

**EFFECTS OF KNOWLEDGE MANAGEMENT ENABLERS ON  
ORGANIZATIONAL PERFORMANCE: A CASE STUDY OF  
KENYA REVENUE AUTHORITY**

**BY  
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## DECLARATION

This research project is my original work and has not been submitted for award of degree in any other university.

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## **DEDICATION**

This work is dedicated to my family

## **ABSTRACT**

For effective implementation of knowledge management in organizations, it is crucial organization to identify and understand the key factors that will influence the success of knowledge management initiative as these may have profound effects on the organization performance. The general objective of this study was to determine the effect of knowledge management enablers on organization performance with a particular emphasis on tax authorities. Specifically, the study sought to identify the key knowledge management enablers that affect the performance of Kenya Revenue Authority and to determine the effect of such enablers on the performance of Kenya Revenue Authority. This study was designed as a case study. The focus was the Kenya Revenue Authority. Primary data was collected using semi-structured interview guide. The respondents were middle level managers in KRA. Data gathered was analysed using both descriptive (percentages) and content analysis methods. The results are presented in thematic areas based on the objectives of the study. The study found that significant enablers of knowledge management were organizational culture (collaboration, mutual trust, learning, and leadership), structural issues (centralisation and formalisation), people, and IT infrastructure. The study also revealed that these knowledge management enablers had moderate to high effect on the performance of the organisation. The study therefore concludes that knowledge management enablers affect the performance of KRA. The result of this study not just validates theory with reality; it also provides a reference for the academia as well as the business field, therefore it is recommended that firms that seek to improve their performance should consider knowledge management as an important cog in the wheel towards the achievement of that goal.

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## **LIST OF ABBREVIATIONS**

BOD	Board of Directors
BSC	Balance Score Card
CSD	Customs Services Department
DTD	Domestic Tax Department
IC	Intellectual Capital
I&ED	Investigation and Enforcement Department
KM	Knowledge Management
KRA	Kenya Revenue Authority
LTO	Large Taxpayers Office
MST	Medium and Small Taxpayers
RTD	Road Transport Department
SARA	Semi-Autonomous Revenue Authorities
SSD	Support Services Department



# **CHAPTER ONE: INTRODUCTION**

## **1.1 Background of the Study**

Tanriverdi and Venkatraman (2005) indicate that knowledge has become the key economic resource and the dominant and perhaps even the only source of comparative advantage. The twenty-first century is the era of knowledge economy, in which most firms possess knowledge that enables them to improve corporate performance. How the corporation enhances organization value to boost internal performance and external competitiveness through the creation of effective knowledge management is a critical task (Mason & Pauleen, 2003). Knowledge generation can be defined as the process by which the firm obtains knowledge, either from outside the company or generated internally (Sharp, 2003). If organizations implement knowledge management practices successfully they are able to perform intelligently to sustain their competitive advantage by developing their knowledge assets (Yeh, 2006).

The information technology boom has caused organizations to realize the shift from the resource economy of controlling land, labour and capital to the knowledge economy of creating business value through the utilization of intangible knowledge. This has caused “knowledge management” to be of crucial importance in the public sector as well as the private sector both for organizations as well as for individuals. However one of the key concerns that have emerged related to knowledge management is how to accomplish it successfully (Wiig, 1997). As enterprises start to manage their organizations’ knowledge they need to be clear of the factors that will influence knowledge management, which are known as knowledge management enablers and their relationship with organizational performance. Because enablers are the driving force in carrying out knowledge

management, they do not just generate knowledge in the organization by stimulating the creation of knowledge, but they also motivate the group members to share their knowledge and experiences with one another, allowing organizational knowledge to grow concurrently and systematically (Ichijo, 1998; Stonehouse & Pemberton, 1999).

### **1.1.1 Knowledge Management Enablers**

Knowledge management enablers (or influencing factors) are organizational mechanism for fostering knowledge consistently (Ichijo, 1998). They can stimulate knowledge creation, protect knowledge and facilitate the sharing of knowledge in an organization. They are also the necessary building blocks in the improvement of the effectiveness of activities for knowledge management (Ichijo, 1998; Stonehouse & Pemberton, 1999).

In the process of carrying out knowledge management, organizations have to face the varying conditions of corporate culture, workflow processes, and the integration of group members' knowledge. They also need strong support from top management, because it is possible that during the process they will encounter resistance from employees. Organizations also need to increase the usage of information technology in order to help the problem regarding the flow of information (Hedelin & Allwood, 2002). The knowledge management enablers under focus in this study include organizational culture, organizational structure, people and information communication technology.

### **1.1.2 Organizational Performance**

Organization performance may be defined as the degree to which organizations achieved its objectives (Elenkov, 2002). An effective knowledge management adds more value to the overall performance of the organization (Toften & Olsen, 2003). Successful

implementation of knowledge management enables an organization to become more innovative, harmonize its effort, however there is no unique way to measure organizational performance related to knowledge management. The measures of organizational performance are classified into four categories namely financial measures, intellectual capital, balanced scorecard, and tangible and intangible benefits (Gold, 2001).

Performance measures that use available secondary data are referred to as objective measures of performance and this have been extensively used by researchers that have studied performance relationships. However, other studies have also used subjective measures of performance where the respondents are asked to rate their performance across a number of functions. Empirical evidence has revealed that such subjective measures mirror the performance measures that use objective measures and therefore studies can adopt whichever method suits it depending on the circumstances of the study. This study, adopts the balance score card method to measure the performance. The balanced score card retains financial performance and supplements it with measures on the drivers of future potential. In Addition it is more useful than intellectual capital or tangible and intangible approach because it shows cause and effects links between knowledge components and organization strategies (Halsapple & Joshi, 2001).

### **1.1.3 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. The Authority is the predominant government revenue collection agency accounting for over 96% of Government Ordinary revenues. The Authority administers 18 Acts of Parliament as well

as collects agency revenue for several Government Agencies. KRA's governance and management structure is organized as per recommended international best practice for Semi Autonomous Revenue Authorities (SARA's). The Board of Directors (BOD) is the governing body of KRA as set out in the KRA Act. It has two ex-officio members from the Government (Permanent Secretary, Treasury and Attorney General) and six other members from private sector. The BOD is responsible for the review and approval of policies and monitoring the functions of KRA (KRA fifth corporate plan, 2012).

Day to day management of the Authority is the responsibility of the Commissioner General, assisted by five Commissioners in charge of Customs Services Department (CSD), Domestic Taxes Department (DTD), Large Taxpayer Office (LTO) and Medium and Small Taxpayer (MST), Investigations and Enforcement (I&E) and Support Services Department (SSD). The Commissioner for Support Services also supervises Road Transport Department (RTD). In addition there are seven Headquarter Departments and five Regional Offices (KRA fifth corporate plan, 2012).

KRA is central to achieving various national policy objectives and indeed KRA's performance will largely determine whether the Government is able to fund its policy agenda. That responsibility demanded Kenya Revenue Authority to institutionalize effective knowledge management practices by restructuring the organization structure, employing knowledge workers Employees with T-shaped skills who can integrate diverse knowledge assets (Leonard, 1995), Enhancing KRA's corporate culture by espousing the organizations core values. Modernizing, maintaining and integrating information Technology System (IT). (KRA fifth corporate plan, 2012).

## **1.2 Research Problem**

Knowledge management is a key source of competitive advantage for organisations (Choy, 2006). Knowledge management is important as it enables organisations to gain insight and understanding from its own experience and procedures. However for effective implementation of knowledge management in organizations, it is crucial for organization to identify and understand the key factors that will influence the success of knowledge management initiative as these may have profound effects on the organization performance. These factors are the driving force in carrying out knowledge management, they do not just generate knowledge in the organization by stimulating the creation of knowledge, but they also motivate the group members to share their knowledge and experiences with one another, allowing organizational knowledge to grow concurrently and systematically (Ichijo, 1998) Unfortunately, most organizations are not clear about such factors (Choy, 2006) hence the need for this study.

Previous studies have been done on the effect of knowledge management enablers on organisational performance. Bennett and Gabriel (1999) studied various knowledge management methods in view of organizational structure, culture, size, and environment. Ichijo (1998) noted that in order for organizations to avoid arbitrary or un-systematic growth of knowledge they need to construct some enablers so that the organization's knowledge can grow concurrently and systematically. Gupta and Govindarajan (2000) concluded there is an inter-relationship between the enablers and organizational performance, therefore combination of various enablers should not be treated as by chance – instead it should be treated as a whole system. Studies on the same in the Kenyan context are lacking and given the different environment in which organisations in

Kenya operate from those of the developed countries which have been covered by the previous studies, there is a gap that needs to be filled and the present study seeks therefore to examine this relationship. This study therefore seeks to answer the following questions: What is the effect of knowledge management enablers on organizational performance of Kenya Revenue Authority?

### **1.3 Research Objectives**

The general objective of this study is to determine the effect of knowledge management enablers on organization performance by using Kenya Revenue Authority as a case in point. The Specific objectives for this study are:

- i. To identify the knowledge management enablers affecting the organizational performance of Kenya revenue Authority.
- ii. To determine the effect of knowledge management enablers on organizational performance of Kenya revenue Authority

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

This study will aim at determining the relationship between knowledge management enablers and organizational performance by elaborating the significance of knowledge management processes. The study will be important to the various stakeholders in the field of Knowledge management. It is anticipated that result of this study provides managers with new insight and understanding of the power of knowledge management and hence could encourage managers to consider formal implementation of knowledge management strategies in order to maximize organizations performance.

The result of the study will be of significance importance to Kenya Revenue Authority which is the statutory authority for tax collection and administration. The study will generate information to the organisation on which of these knowledge management enablers have a significant impact on organisation performance and overall success. This can help organization to focus more on such knowledge management enablers. It also helps in the development of strategies that strengthen compliance to enforce these enablers and enhance performance.

For the scholars the study will provide insight and knowledge on the emerging field of knowledge management, and knowledge management enablers which is yet limited to abstract concept, ideas, frameworks and models. The Findings of this research also adds to the existing body of literature on knowledge management particularly in public services and more specifically on tax administration in Kenya.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter provides an overview of the published literature on knowledge management and knowledge management enablers in organizations and the effect they have on organizational performance. The chapter starts by looking at the theoretical review, then discusses the knowledge management enablers and their effects on organizational performance. This chapter concludes by highlighting the empirical literature on knowledge management, knowledge management enablers and organizational performance.

### **2.2 Theories and Concept of Knowledge Management**

KM is viewed from the perspective of organisational capability as organising and making available important knowledge wherever and whenever it is needed. The resource-based view, the knowledge-based view and organisational learning theory are used as underlying theories for this research. According to resource-based views, firms perform well and create value when they implement strategies that exploit their internal resources and capabilities. With the growth of strategic management theory, there has been considerable interest in focusing on intangible resources or Intellectual Capital (IC ) and their deployment in the firm (Wernerfelt, 1995).

Resource-based theorists consider IC to be a firm's strategic resource. KM Enablers and processes, including knowledge acquisition, knowledge conversion and knowledge application, were used to manage and increase Social Capital, to enhance Firm



Performance and to sustain competitive advantages. The knowledge-based view of the firm considers knowledge as the most strategically significant resource of the firm (Grant, 1996). This view considers a firm to be a "distributed knowledge system" composed of knowledge-holding employees, and this view holds that the firm's role is to coordinate the work of those employees so that they can create knowledge and value for the firm (Spender, 1996). A firm's absorptive capacity could be enhanced through KM processes that allow the firm to acquire, convert and apply existing and new knowledge by adding value to the Social Capital while remaining competitive in the market.

The next theory applied in this research is organisational learning theory. Garvin (1993) defined organisational learning as reflecting the skills of creating, acquiring, and transferring knowledge and modifying behaviour to reflect new knowledge and insights. This theory emphasises that organisational learning depends on individual learning but is more than the cumulative result of each employee's learning. Organisations acquire knowledge, not only through their own employees, but also through consultants and through formal and informal environmental scanning.

Knowledge management enablers can be classified according to a socio-technical theory. Socio-technical theory assumes that an organization or an organization work system can be described as a social-technical perspective (Bostrom & Heinen, 1977). According to this perspective, we can identify that enablers are made up of two jointly independent but correlative interacting systems. The technical system is concerned with processes, tasks, and technology. The social system is concerned with attributes of people, relationships among people, reward systems, and authority structures (Gupta & Govindarajan, 2000).

Organizational structure, organizational culture, and people are considered as a social system, and information technology is considered as a technical system in this study.

### **2.2.1 Knowledge Management**

Although knowledge management has been extensively studied by researchers and academics defining knowledge management is not an easy issue because it is multi-faced and controversially concept and what is more is a mix of strategies, tools and techniques. Wiig (1995) proposed that Knowledge Management is a group of clearly defined process or methods used to search important knowledge among different knowledge management operations. He also added that knowledge management aims were firstly to facilitate an organization in acting intelligently, in order to secure its viability and success and secondly to make an organization to realize the best value of its knowledge assets. Therefore, the general purpose of knowledge management is to maximize organizations effectiveness (Wiig, 1997). A widely-accepted view on knowledge management is by Davenport & Prusak (2000) who propose that knowledge management is largely concerned with the exploitation and development of the knowledge assets of an organization with the view of furthering the organization's objectives. It is also explained that the knowledge assets mentioned in their definition include both explicit, documented knowledge and tacit, subjective knowledge of the organization (Davenport & Prusak, 2000).

In general, there are two broad approaches to knowledge management. One approach focuses on the 'hard' aspects of knowledge management while the other looks at the 'soft' aspects of it (Mason & Pauleen, 2003). The 'hard' aspect of knowledge

management looks at the deployment and use of information technologies to enable knowledge management activities to be conducted within the organization (Mason & Pauleen, 2003). The goal of this 'hard' approach to knowledge management is to increase access to knowledge through enhanced methods of access and reuse through hypertext linking, databases and searches (Malhotra, 2000, Tiwana, 2000; Turban & Aronson, 2001). New information technologies like networks, groupware, data mining and data warehouses are key solutions that drive this approach (Sveiby, 1997, Tiwana, 2000). The 'hard' view is based on the idea that voluminous amounts of knowledge harnessed through technology will make knowledge management work in the organization (Malhotra, 2000; Sveiby, 1997; Tiwana, 2000; Turban & Aronson, 2001).

There is a general recognition among academics that knowledge management is a cross-functional and multifaceted discipline. A variety of components make up knowledge management and the understanding of their interaction are important; a holistic view is very useful (Ndlela & Toit, 2001). In order to ensure the success of bringing in knowledge management, it is crucial to be able to acquire the key factors so as to make it possible to effectively utilize an organization's limited resources, reduce the use of manpower, material, and time, and still be able to achieve the expected results. These factors, also known as knowledge management enablers, should be clear in an organization, because not only they create knowledge but they also prompt people to share their knowledge and experiences with others (Yeh, 2006). A review of the literature reveals that there are many enablers that are known to influence knowledge management practices.

## **2.3 Knowledge Management Enablers**

Knowledge Management enablers may be structured based upon a socio-technical theory (Pan, 1998). This theory describes an organization from the social and technical perspectives. The two perspectives are not unique to management information systems (MIS) research (Bostrom & Heinen, 1997); they are made up of two jointly independent but correlative interacting components. Organizational culture, organizational structure, and people are social enablers; IT is a technical enabler. For the sake of clarity, we consider the impact of each knowledge enabler independently.

### **2.3.1 Organizational Culture**

Culture is values, beliefs, norms and symbols (Price Waterhouse Change Integration Team, 1996). In general, culture highly values knowledge, encourages its creation, sharing, application and promotes open climate for free flow of ideas. Culture defines not only what knowledge is valued, but also what knowledge must be kept inside the organization for sustained innovative advantage (Long, 1997). Organizations should establish an appropriate culture that encourages people to create and share knowledge within an organization (Lee & Choi, 2003). The development of such culture is the major challenge for knowledge management efforts. A survey conducted by Chase (1997) indicated that culture was the main obstacle that organizations deal with in order to create a successful knowledge-based business (Wong, 2005). This study focuses on collaboration, trust, Leadership and learning.

Collaboration may be defined as the degree to which people in a group actively help one another in their work (Hurley & Hult, 1998). Exchanging knowledge among different

members is a prerequisite for knowledge creation. Collaborative culture fosters this type of exchange by reducing fear and increasing openness to other members. Collaboration between organizational members also tightens individual differences (Leonard, 1995). It can help people develop a shared understanding about an organization's external and internal environments through supportive and reflective communication. Without shared understanding among organizational members, little knowledge is ever created (Fahey & Prusak, 1998).

Trust can be defined as maintaining reciprocal faith in each other in terms of intention and behaviors (Kreitner & Kinicki, 1992). Mutual trust exists in an organization when its members believe in the integrity; character and ability of each other (Robbins 1998; Robbins et al. 2001). Trust facilitates open, substantive, and influential knowledge exchange (O'Dell & Grayson). Empirical Evidence found that the lack of trust among employees is one of the key barriers against knowledge exchange (SZulanski, 1996).

Leadership is defined as the ability to influence and develop individuals and teams to achieve goals that have been set by the organization (Robbins 1998; Robbins et al. 2001; Wood et al., 1998). A study by Andersen and APQC concluded that organization failure to leverage knowledge is due to the lack of commitment of top leadership in sharing organizational knowledge (Hiebeler, 1996).

Learning is the acquisition of new knowledge by people who are able and willing to apply that knowledge in making decisions or influencing others (Miller, 1996). In

organizations, learning involves the dynamics and processes of collective learning that occur both naturally and in a planned manner within the organization (Millet & Marsh 2001; Robbins et al. 2001). The emphasis on learning infuses an organization with new knowledge (Lee & Choi, 2003). Developing and maintaining organizational learning capabilities is critical for guaranteeing core competence enhancement and sustained competitive advantage for the organization (Simonin, 1997).

### **2.3.2 Organizational Structure**

Organizational structure plays an important role as it may either encourage or inhibit knowledge management (NizaAdilaHamzah & Woods, 2004; Nonaka & Takeuchi, 1995). The structure of the organization impacts the way in which organizations conduct their operations and in doing so, affects how knowledge is created and shared amongst employees (Lee & Choi, 2003; Nonaka & Takeuchi, 1995). Realizing this, this study will consider organizational structure from the perspective of centralization and formalization. Centralization refers to the locus of decision authority and control within an organizational entity (Caruana, Morris & Vella, 1991). The concept of centralization includes only formal authority - that is rights inherent in one's position (Robbins et al., 2001). The concentration of decision-making authority inevitably reduces creative solutions, whereas the dispersion of power facilitates spontaneity, experimentation, and the freedom of expression, which are the lifeblood of knowledge creation (Graham & Pizzo, 1996). In addition, a centralized structure hinders interdepartmental communication and sharing of new ideas (Bennet& Gabriel 1999; Delmonte & Aronson 2002) thereby reducing knowledge creation. Decreased centralization in an organization

can lead to increased creation of knowledge (Lee & Choi, 2003; Stonehouse & Pemberton, 1999; Teece, 2000).

Formalization refers to the degree to which decisions and working relationships are governed by formal rules, standard policies, and procedures (Halsapple & Joshi, 2001). When an Organization is highly formalized, employees would then have little discretion over what is to be done, when it is to be done and how they should do it, resulting in consistent and uniform output (Robbins et al., 2001). Knowledge creation requires flexibility and less emphasis on work rules (Lusch, Harvey & Speier, 1998). Flexibility can accommodate better ways of doing things (Graham & Pizzo, 1996). Therefore; the increased flexibility in an organizational structure can result in increased creation of knowledge. Knowledge creation also requires variation (Wilkstrom & Norman, 1994). Formality stifles the communication and interaction necessary to create knowledge within an organization (Bennet & Gabriel, 1999; Delmonte & Aronson, 2002).

### **2.3.3 People**

Because it is people who create and share knowledge, it is crucial to manage those who are willing to create and share their knowledge (O'Dell & Grayson, 1999). The most important thing for knowledge management is the way to let the hidden knowledge within an individual is transferred to other members within the corporation in order for them to share, utilize, and then convert it into knowledge within the organization. Hence, organizations should view employees as their most important knowledge resource and must blend in the concept of knowledge management into their employee management

policy, because it is crucial for an employee to be willing and enthusiastically motivated to participate and engage in the obtaining and sharing of knowledge (Szulanski, 1996).

Knowledge, skills and competence can be acquired by the organization through recruiting people with desirable skills, in particular those with T-shaped skills (Leonard- Barton 1995). T-shaped skills are both deep (the vertical part of the "T") and broad (the horizontal part of the "T"); that is, their possessors can explore particular knowledge domains and their various applications in particular products (Leonard, 1995). Employees who possess T-shaped skills not only have a deep knowledge of a particular discipline (like financial auditing) but also how their discipline interacts with other disciplines (like risk analysis, investment analysis and derivatives) (Iansiti, 1993; Leonard-Barton, 1995). Employees with T-shaped skills are extremely valuable for creating knowledge because they can integrate diverse knowledge assets (Leonard, 1995). Therefore, they can expand their competence across several functional branch areas, and thus create new knowledge (Johannessen, Olsen & Olaisen, 1999).

#### **2.3.4 Information Communication Technology**

Technology is a powerful enabler of knowledge management success. It is generally accepted that databases, intranets, knowledge platforms and networks are the main blocks that support knowledge management. Information Technology facilitates quick search, access of information, cooperation and communication between organizational members (Yeh *et al.*, 2006). It is indisputable that Information Technology is one of the key factors



that influence knowledge management implementation (McCampbell, Clare & Gitters, 1999).

Luan a& Serban, (2002) grouped information technologies into more than one category: Business intelligence, knowledge base, collaboration, content and document management, portals, customer relationship management, data mining, workflow, search and e-learning. According to Zack, (1999), the information technology plays four different roles in knowledge management: First, Obtaining knowledge, Second, Define, store, categorize, index and link knowledge-related digital items. Third, seek and identify related content. Fourth, flexibly express the content based on the various utilization backgrounds. In addition Hedelin & Allwood, (2002) have found out that information technology has a direct and indirect influence on the motivation of sharing knowledge, due to the fact that it can accomplish four different functions: To eliminate obstacles, provide channels to obtain information, correct flow processes and identify the location of knowledge carrier and knowledge seeker (Curley & Kivowitz, 2001).

## **2.4 Organizational Performance**

An analysis of the prior studies that defined KM (Davenport et al., 1998) indicated that many of them share one common similarity – KM will lead to better organizational performance. Organizational Performance is defined as "comparing the expected results with the actual ones, investigating deviations from plans, assessing individual performance and examining progress made towards meeting the targeted objectives" (Nghah & Ibrahim, 2010). For effective KM, it is paramount to measure the impact of KM

initiatives. Without valid and reliable measurement of the impact of KM, it becomes very difficult to develop a comprehensive theory of knowledge or knowledge asset (Ahn & Chang, 2002).

There is no unique way to measure organizational performance related to knowledge management. Methods for measuring organizational performance can be categorized into four groups, financial (Bierly & Chakrabarti, 1996), intellectual capital (Sveiby, 1997), tangible and intangible benefits (Simonin, 1997) and balanced score card (Kaplan & Norton, 2000). According to Ellis, (1997), traditional measurement techniques that emphasize solely on financial performance can be misleading and counter-productive in a development environment. Hence, it is essential to adopt a measurement approach that can holistically evaluate the outcomes of KM. Carneiro, (2001) suggested that besides using financial indicators, organizations can adopt non-financial ones to measure the outcomes of KM. Therefore, in this study the balance score card (BSC) will be used because it retains the financial performance and supplements it with measures on the drivers of future potential. In Addition it is more useful than intellectual capital or tangible and intangible approach because it provides a comprehensive view of the organisation's actual performance.

#### **2.4.1 Balanced Scorecard for Performance Measurement**

Kaplan and Norton developed the first BCS in the early 1990s, which encompassed financial and non-financial measures. This framework views an organization's performance from four key perspectives, with regard to which organizations should articulate their core vision, strategy and goals before translating them into specific

initiatives, targets and measures. The four perspectives of the balanced score card include, financial, customer, internal processes and learning/growth (Atkinson, 2006).

The Financial aspect emphasizes shareholder satisfaction, key goals and measures here generally involve (gross and/or net) profitability, return on capital etc. Customer aspect focuses on “real” customer satisfaction; key indicators include delivery time, quality, of service and cost etc. Internal business aspect focuses on the fact that key goals and measures should highlight critical skills and competencies, processes and technologies that will deliver current and future organizational (customer/financial) success. Learning/growth underpins the other three perspectives, key long-term goals and indicators in this regard typically relate to improving flexibility and investing for future development and new opportunities (Atkinson, 2006). The four aspects of BSC will be used to measure organization performance in this study.

It is argued that the balanced scorecard addresses a number of significant deficiencies associated with more “traditional” performance measurement systems, by combining non-financial indicators such as service quality, employee morale and customer satisfaction with financial performance measures it responds to Eccles' “radical” call to subjugate financial measures to be “... one among a broader set of measures” (Eccles, 1991). Furthermore, the balanced scorecard focuses management attention on the “drivers” of performance such as knowledge management enablers by explicitly encouraging the inclusion of “lead” as well as “lag” indicators (Atkinson & Brown, 2001).

## **2.5 Empirical Review**

Previous empirical studies have investigated the relationship among knowledge management factors. They can be classified into four categories depending on how they identified the relationship: Relationship between knowledge management enablers, this category focus on the relationships among the knowledge enablers, the emphasis is on the examination of the effect of knowledge enablers for example Bennett and Gabriel (1999) analyzed a number of KM methods in view of the organizational structure, culture, size and environment. The second category explores the relationship between knowledge enablers and processes (Zander & Kogut, 1995) a central proposition are that knowledge enablers should influence knowledge processes. The third category examines relationship between knowledge processes and organizational performance (Bierly & Chakrabarti, 1996, Simonin, 1997), the purpose of these studies is to sharpen the understanding of the effect of knowledge processes on organization performance. The emphasis on the fourth category is on the relationship among knowledge enablers, processes and organizational performance. (Becerra-Fernandez & Sabherwal, 2001; Gold, 2001), the primary objectives of these studies is to identify and asses knowledge enablers, processes for improving organizational performance.

Based on the previous findings, researchers have examined the relationship among the three major factors in isolation. Researchers and practitioners have not tried an integrative model, therefore our primary objectives in this study is on the relationship between knowledge management enablers and organizational performance by elaborating on the significance of knowledge processes as the foundation of organizational advantage (Nahapiet & Ghoshal, 1998).

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter highlights the research design that will be used for this study, the justification for the case selection as well as the data collection techniques and data collection procedures. The chapter ends by highlighting the data analysis techniques that will be used to analyse data from the sources used during data collection stage.

### **3.2 Research Design**

The research design for this study was a case study. A case study is the most flexible of all research designs, allowing the researcher to retain the holistic characteristics of real-life events while investigating empirical events. Yin, (1994) believes that the application of a case study approach is appropriate when the main purpose of the research project is exploratory. By using a case study approach, the researcher systematically gathers in depth information on a single entity using a variety of data gathering methods (Cavan, Delahaye & Sekeran, 2001). The importance of a case study is emphasized by Kothari, (2000) who both acknowledge that a case study is a powerful form of qualitative analysis that involves a careful and complete observation of a social unit, irrespective of what type of unit is under study. This design also allows a thorough, meticulous and systematic data collection on the research problem (Yin, 2003). Further, it gives a deep understanding of the issues, and allows data collection using in-depth interviews and document analysis. Others such as Cranfield and Taylor, (2008) , Chandana (2008) and Miring'u, (2010) used case study design to examine knowledge management.

### **3.3 Case Study Selection**

The implementation of knowledge management is a long-term strategy for an organization and with knowledge as an intangible asset, the usefulness of it usually cannot be seen in the short run. Therefore, this research uses the method of a case study and the unit of analysis in this study is the organization, Kenya Revenue Authority was selected because it is a knowledge intensive domain that involves processing of vast amounts of data concerning a large number of taxpayers. The speed of change in tax law environment and the dynamic of new legal development have steadily increased therefore Knowledge Management could provide powerful techniques for tax administrations to discover useful knowledge in support of their compliance enhancing agendas. It is also the predominant government revenue collection agency accounting for over 96% of Government Ordinary revenues. KRA have also been carrying out knowledge management strategy for a while now.

### **3.4 Data Collection**

The most common ways to collecting data in a case study are by document review, interviews, observations, and use of physical artefacts. All these methods have strengths and weaknesses, and they are in many ways complementary (Yin, 2003). Any finding or conclusion in a case study will appear much more convincing and accurate if based on several sources of information (Yin, 2003). This study used two methods of data collection, that is, document review and formal interviews. Documents review was used to gain understanding of the organisation's KM policies and practise. It includes the organization strategic plan, internal memos, annual report and circulars and minutes.

Yin (2003) believes that interviews are one of the most important sources of case study information. These interviews follow a consistent line of inquiry, but are seen as a guided conversation instead of a structured query (Yin, 2003). Interviews were used to determine the current detailed status of knowledge management enablers and their effect on organization performance. The study will include knowledge management enablers adopted by KRA, KM practises such as the rate of use of knowledge management systems. The interviews targeted middle managers in the organization. A typical middle manager is a departmental head. Middle managers were interviewed because they play a key role in managing knowledge. Middle managers are positioned at the intersection of the vertical and horizontal flows of knowledge. Thus, they can synthesize the tacit knowledge of both top managers and frontline employees, make it explicit, and incorporate it into new products and services.

To further gain more information on knowledge management enablers in the organisation, this study used focused group discussions with all the departmental heads of the Kenya Revenue Authority. During such focus group discussion, the issues concerning enablers of knowledge management such as the culture and organizational structure and how each of these enablers influences organisation's performance were discussed.

### **3.5 Data Analysis**

All the data from the document review, focused group discussions and the interviews were analyzed to obtain sufficient information about the effect of knowledge management enablers on organizational performance. Therefore, content analysis with the four enablers as themes was used to carry out the analysis of the data collected that

will be organized along the four enablers and organization performance. This method has been employed by various researchers such as Alavi and Leidner (2001) to study KM.

The interviews will be analysed using both descriptive analysis and content analysis. Given that the interview guide is semi-structured, the structured questions will be analysed using descriptive analysis (like percentages) while the open ended questions were analysed using content analysis through the specific themes that will be organised along the four enablers and organisation performance. The results of the focused group discussions were used to beef up the findings of the interviews as well as those from the document reviews. This method was used by Miring'u (2010) in analysing the data collected through the interviews for the case study on KM.

Content analysis is a technique of making inferences by systematically and objectively identifying specific characteristics of messages and using the same to relate to trends. It provides the researcher with a qualitative picture of the respondent's concerns, ideas, attitudes and feelings (Mayring, 2007). Previous studies on knowledge management by Lee and Kim (2001) and Rooi and Snyman (2006) also used content analysis.



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

### **4.1 Introduction**

This chapter presents the results of data analysis. The data was gathered through open-ended questionnaires which addressed the effects of knowledge management enablers on organisational performance with a specific focus on the Kenya Revenue Authority. This chapter is organised as follows. The first sections present results on knowledge management enablers (sections 4.2 – 4.5). The second section presents the results on performance of the organisation while the last section shows the results on the effect of knowledge management enablers on organisational performance.

### **4.2 Cultural Issues**

Four cultural issues were examined as enablers of knowledge management at the Kenya Revenue Authority. These are collaboration, mutual trust, learning, and leadership. The results are shown as follows.

#### **4.2.1 Collaboration**

The respondents were asked to describe the degree of collaboration in their departments. The study found out that the degree of collaboration in the organization was high. This is because 67 per cent of the respondents stated that the degree of collaboration was high. The respondents were asked to state if the members of their department/organization were supportive to which they all agreed. They went ahead to explain that the members were willing to offer help to the new staff and that there were also a lot of consultations within the members regarding work issues.

The respondents were asked to state if the members of their department/organization were helpful. The respondents agreed that the members were helpful and noted that there was sharing of ideas among the members and that the members were willing to demonstrate various work procedures to others. The study also sought to know if there was willingness to accept responsibility for failure. The study found out that nearly half of the respondents could not accept responsibility for failure. This is because everyone believed he or she is right.

#### **4.2.2 Mutual Trust**

On mutual trust, a number of issues were examined. First, the respondents were asked to state if their members were generally trustworthy. They all agreed that their members were trustworthy but very cautious and noted that without trust none would be willing to share ideas. The study sought to find out if the members had reciprocal faith in others' abilities. Almost all of the respondents agreed that the members had reciprocal faith in others' abilities. They said this was because the members consulted each other on matters of common interest.

#### **4.2.3 Learning**

Thirdly, learning aspect of culture was examined. The respondents were asked to describe the degree of learning in their department/organization. The degree of learning was found to be high as more than 66 percent of the respondents described the degree of learning in their department as high. The respondents were asked to state if their organization

provided various formal training programs to improve the performance of staff. They all agreed that their organization provided formal trainings to improve performance. These trainings they said included refresher courses and annual short term trainings.

The study sought to know if informal individual development opportunities such as work assignments and job rotation were provided in their organization. More than half of the respondents disagreed that the informal individual development opportunities were provided and only a few said that the informal individual opportunities were provided. Those who disagreed stated that operations were technical and therefore employee mobility was low. Those who agreed stated that work assignments were located to different individuals.

The respondents were asked to state if the staff members were encouraged to attend seminars, conferences and symposia. They all agreed that the staff members were encouraged to attend seminars, conferences and symposia as workshops were held annually and that staff members were sponsored to attend seminars. Furthermore during seminars, there is a mandatory signing of attendance lists and this encouraged attendance. The respondents were asked to state if mistakes were tolerated in their organization. Almost all of the respondents agreed that mistakes were tolerated in their organization but with a condition that they do not have negative impacts on outcomes.

The study sought to know if the staff members were satisfied with the contents of training or self-development programs that were currently available at the organization. The study

found out that the staff members were satisfied as more than half of the respondents agreed that they were satisfied with the contents of training and self-development programs available at the organization.

#### **4.2.4 Leadership**

On leadership, the respondents were asked to describe the level of leadership in their department/ organization. More than half of the respondents described the level of leadership as being high while a few of them described the level of leadership as being moderate. The respondents were asked to state if in the organization the leaders guided and motivated the staff members in the direction of established goals by clarifying roles and task requirements. Almost all of the respondents agreed that the leaders guided and motivated the staff members in the direction of established goals by clarifying roles and task requirements. They stated that objectives were set and the staffs were encouraged to work towards achieving them, and this was done through circulation of memos and circulars.

### **4.3 Structural Issues**

Structural issues as enablers of knowledge management were also a focus of this study. As such, the structural issues addressed were centralization and formalization.

#### **4.3.1 Centralisation**

The respondents were asked to describe the degree of centralization in their department. There was a mixed reaction to the question as others viewed the degree of centralization

to be low; others viewed it as moderate while others viewed it as high. The study sought to know if the staff members were encouraged to make their own decisions. Almost all of the respondents agreed that members were encouraged to make their own decisions as long as the decisions were within the confines of the laws governing the operations of the organization. They stated that the members were encouraged by the fact that the best performing employees were rewarded handsomely.

The respondents were asked to state if the staff members were able to make decisions without their supervisor's approval. Almost all of the respondents stated that the staff members could not make decisions without their supervisor's approval. They stated that there was a chain of command that was to be followed and therefore approval had to be sought.

#### **4.3.2 Formalisation**

On formalization, the respondents were asked to describe the degree of formalization on their department/organization. Almost all of the respondents described the degree of formalization in their department as high. The respondents were asked to state if all of the activities were covered by some formal rules in the organization. They all agreed that all activities were covered by formal rules in the organization. They stated that there were work manuals and departmental manuals that guided work related activities in the organization, and that other activities were covered by KRA administered revenue statutes.

The respondents were asked to state if contacts and communication within the organization were on a formal or a planned basis. Almost all of the respondents agreed

that contacts and communication were on a formal or a planned basis except for a few who stated that some informality existed. Those who agreed stated that correspondents both internal and external were done on official organization documents, and that internal memos were used to convey information.

#### **4.4 People**

This was focused on the T-shaped skills i.e. possession of skills which allow members to be experts in their specific technical areas and intimately acquired with potential systemic impact of their particular tasks. The respondents were asked to state if the staff members possessed T-shaped skills. All the respondents agreed that the staff members possessed the T-shaped skills. The respondents were asked to state if the staff members were capable of making suggestions about others' tasks. More than 66 per cent of the respondents agreed that the staff members were capable of making suggestions about others' tasks while the rest disagreed that the staff members were capable of making suggestions about others' tasks. Those who agreed stated that there were a lot of discussions among the staff and that the staffs were allowed to give inputs before the final decisions were arrived at.

The respondents were asked how they would describe the communication ability of staff members of a particular department with those of other departments. Some of the respondents described the communication ability as very low; others described the communication ability of staff members as good while others still described the communication ability of the staff members as mutual.

#### **4.5 Information Technology Infrastructure**

The respondents were asked to describe the IT infrastructure available in their department/organization. Two thirds of the respondents described the IT infrastructure available in their organization as high while a third of the respondents described the IT infrastructure in the organization as moderate. The respondents were asked to rate IT in supporting collaborative work. Almost all of the respondents rated IT in supporting collaborative work as high apart from a few of the respondents who rated it as not highly supportive in supporting collaborative work.

The respondents were asked to state how IT supported intra-organization communication. Some of the respondents stated that IT enhances efficiency, reliability and effectiveness. Others stated that IT made work easier. The respondents were asked to state how IT supported searching and accessing necessary data or information. Some of the respondents stated that IT supported searching and accessing necessary data through the database system and that it reduced the time taken to get the work done. The respondents were asked to state how IT supported simulation, forecasting and prediction activities. The respondents stated that IT supported simulation, forecasting and prediction activities through the appropriate computer programs and IT systems. The respondents were asked to state how IT allowed for systematic storage of data and information. The respondents stated that IT allowed for systematic storage of data and information through back up and reliable storage services provided by IT systems.

The respondents were asked to identify the different IT applications available in their organization used to support knowledge and information sharing. The IT applications identified by the respondents included: lotus notes, library systems, help desk applications, customer services, search engines, online trainings and bulletin boards.

#### **4.6 Performance of the Organization**

The respondents were asked to describe the trend in revenue collection in the last five years. They described the trend in revenue collection in the last five years as increasing.

The respondents were asked to state the level of customer satisfaction at KRA. Some of the respondents stated that the level of customer satisfaction was fairly good, others stated that the level of customer satisfaction was improving while others still described the level of customer satisfaction as moderate.

The respondents were asked to describe the delivery time at their organization. Some of the respondents described the delivery time as good, others described the delivery time as moderate while others stated that a lot had to be done to improve efficiency. The respondents were asked to describe the quality of services at KRA. Some of the respondents described the services as good; others described the services as better while others still described the services as improved due to improved technology. The respondents were asked to state what they would say about the skills and competencies in KRA. The respondents stated that the staffs were highly trained and that there was a high level of competency among the staff at KRA.



The respondents were asked to state if in their view the processes and technologies could deliver current and future organizational structure. They all agreed that the processes and technologies could deliver current and future organizational structure. The respondents were asked to state if KRA invested for future development and new opportunities. Almost all of the respondents agreed that KRA invested for future development and new opportunities except for a few who disagreed that KRA invested for future development and opportunities. The example they gave was that KRA had been improving and upgrading its ICT systems.

#### **4.7 Effects of Knowledge Management Enablers on Performance**

The key knowledge management enablers tested for their effects on organisational performance were cultural issues (collaboration, mutual trust, learning, and leadership), structural issues (centralisation and formalization), people, (t-shaped skills), and information technology infrastructure. Below are the results of the analysis.

##### **4.7.1 Effect of Cultural Issues on Organisational Performance**

The respondents were asked to rate the effect of collaboration on the performance of the KRA. Half of the respondents rated the effect of collaboration on the performance of KRA as high and they attributed this to highly coordinated departmental activities and improved collective responsibilities. Another half of the respondents rated the effect of collaboration on the performance of the KRA as moderate. They attributed this to the fact that several other factors affected performance and that not all levels collaborated.

The respondents were asked to rate the effect of mutual trust on the performance of the organization. More than 60 percent of the respondents rated the effect of mutual trust on performance of the organization as moderate. They said this was because the trust was not exhibited by everyone.

The respondents were asked to describe the effect of learning on the performance of the organization. Slightly more than half of the respondents stated that the effect of learning on performance of the organization was high. They attributed this to the fact that the organization met its targets and that taxation was dynamic and so the staff had to remain relevant through acquisition of new skills. Few of the respondents who stated that the effect was moderate attributed it to the fact that there was no much training needed after passing through the training schools.

The respondents were asked to describe the effect of leadership on performance of the organization. Slightly more than half of the respondents described the effect on performance as high. They said this was because the leadership provided guidance in achieving organizational objectives. The rest of the respondents described the effect of leadership on performance as being moderate.

#### **4.7.2 Effects of Structural Issues on Organisational Performance**

The respondents were asked to describe the effect of high levels of centralization on the performance of the organization. Two thirds of the respondents stated that the effect of high levels of centralization on the performance of the organization was high while a

third of the respondents stated that the effect of high centralization levels on performance of the organization was moderate.

The respondents were asked to describe the effect of high levels of formalization on performance of the organization. Slightly more than half of the respondents described the effect of high levels of formalization on the performance of the organization as moderate except for a few who described the effect as high.

#### **4.7.3 Effects of People on Organisational Performance**

The respondents were asked to state how they would describe the effect of T-shaped skills on the performance of the organization. Slightly more than half of the respondents described the effect of T-shaped skills on the performance of the organization as high while the rest of the respondents described the effect of the T-shaped skills on the performance of the organization as moderate.

#### **4.7.4 Effects of IT Infrastructure on Organisational Performance**

The respondents were asked to describe the effect of IT infrastructure on the performance of the organization. The respondents described the effect of IT infrastructure on the performance of the organization as good and that the organization would cripple without it.

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

### **5.1 Introduction**

This chapter presents the summary of research findings, conclusion of the study, recommendations for policy and practice, and suggestions for further research.

### **5.2 Summary of findings**

The study found that the degree of collaboration in KRA was high. The same was true for mutual trust, learning, and leadership. This suggests that organization performance is associated with the corporate cultural factors such as collaboration, Trust, Learning and leadership. For instance, organization employees are most creative and productive when their members collaborate, members stop holding back when they have mutual trust. Shaping cultural factors is crucial for an organization's ability to manage and achieve its objectives, a trust based corporate culture is the foundation for organization performance, however it need to be supported by information building, which is the support of the information technology enabler. This matches with Ruppel and Harrington's (2001) finding on the extent of the application of information being directly proportional to the extent of mutual trust in the corporate culture.

The study found that organizational structure such as the degree of centralisation and formalization was very high in KRA as most of the employees were not at liberty to make most of the decisions on their own without approval from the supervisors. Thus, most of the decisions or issues were done by the book. The findings indicate centralisation is very

high in KRA as it is clear that formal authority lies in the top management with some delegation of authority to the middle and lower management personnel. In some instances, employees are allowed to make decisions and take actions without obtaining prior approval provided that it is within their jurisdiction and scope. They would then need to be responsible for their actions. However, many employees are not willing to take on this extra responsibility and would rather run it by their superiors or top management to avoid being blamed should anything go wrong. The study found out that there is consensus among the employees that excessive levels of centralisation and formalization hamper effective decision making thereby affecting the organization performance. The results further showed that structural issues had a moderate to high effect on organisational performance.

For the people enabler, the study found out that, there is general consensus on the positive impact of T-shaped skills as enabler of knowledge management on organization performance. This is in support of the literature which posits that organization innovation benefit from the presence of employees with T-shaped skills who possess skills that are both deep and broad, coupled with the ability to effectively operate across the different areas that exist in organisations. This is mainly due to the human resource policy of KRA as an organisation that emphasises on hiring the most qualified and experienced persons for the job. Apart from that, the study concludes training programs provided by the organisations allow for staff development and appreciation of the other aspects the organisation.

However having staff members with T-shaped skills is good for the organisation but having them do productive work for the organisation is another issue. The findings indicate that employees with T-shaped skills need to be properly managed to ensure that they contribute positively to the organization performance.

As for the information technology enabler, Findings from the study confirm that information technology infrastructure is an enabler of knowledge management in KRA. This is congruent with the literature which suggests that information technology infrastructure allows for easy knowledge acquisition, facilitates timely communication and speeds up the pace of knowledge creation apart from building organisational memory. However the findings indicate that there is a great need for applications to be more user-focussed and more user-friendly as most of the systems in place in KRA are rather cumbersome to use. Other than the digitalization of the documents, the speedy search of knowledge for its re-use is becoming more and more important. The results showed that IT infrastructure had an impact on the performance of the organisation as it enabled efficient operations and more collaboration among employees.

### **5.3 Conclusion**

The study first concludes that, corporate culture, Organizational structure, people and information technology are four of the enablers that have significant effect on the performance of organizations. Through the case study and the past-published papers the study found out that for the corporate culture enabler, the important part is the forming of a culture of sharing but needs to be supplemented by information technology. For the

organizational structure enabler centralization and formalization hamper effective decision making thereby minimizing organization objectives, therefore delegation of authority is becoming more and more important in organization performance. For the people enabler, other than the training courses, the channels of learning and the incentive program for the employees are also key factors. As for the information technology enabler, other than the digitalization of the documents, the speedy search of knowledge for its re-use is becoming more and more important.

Secondly the study also concludes that all the knowledge management enablers examined in this study have a strong effect on the performance of the organisation. However culture remains as the most vital knowledge management enabler of organization performance. Thus, building and supporting a culture which rewards and encourages employees for seeking, sharing and creating knowledge attributes will most probably lead to the success in achieving organization objectives.

This study reaches the same conclusion as previous studies regarding the strategy and leadership, the corporate culture, the people, and the information technology enablers. This verifies the academic theories with real practice. The study therefore confirms that a number of knowledge management factors are instrumental in influencing the performance of an organisation.

## **5.4 Recommendations**

The study makes a number of recommendations. First, the study recommends that for organisations to improve their performance, knowledge management can be an important factor to consider. Therefore, knowledge management enablers such as culture, structure, people, and IT infrastructure need to be considered for improvements in organisational performance to be achieved.

The study recommends that the Kenya Revenue Authority should work on ways of improving the conditions of these knowledge management enablers in the organisation. Such endeavours will lead to better organisational performance in terms of employee productivity as well as meeting overall revenue collections targets.

The study also recommends that policy makers in public management need to understand the knowledge management enablers that can enhance firm performance and therefore institute policies that will enhance better knowledge management practices in these organisations.

## **5.5 Suggestions for Further Research**

This study was designed as a case of Kenya Revenue Authority and as such, the data was gathered through interview guides. It is not therefore possible to empirically examine the effect of knowledge management enablers on the performance of the organisation. The study therefore recommends that future studies should address this challenge by expanding the scope of the study and focusing on a number of state corporations in order



to be able to use survey tools which can be quantitatively analysed and therefore provide a statistical test of the effect of knowledge management enablers on firm performance.

The richness of the information gathered or the ability to triangulate evidence may be limited by the fact that respondents might not have been willing to share certain information with the researcher due to the confidentiality of the information to their respective departments beside that only one organization was analyzed, Therefore, the study suggests that in future, there is need to extend beyond this scope to include multiple sources of data gathering and multiple organization.

The study also suggests that there is need for more studies on knowledge management in Kenya. More specifically, studies need to focus on how knowledge management influences performance of organisations as well as any moderating factors.

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## **APPENDICES**

### **Appendix I: Introduction Letter I**

The Head of Human Resource Department  
Kenya Revenue Authority  
P.O. Box 48240,  
Nairobi, Kenya.  
July 2013

**Dear Sir/Madam,**

#### **RE: REQUEST TO COLLECT DATA FOR MBA RESEARCH PROJECT**

I am a student at the University of Nairobi pursuing a Masters of Business Administration program.

Pursuant to the pre-requisite course work, I would like to conduct a research project on effects of knowledge management enablers on organization performance. The focus of my research will be the Kenya Revenue Authority and will involve use of interview guides administered to members of the management team.

I kindly seek your authority to conduct the research at Kenya Revenue Authority through interview guides and use of relevant documents. I have enclosed an introductory letter from the University. Your assistance is highly valued. Thank you in advance.

Yours faithfully,

**ABDI NOOR ADAN**

## Appendix II: Introduction Letter II



**UNIVERSITY OF NAIROBI**

**MOMBASA CAMPUS**

Telephone: 020-2059161  
Telegrams: "Varsity", Nairobi  
Telex: 22095 Varsity

P.O. Box 99560, 80107  
Mombasa, Kenya

31<sup>st</sup> July, 2013

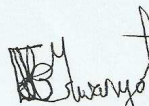
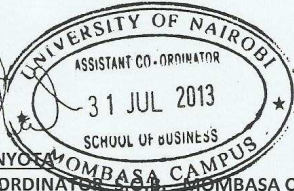
**TO WHOM IT MAY CONCERN**

The bearer of this letter, **Abdi Noor Adan** of Registration number **D61/70770/2008** is a Master of Business Administration (MBA) student of the University of Nairobi, Mombasa Campus.

He is required to submit as part of his coursework assessment a research project report. We would like the student to do his project on **"Effects of Knowledge Management Enablers on Organization Performance: A Case Study Kenya Revenue Authority"**. We would therefore, appreciate if you assist him by allowing him to collect data within your organization for the research.


The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organization on request.


Thank you.

  
  
**MR. JOB MWANYOTA**  
**ASSISTANT CO-ORDINATOR, S.B. MOMBASA CAMPUS**

JM/maa

### Appendix III: Authority to undertake research

 **KENYA REVENUE  
AUTHORITY**





*Forwarded*

Ref: 6680

14<sup>th</sup> August, 2013

Abdi Noor Adan  
Revenue Officer I  
**INVESTIGATION AND ENFORCEMENT DEPARTMENT**

*Thro' Commissioner- I&E*

Dear Sir,

*Forwarded for good effort 14/08/13*

**RE: REQUEST TO UNDERTAKE RESEARCH**


Reference is made to your letter dated 5<sup>th</sup> August, 2013 on the above subject.

We are pleased to inform you that approval has been granted for you to undertake research on, ***Knowledge Management Enablers and Organization Performance.***

The research you intend to undertake should be for academic purposes only and any data or information given should be treated with utmost confidentiality.

Please submit a copy of your research report for retention in the Library.



Yours faithfully,

  
**Magdalene Gathogo**  
**For: Senior Deputy Commissioner- Human Resources**

***Cc: Senior Human Resource Officer -S/R***

*Tulipe Ushuru Tujitegemee!*

Times Tower Building  
Haile Selassie Avenue, P.O. Box 48240-00100 Tel: 310900 Fax: 316872

## APPENDIX IV: INTERVIEW GUIDE

### EFFECTS OF KNOWLEDGE MANAGEMENT ENABLERS ON ORGANIZATION PERFORMANCE: A CASE STUDY KENYA REVENUE AUTHORITY

Thank you for participating in this interview. This Research is been conducted for academic purpose only and any data or information given will be treated with utmost confidentiality, the result will be analyzed and reported collectively. As such no finding will be attributed to any of the participant as an individual. Please provide your honest opinion.

1. Department..... 2. Respondent Position Title.....  
3. No of Years in the Organization.....4. Highest Level of Education.....

#### (I) CULTURAL ISSUES

**Collaboration (Degree to which people in a group assist one another in their task)**

A.1.1.1 How would you describe the degree of collaboration in your department/organisation?

☐ Very low      ☐ Low      Moderate      ☐ High      Very High

A.1.1.2 Are members of your department/organisation satisfied with current levels of collaboration?.....  
.....  
.....

A.1.1.3. Are members of your department/organisation supportive? Kindly explain briefly.....  
.....

A.1.1.4. Are members of your department/organisation helpful? Kindly Provide example if possible.....  
.....

A.1.1.5 Is there willingness to collaborate across organisational units within KRA?  
.....  
.....

A.1.1.6 Is there willingness to accept responsibility for failure? Kindly explain briefly  
.....  
.....

A.1.1.7 How would you rate the effect of collaboration on the performance of the KRA.  
☐ Very low      ☐ Low      Moderate      ☐ High      Very High  
Kindly Explain brief .....  
.....  
.....



**Mutual trust (Where members believe in the integrity, character and ability of each other)**

A.1.2.1 How would you describe the degree of mutual trust in your department/organisation?

☐ Very low      ☐ Low      Moderate      ☐ High      Very High

A.1.2.2 Are your members are generally trustworthy? Kindly explain briefly.....

A.1.2.3 Do your members have reciprocal faith in other members' intentions and behaviours?

A.1.2.4 Do your members have reciprocal faith in others' ability? Kindly explain briefly and provide examples if possible.....

A.1.2.5 Do your members have reciprocal faith in others' behaviours to work toward organisational goals?

A.1.2.6 Do your members have reciprocal faith in others' decision toward organisational interests rather than individual interests? Provide example if possible

A.1.2.7 Do your members have relationships that are based on reciprocal faith? Kindly explain briefly.....

A.1.2.8 How would you rate the effect of mutual trust on the performance of the organization.....

☐ Very low      ☐ Low      Moderate      ☐ High      Very High

Kindly Explain brief

**Learning (Any relatively permanent change in behaviour that occurs as a result of experience)**

A.1.3.1 How would you describe the degree of learning in your department/organisation?

☐ Very low      ☐ Low      Moderate      ☐ High      Very High

A.1.3.2 Does your organisation provide various formal training programmes to improve the performance of staff? Please describe briefly.

A.1.3.3 Are informal individual development opportunities such as work assignments and job rotation provided in your organisation? Kindly explain briefly.

.....  
.....

A.1.3.4 Are staff members encouraged to attend seminars, conferences, symposia etc? Kindly explain briefly.

.....  
.....

A.1.3.5 Does your organisation provides various programs such as clubs and community gatherings? Kindly explain briefly.

.....  
.....

A.1.3.6 Are mistakes tolerated in your organisation? Are they viewed as a learning process?

.....  
.....

A.1.3.7 In general, are staff members satisfied with the contents of training or self-development programs currently available at your organisation? Kindly explain briefly.

.....  
.....

A.1.3.8 How would you describe the effect of learning on the performance of the organization.

☐ Very low      ☐ Low                      Moderate      ☐ High                      Very High

Kindly Explain brief

.....  
.....  
.....

**Leadership (Ability to influence and develop individuals and teams to achieve goals that have been set by the organisation)**

A.1.4.1 How would you describe the level of leadership in your department/organisation?

☐ Very low      ☐ Low                      Moderate      ☐ High                      Very High

A.1.4.2 In the organisation, do these leaders guide and motivate staff members in the direction of established goals by clarifying roles and task requirements? Kindly explain briefly

.....  
.....

A.1.4.3 In the organisation, do these leaders provide individualised consideration and intellectual stimulation and possesses charisma?

.....  
.....  
.....



A.1.4.4 How would you describe the effect of leadership on performance of the organization?

☐ Very low      ☐ Low      Moderate      ☐ High      Very High

Kindly Explain brief

.....  
.....  
.....

## **(II) STRUCTURAL ISSUES**

### **Centralisation (Degree to which decision making is concentrated at a single point)**

A.2.1.1 How would you describe the degree of centralisation in your department/organisation?

☐ Very low      ☐ Low      Moderate      ☐ High      Very High

A.2.1.2 Are staff members encouraged to make their own decisions? Kindly explain briefly.

.....  
.....

A.2.1.3 Are staff members allowed to take action without a supervisor OR without their supervisor's permission?

.....  
.....

A.2.1.4 Are staff members able to make decisions without their supervisor's approval? Kindly explain briefly

.....  
.....

A.2.1.5 How would you describe the effect of high levels of centralisation on the performance of the organization.

☐ Very low      ☐ Low      Moderate      ☐ High      Very High

Kindly Explain brief

.....  
.....  
.....

### **Formalisation (The amount of written documentation of rules, procedures and policies to guide decision making and behaviour in organisations)**

A.2.2.1 How would you describe the degree of formalisation in your department/organisation?

☐ Very low      ☐ Low      Moderate      ☐ High      Very High

A.2.2.2 Are all activities covered by some formal rules in the organisation? Kindly explain briefly.....

.....

A.2.2.3 Are contacts and communication within the organisation on a formal or planned basis? Kindly explain briefly.....

.....  
.....  
A.2.2.4 Are the rules and procedures in the organisation typically written/documented?  
.....  
.....

.....  
A.2.2.5 In certain situations, would it be possible for staff members to ignore the rules and reach informal agreements?  
.....  
.....

A.2.1.5 How would you describe the effect of high levels of formalisation on the performance of the organization?

☐ Very low      ☐ Low      Moderate      ☐ High      Very High

Kindly Explain brief  
.....  
.....  
.....

### (III) PEOPLE

**T-Shaped Skills– possession of skills which allow members to be experts in their specific technical areas and intimately acquainted with the potential systemic impact of their particular tasks**

A.3.1 In general, do staff members possess T-shaped skills (skills that are both highly specific and yet broad enough to allow them to ‘see the whole picture’ of their actions)?  
.....  
.....

A.3.2 Are staff members specialists in their own part/area? Kindly explain briefly.  
.....  
.....

A.3.3 Do staff members understand not only their own tasks but also others’ tasks?  
.....  
.....

A.3.4 Are staff members capable of making suggestions about others’ tasks? Kindly explain briefly.  
.....  
.....

A.3.5 How would you describe the communication ability of staff members of a particular department with those in other departments?  
.....  
.....

A.3.6 In the event of changes, are staff members still able to perform their own tasks effectively?  
.....  
.....

A.3.7 How would you describe the effect of T-shaped skills on the performance of the organization.

☐ Very low      ☐ Low      Moderate      ☐ High      Very High

Kindly Explain brief

.....  
.....

#### **(IV) INFORMATION TECHNOLOGY INFRASTRUCTURE**

A.4.1 How would you describe the IT infrastructure available in your department/organisation?

☐ Very low      ☐ Low      Moderate      ☐ High      Very High

A.4.2 How would you rate IT in supporting collaborative work?

.....  
.....

A.4.3 How does IT support intra-organisation communication?

.....  
.....

A.4.4 How does IT support searching and accessing necessary data/information?

.....  
.....

A.4.5 How does IT support simulation, forecasting and prediction activities?

.....  
.....

A.4.6 How does IT allow for systematic storage of data/information?

.....  
.....

A.4.7 Please identify the different IT applications available in your organisation used to support Knowledge and Information Sharing. Some generic examples are listed in this section.

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Lotus Notes Chat Rooms        | <input type="checkbox"/> Search Engines    | <input type="checkbox"/> Document Management Tool |
| <input type="checkbox"/> Library System                | <input type="checkbox"/> Online Training   | <input type="checkbox"/> Simulation technologies  |
| <input type="checkbox"/> Workflow Management           | <input type="checkbox"/> Groupware         | <input type="checkbox"/> Bulletin Board           |
| <input type="checkbox"/> Helpdesk Applications         | <input type="checkbox"/> Push Technologies | <input type="checkbox"/> Order Entry Application  |
| <input type="checkbox"/> Customer Services Application |  | <input type="checkbox"/> Case based Reasoning     |
| <input type="checkbox"/> Operation Systems             |  | <input type="checkbox"/> Others                   |

A.4.8 How would you describe the effect of IT infrastructure on the performance of the organization.....

.....  
.....

**(V) PERFORMANCE OF THE ORGANIZATION**

A.5.1 Kindly describe the trend in revenue collection in the last five years

.....  
.....

A.5.2 How is the level of customer satisfaction at KRA?

.....  
.....

A.5.3 How can you describe the delivery time at your organization?

.....  
.....

A.5.4 Briefly describe the quality of services at KRA?

.....  
.....

A.5.5 What can you say about the critical skills and competencies in KRA?

.....  
.....

A.5.6 In your view, can the processes and technologies deliver current and future organizational success?.....

.....  
.....

A.5.7 Does KRA invest for future development and new opportunities? Please give example

.....  
.....  
.....