Kenya Revenue Authority to the Changing Environment

By

Kittony Auckman Kurui

A Research Project Submitted in Partial Fulfillment of the Requirements for the Award of the Degree of Master of Business Administration (MBA), School of Business, University of Nairobi

November, 2013
ABSTRACT

In an environment which has been marked with political volatility, technology, legislation as well as structural changes has impinged on business not only in Kenya but also the world over. Kenya Revenue Authority (KRA) has to constantly reengineer itself so as to favourably undertake mandate in line with the changing environmental parameters such as changes in IT, globalization, legislations such as the East African Community regulation changes regarding custom management and collection, and politics, among others for it to effectively remain relevant and sustain its operations as per its goals and mission in the face of increased demand for revenue brought about by the devolved government to county level. The purpose of the study was to establish strategic responses adopted by KRA to address changes in its operating environment. This study adopted case study design. The study made use of both secondary and primary data. Primary data was obtained from the ten heads of departments at KRA. The interview guides that were used to collect primary data consisted of open-ended questions. A conceptual content analysis was employed. From the study findings, the researcher concludes that the challenges in the external environment that affect the operations of the organization were such as new constitution dispensation, reforms and modernization, introduction of service level charters, review of code of conduct, restructuring of departments, regional balancing during appointments, introduction of performance contracts, industrial actions by civil servants in search for higher pay, freeze of donor funding from development partners and political changes. The study recommends that although there Kenya Revenue Authority has been successful in neutralizing the challenges brought about by changes in the operating environment, Kenya Revenue Authority should scan the environment and come up with proactive strategies to cope with identified risk before they happen. The Kenya Revenue Authority should also be involved in more corporate social responsibility to give back to the society through their corporate social responsibility policy which is one way of increasing its influence on the lives of Kenyans and thus enhancing customer loyalty in tax remittance.