA: Corporate and Research Planning, Investigation and Enforcement, Domestic Taxes, Custom Services and Road Transport. These departments play a critical role in controlling and evaluating departmental as well as organization strategies.

The methodology used in this study involved personal interviews to gather data from the selected top managers in KRA. In most cases follow-up face to face or telephone interviews were pursued to increase the response rates. The interview guide contained both closed and open-ended items, which helped to collect informants' opinions, views and attitudes.

3.3 Data analysis

The data collected was analyzed using content analysis. Content analysis included all types of information relevant to strategy control and evaluation. The key information items were identified based on the literature review. The analysis involved counting and classifying the contents into their appropriate categories. First, the contents for strategy evaluation process were analyzed. Second, the contents for strategy control were examined. Thus content analysis helped to determine the strategy evaluation and control practices at KRA and the factor that influenced their selection.

CHAPTER FOUR: FINDINGS AND DISCUSSION

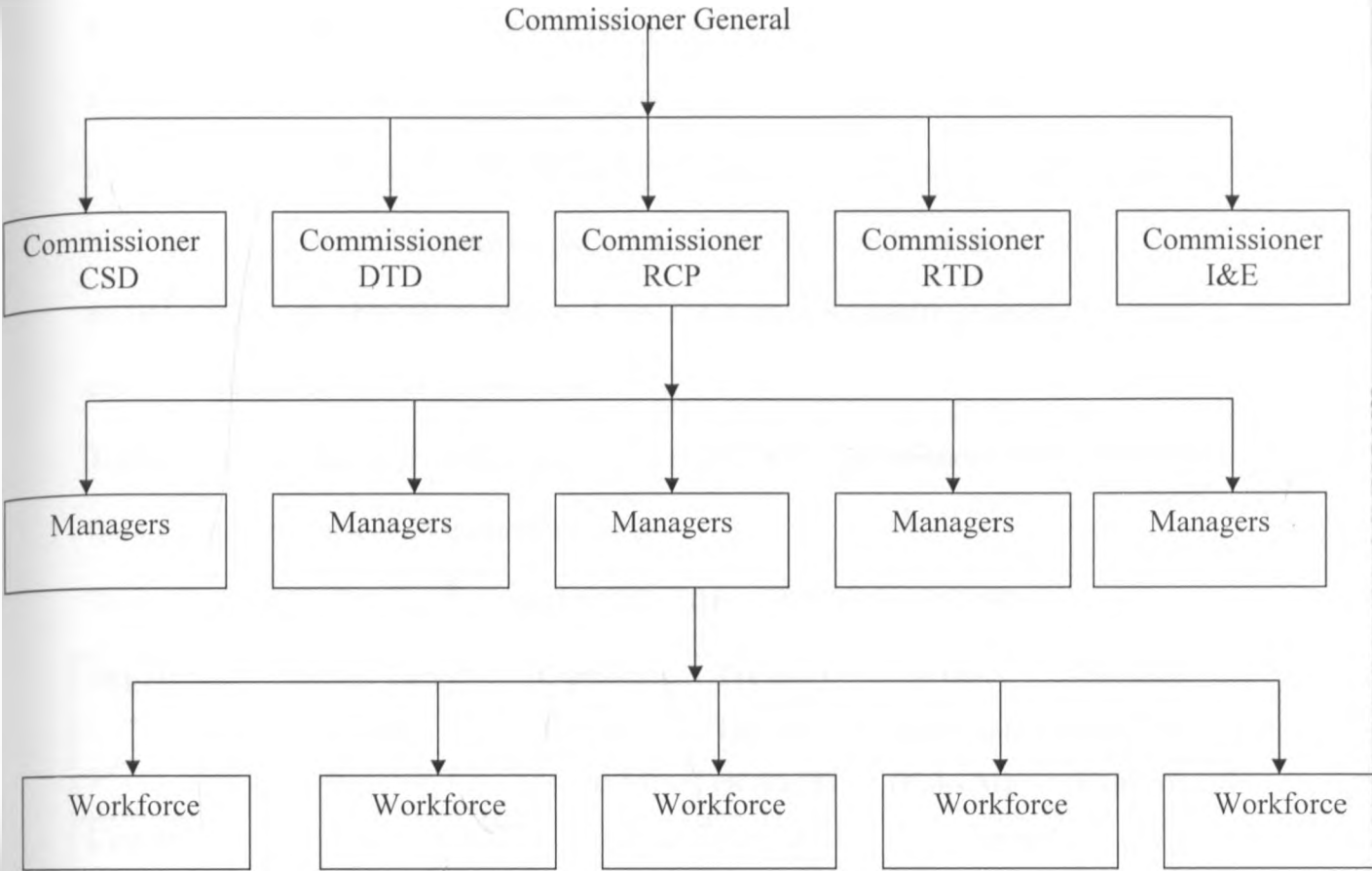
4.1 Introduction

This chapter presents the findings and discussion. Section 4.2 presents KRA profile. Section 4.3 examines the strategy evaluation and control practices at KRA. Section 4.4 discusses the critical success factor. Section 4.5 discusses the factors influencing the selection of strategy evaluation and control practices. Section 4.6 discusses characteristics of strategy control and outcomes at KRA.

4.2 Kenya Revenue Authority Profile

The Kenya Revenue Authority (KRA) was established by an Act of parliament in 1995 as an umbrella of all revenue departments. The purpose for KRA is to assess, collect, administer and enforce laws relating to revenue. It comprises of Domestic Taxes (Income Tax and VAT), Customs Services, Investigation and Enforcement, Research and Corporate Planning and Road Transport. The Chief Executive of the Authority is the Commissioner General appointed by the Minister for Finance. Every department is headed by a commissioner who is appointed by the Board of directors constituted by the President. The Board comprises of both public and private sector experts who makes policy decisions to be implemented by KRA management.

KRA ORGANIZATIONAL STRUCTURE



From the organization structure above KRA uses a flat organization structure where we have centralized authority, few authority levels and wide span of control. It is evident from the findings of the study that all the departments at KRA are involved in the strategy evaluation and control process. It also shows that the strategy evaluation and control process is dominated by the Research and Planning Department and top managers in the organization. It is interesting to note that the Policy and Legislation and Reforms and Modernization departments were the least involved in the strategy evaluation and control process.

Evidence shows that the majority of people involved in strategy evaluation and control have worked for at least nine years at KRA. This could be due to their knowledge and experience in the organizational systems, processes and procedures. They are therefore in a good position to gauge how well the corporate strategy is being implemented to achieve KRA mission, goals and objectives. Such knowledge has been leveraged by KRA in the past to achieve its objectives. Indeed, KRA has been consistently meeting its revenue collection targets set by the government (KRA, 2007).

The table below shows the KRA revenue projections for the financial year 2009-2010 from July to September and the performance.

Table No. 1 : REVENUE PERFORMANCE-JULY –SEPTEMBER 2009

Department	Actual Target (Kshs.M)	Corporate Target (Kshs.M)	Treasury Target (Kshs.M)	Variance Corporate (Kshs.M)	Variance Treasury (Kshs.M)
Customs	44,878	52,643	52,115	(7,765)	(7,237)
Large Tax Payers	54,568	52,581	52,064	1,988	2,504
Domestic Tax Revenues	23,962	22,848	22,617	1,114	1,345
Domestic Taxes	78,530	75,428	74,681	3,102	3,849
Road Transport	614	1,054	1,044	(440)	(430)
Total	124,022	129,125	127,840	(5,103)	(3,818)

Source: Revenue Performance September, 2009

From the above table it is the large tax, domestic revenues and domestic taxes that exceeded both their corporate and treasury targets. Customs services and Road transport did not meet both their corporate and treasury targets thus need for strategy evaluation in these departments to enhance revenue collection.

The next section discusses factors that have contributed to such a tremendous performance by KRA.

4.3 Strategy Evaluation and control practices

The findings of the study shows that KRA managed to register such good performance by employing the strategies and tactics discussed below to manage the strategy evaluation and control process. This is evidenced by the revenue performance chart by KRA for the year 2007 where they exceeded their corporate target and employees were given the thirteenth salary.

The findings of the content analysis of practices used to achieve success in strategy evaluation and control are summarized below. The findings indicated that the most important tactic to employ is constant communication with employees. This is because it minimizes the resistance, the fear, misunderstanding or disagreements of the expected benefits that may be associated with the new strategy to be implemented. The findings were obtained from the informants through telephone interviews or face to face interviews. This finding implies that employees at KRA prefer the implementing managers of strategies to be in touch with them all the times as events unfold and assure them of their benefits.

It was followed by communication with stake holders and explaining the merits and viability of the new strategy to managers. This is because managers are likely to be involved in the interpretation and adjustment of strategic responses as events unfold (for example in terms of relationships with customers, suppliers and the worker force)-a vital role they are uniquely qualified for because they are in day-to-day contacts with such aspects of the organization and its environment. It is therefore important that managers understand and feel an ownership of the strategy to be implemented. The stakeholders are important in the strategy evaluation and control because they are those individuals or groups who depend on an organization to fulfill their own goals and on whom, in turn, the organization depends. The stakeholders cannot be ignored because they have sufficient powers to determine unilaterally the strategy of the organization. Therefore for the strategy to succeed the organization needs to gain the support of the stakeholders.

It was also noted from the findings that an attempt to use all tactics at the same time does not appear to assure success.

The other factors required to increase compliance and success were the definition of criteria for acceptable performance and demonstrating to employees how organizational practices can be made better. Again any attempt to employ all the mentioned tactics does not find any support. The most commonly mentioned method for gaining compliance with strategy implementation was: (1) engaging consultants and use of educational, or information, programs. The strategic consultants were preferred because they analyze, prioritize and generate options to strategic issues which may have been identified by the executives, but there may be so many of them that the organization faces lack of clarity on how to go forward. In such cases the consultants analyze such issues afresh and bring

an external eye to help prioritize them and generate options for the executive to consider. Consultants are perceived to be knowledge carriers by playing a role in disseminating views, insights and the conclusions drawn from their analysis within organization and discussions in meetings and discussions and in disseminating knowledge between organizations. The consultants sometimes are preferred because they play a very powerful role in influencing the decisions that the organization eventually takes. This means that tapping the outside world for fresh ideas and sensitizing all stakeholders about the merits of the new strategy can go far in raising chances of success at strategy implementation. The findings obtained from face –to-face interview with the informants shows that they prefer when the consultants use educational programs for strategy evaluation and control as they are able to comprehend first the issues being raised.

The principal method used to marshal support for strategy implementation was the special team/task force approach. This is where a group of people and resources temporarily are brought together for a specific purpose. The informants indicated that delegation of implementation activities to task groups' forces is by far the most important tactic for increasing compliance. The results further suggest that, delegation of activities should go hand in hand with assignment of responsible for implementation. Then perhaps right incentives and rewards can reinforce compliance. This is expected since strategy evaluation and control requires dedicated people and resources and a unique organizational structure. The traditional environment of managing can militate against successful evaluation and control of the strategic process. However, charisma and credible and trustworthy employees from the findings cannot help achieve compliance with the strategy being implemented. There were also meetings with key persons in the

strategy implementation process as well. The findings also indicate that KRA employed a multi-pronged approach involving all of the above approaches.

Last but not least, there should be performance and evaluation in order to elicit behavior that reinforces compliance. This is far much more preferred to controlling behavior.

4.4 Critical Success Factors (CSFs)

The findings from the study shows that factors reviewed in literature were deemed important in strategy evaluation and control. However, the most critical success factor was resources. The resources within an organization determine to a greater extent the success or the failure of the new strategy. The resources may be in terms of finances or personnel. The qualified personnel will facilitate the implementation of the new strategy and put the finances available into a meaningful use, will ensure that the tasks to be performed and the objectives to be achieved in each job are effectively communicated and clearly understood, to particularly the effect on quality and customer satisfaction, involve employees in making and executing decisions to minimize resistance to the new strategy. From the interview contacted to most of the informants showed that an organization need to have adequate finances to hire the required personnel, acquire the necessary technology for the strategy to be implemented and restructure the organization in line with the strategy to be implemented. Thus, from the findings if a strategy is to succeed then KRA must have the necessary resources in terms of quality and quantity. Such resources should be available as and when required.

The findings also show that rewards are the least effective factor in assuring success. The purpose of using rewards was to influence the level of effort and commitment by the actors in the implementation process. The informants showed that rewards like

promotion, incentive schemes or commissions which were to be used like motivators could not make them support a strategy which was not in their favors.

From the findings it was also noted that a good organization structure and good sub-unit policies and programs and human capital were considered the next most important critical success factors. From the telephone interview held with the informants it emerged that the purpose of having a good organization structure is to ensure the smooth flow of finances, ideas among departments and easy supervision. Good sub-Unit policies and programs will translate the new strategy into solid action plans by allowing easy coordination of activities and fast decision making. They are also expected to reinforce and bolster the new strategy in order to ward-off the competition. It was also found that human capital was very crucial in strategy implementation as it deals with aptitudes, skills, values and networking of individuals across the organization structure. Therefore from the findings obtained from the informants as discussed above, it implies that success in strategy evaluation and control at KRA requires the synergy between resources, organizational structure and experienced human capital.

4.5 Factors Influencing the Selection of Strategy Evaluation and Control Practices

The findings showed that all the factors indicated in literature as constraining successful strategy implementation namely: obtaining broad based inputs and participation at formulation stage, obstacles to implementation (internal obstacles, external obstacles and the corporate officials), strategic use of implementation levers such as resource commitments, sub unit policies and programs, structure, people and rewards and use a good selling strategy were present at KRA.

The information obtained through telephone interview from the informants showed that use of broad based inputs by forming of multinational teams, participation by employees, and meeting individually with people believed to be critical to the successful implementation of the new strategy, was vital to strategy evaluation and control as it secures early commitment. This implied that for an organization to succeed in strategy evaluation and control, all the interested parties must be brought on board early enough to acquaint themselves with the strategy to be implemented and own it.

The findings from the study also show that for a strategy to be successfully implemented there should be a careful and a deliberate assessment of the obstacles. The obstacles may be internal where people feel that the new strategy may infringe on their benefits they may have enjoyed for long ,external obstacles like changes in technology and economic development which may hinder the new strategy, political resistance which arises from the people who feel threatened by the new strategy. It was also observed that the corporate managers may act as a barrier to strategy implementation even after approving the new strategy in principle. From the findings gathered from the informants, it implies that to be able to implement the strategy successfully the implementing manager should maneuver around all the barriers discussed above.

The findings also indicated that resource commitments, sub-unit policies and programs, structure, rewards and people are the critical areas the manager must consider when a new strategy is to be implemented .From the interview contacted it is argued that successfully implementation intensively exploits this six levers within a period of three months and therefore each of the implementation levers should be analyzed to clearly identify the key areas of controversy that will help the implementing manager evaluate

the viability of the new strategy This findings implies that the above implementation levers work hand in hand and cannot be isolated for successful strategy implementation.

The findings obtained from the informants during the face to face interview showed that the selling of strategy is very crucial in strategy evaluation and control. The strategy can be sold upwards to superiors; downwards to subordinates; sideways to other organizational units; and outwards to stakeholders without the organization. The need to sell the strategy upwards to senior managers at the corporate level is to secure the resources required for implementation. Selling of a strategy is taken to mean the maneuvers the manager executes in order to marshal and sustain interest and support among the key stakeholders. It is evident from the findings that for strategy evaluation and control to succeed the managers at KRA must sell the strategy to the end users to minimize resistance.

However, apart from the discussed above factors the most constraining factor is human capital as expressed by the informants during the face- to- face interview. The human capital refers to the aptitudes, skills values and networking capability of individuals across the organization structure. From the records at the Human Resources Department at KRA the total number of staff is four thousand five hundred and forty one (4541) which is very minimal compared to the huge financial targets that the organization is supposed to meet like during the ended financial year 2008-2009 the organization was supposed to collect 460 billion. If you look at the revenue to be generated compared to the number of staff and of which the operations of other ministries is pegged on, the number is very small. The findings from the informants show that Limited human capital occurs mostly in areas of revenue collection and ensuring compliance with the tax law.

Currently, KRA requires more revenue assessors, auditors, investigative and compliance personnel in order to fully utilize the strategies in place so as to meet the target for the year 2009-2010 of about 560 billion. From the findings it implies that KRA performance is mostly pegged on human capital.

4.6 Characteristics of Strategy Control Outcomes at KRA

The results indicate that unlike other organizations in the service sector, outcomes of the strategy implementation process at KRA are highly measurable. This is so because the annual tax target is a quantitative and can be easily ascertained (table 2) appendix.

Moreover, the nature of the tasks to be done, like taxable income determination, is well stated in the relevant legislations like the Income Tax Act. The results also show that the environment for strategy implementation at KRA is structured and amenable to quantitative controls.

In summary, the results show that KRA relies on experienced and top management to achieve success in strategy evaluation and control. KRA also employed special teams/task groups to implement its strategies. There is also evidence showing that multiple tactics were at play at any given stage in the strategy evaluation and control process. The most critical success factor was resources. The use of rewards was deemed the least important driver of success in strategy implementation. The most important tactic employed to assure successful strategy evaluation and control was constant communication with all important stakeholders. These include employees, managers, the media, and taxpayers. Furthermore, participation by employees in the implementation process is the most important tactic for successful strategy implementation. However this should be accompanied by delegation of responsibility for the results, as well.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary and the main conclusions of the study. Section 5.2 presents the summary of the study, section 5.3 provides the main conclusions of the results of the data analysis and section 5.4 gives recommendations for further research.

The objectives of the study were (1) to establish strategy evaluation and control practices at KRA and (2) Determine the factors that influence successful strategy evaluation and control. The study surveyed views managers of departments and employees in each of the departments. The findings were analyzed using content analysis.

5.2 Summary

The main findings of this study are as follows. First, the majority of the people involved in strategy evaluation have worked at KRA for at least nine years. Therefore they understand well the systems and processes at KRA. Second, the principal method used for strategy evaluation and control is special team/task force approach. Third, the results also showed that the most critical success factor is resources. Indeed, no strategy evaluation and control can be done without adequate resources. Fourth, the results indicated that the most important obstacle faced in strategy evaluation and control was limited human capital. Fifth, in order to gain support for the strategy being implemented managers constantly communicated with all employees at KRA. They also explained the merits and the viability of the strategy to senior managers.

Sixth, to assure success early in the process implementing managers demonstrated how KRA's organization practices can be made better. They also increased employee

participation through delegation of activities and responsibility for such activities. Surprisingly the use of rewards was the least employed tactic to achieve success. Lastly, the framework for strategy evaluation and control at KRA is characterized by high outcome measurability and perfect task programmability. Therefore, the most effective form of control is behavior or outcome control. At KRA though both control mechanisms were used performance control was the most dominant. Perhaps this reflects the use of performance contracting implemented by all government institutions. The major outcomes of the strategy process are not only observable but can also be reliably measured.

5.3 Conclusions

From the analysis and discussion of results above the following conclusions are drawn. First, successful strategy evaluation and control should be done by experienced implementing managers. Second, all stakeholders must be constantly informed about the evolving activities and events during strategy implementation. Third, resources must be availed in the right quantity and quality. Also, this must be done on time. Fourth, stakeholder participation through activities and responsibilities ensures success. Fifth, rewarding employees is not important for successful strategy evaluation and control at KRA.

5.4 Recommendations for Further Research

This study recommends an examination of the financial and human resources inadequacy at KRA. This is important since it impacts directly on the execution of KRA's mandate. There is also limited research on strategy evaluation and control especially in government

institutions. Therefore, it is recommended that a replication of this study be done to see how findings here can compare with experiences in other public institutions.

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APPENDICES

APPENDIX 1: INTRODUCTION LETTER

Dear Sir / Madam,

RE: Academic Research Questionnaire

I am an MBA student at the University of Nairobi, Bandari Campus. As a requirement for the fulfillment of my course, I am required to carry out a management research project with the guidance of the University supervisor. Therefore, this questionnaire is aimed at collecting data in your organization pertaining to my project entitled; “*Strategy Control and Evaluation Practices at the Kenya Revenue Authority (KRA)*”.

My sincere request is to urge you respond to the questions sincerely. The research is carried out purely for academic purposes and all the information obtained from will be treated with confidentiality it deserves. It is only the researcher and the project supervisor who will have access to the information given. Upon request, the summary of the results will be made available to you after the information collected is analyzed and interpreted.

Thank you very much.

Yours faithfully,

Wanyama. R.L

MBA Student

School of Business

Bandari Campus

University of Nairobi

Mr Maalu

Lecturer/ Supervisor

School of Business

Department of Business Administration

University of Nairobi

APPENDIX 2: QUESTION GUIDE

Kindly feel free to answer the questions asked below concerning the strategy implementation and evaluation at the KRA. The information provided will be kept confidential and will only be used for this study only.

Please tick the appropriate answer

1. Which department of KRA do you work in?

(Please tick the appropriate answer)

Domestic Taxes

Customs Services

Road Transport

Research and Corporate (Support Services)

Investigation and Enforcement

2. For how long have you been in your department?

(Please tick the appropriate answer)

Less than 2 years

Less than 5 years

Less than 10 years

Above 10 years

3. a) (i) Please, list the people and departments involved in strategy formulation.

(ii) Indicate the methods used to obtain commitment to the departmental strategy

- Special team/task force
- One-to-one meetings with key persons in strategy implementation.

b) Please, indicate which of the following obstacles you faced in implementing the strategy

- Limited human capital
- Limited physical capital
- Configuration of physical capital
- Configuration of systems and procedures
- Political resistance to change
- Changes in technology
- Changes in the economy
- Taxpayers
- Suppliers and distributors
- Trade associations
- Top management

c) Please indicate which of the following were critical to implementing strategy in your department

- Resource commitments
- Sub-unit policies and programs
- Organization structure
- Rewards
- Human capital

d) Please, indicate how you managed to gain support for implementing your respective strategies.

- Explained the merits and viability of the new strategy to senior managers
- Constant communication with employees
- Liaising with other departments on relevant matters e.g. resources
- Constant communication with tax payers, regulatory institutions, the media and suppliers

4. Please, indicate which of the following mechanisms were employed to obtain compliance with the strategy you were implementing.

a)

- Creation of new norms in the department
- Defining new criteria for acceptable performance
- Justification of new performance criteria
- Demonstrating how organization practices can be made better

b)

- Creation of task groups/task forces representing key stakeholders
- Delegation of implementation activities to task groups/task forces

c)

- engaged consultants
- used educational or informational programs

b)

- Use of incentives and rewards
- Making departmental heads responsible for strategy implementation.
- Use of credible and trust worth employees to head task forces/task groups
- Use of employees with charisma to lead task groups/task forces

5.

(i) Please, indicate the degree of measurability of the strategy implementation outcomes

High Low

(ii) Please, indicate the nature of the tasks carried out with respect to how rules were

defined for their execution

Perfect Imperfect

(iii) Please, indicate how you influenced behavior in your department to ensure successful implementation.

Performance evaluation controlling behavior

(iv) Please, indicate which of the following best describes the nature of the outcome from strategy implementation initiatives.

Observable unobservable reliably measured

Unreliably measured

(v) Please, indicate which of the following characteristics best describes your organization/department.

- Vigorously pursues cost reduction
- Employees people with high levels of experience
- Practices economies of scale
- Acquire process engineering skills required to design an efficient organization.
- Routine task environment
- Produces standard, undifferentiated product/service
- Shares resources across all departments
- Determines worker's bonus objectively
- Determines workers bonus subjectively