ADOPTION OF KNOWLEDGE MANAGEMENT AS A STRATEGIC APPROACH BY THE KENYA REVENUE AUTHORITY

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DECLARATION

This research project is my original work and has never been submitted to any other University for assessment or award of a degree.

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D61/64492/2013

This project has been submitted for examination with the approval of the appointed University supervisor.

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DEDICATION

To my family, for encouragement and moral support this project is aptly dedicated.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABSTRACT

Knowledge management as an organizational concept has grown to be a discipline worth discernment with principles, practices and tools that make it unique. As a discourse, it has given rise to innovations and structures that enable us understand how organizations utilize knowledge to create value. Kimiz Dalkir (2005) presents a thoughtful, systematic view of knowledge management as a coherent body of management theory and practice. He argues that though there is no single, universal recipe for managing knowledge, we have to accept that it provides a framework for designing an organization's goals, structures, and processes so that the organization can use what it knows to learn and to create value for its customers and community. This demands that each organization has to think through and design its own approach. Hovland (2003) confirms this when he maps out the rationale and objectives of knowledge management and learning within organizations as he magnifies specific characteristics and challenges of different types of organizations in the development field in light of their knowledge needs. Due to the vast amount of studies already done on these issues plaguing knowledge management in organizations, this study presents yet another guideline on 'how to do KM' but put into perspective the deployment of tools and manuals of knowledge management that will enable the Kenya Revenue Authority make the leap in not only efficiency, but improved responsiveness, partnership, and policy influence. The need for this study was justified by the fact that there has to exist a design process which provides a set of organizational enablers posed by the questions: What is the organizational vision or strategy driving the need to manage knowledge? What roles and structures ought to be in place? How to develop processes and practices that promote knowledge sharing and use? Which tools and platforms can support these efforts?

Key words : Kenya Revenue Authority, Knowledge Management

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Since the 1950s, organizations have formulated corporate strategies based on how knowledge can best be generated, mobilized, made available, applied and adapted to improve overall performance. However, it is only in the last 15–20 years or so that a distinct field called "knowledge management"(KM) has emerged. The emergence of the global community has created a competitive business environment for both enterprises and regulators. Dramatic changes in the global economy present both new opportunities and new threats to the prospects for management. King (2011) observes that KM is based on the premise that, just as human beings are unable to draw on the full potential of their brains, organizations are generally not able to fully utilize the knowledge that they possess. Through KM, organizations seek to acquire or create potentially useful knowledge and to make it available to those who can use it at a time and place that is appropriate for them to achieve maximum effective usage in order to positively influence organizational performance .It is generally believed that if an organization can increase its effective knowledge utilization by only a small percentage, great benefits will result.

Despite the significant strides made to close the inefficiencies within the field, there exists a need to understand the impact of knowledge management in the 21st Century organization. Highly knowledgeable employees have become in disposable assets to organizations, which is in line with how the firms have evolved over the years. The challenge to organizations today, and in the foreseeable future, is how to recruit and keep critical knowledge workers who contribute so much to the firm's bottom line. Further, organizations will need to better understand how to acquire, store, retrieve, and protect their unique knowledge resources that represent such significant value for the organization and its stakeholders (Popejoy, 2005). This study will delve into the adoption of KM as a management strategy by one of the Government of Kenya's key organs, the Kenya Revenue Authority and shed light on how effective intellectual and skill management requires a high degree of coordination and information sharing within in the organization.

1.1.1 Concept of strategy

Top management in an organization is concerned with meeting of the set objectives. These objectives are met through a set of actions selected from varying alternatives. The process by which these objectives are formulated and implemented is called strategic management, with strategy being the means to achieve the objectives. Strategy is the grand design or an overall plan which an organization chooses in order to move or react towards the set objectives by using resources (Francis, 2010). The word 'strategy' entered the field of management from the military services where it implies the use of forces against an enemy. Payne (2010) alludes to the different definitions of strategy, apart from his notion that strategy is the unifying theme that gives coherence and direction to the decisions of an organization. It provides the element within the organization with a single focus in the long term. Chester Bernard, a senior business executive in the 1930s concluded that strategy is intended to focus on the interdependence of the adversaries' decisions and on their expectations about each other's behavior.

Alfred D. Chandler referred to strategy as the determination of the long run goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals. Kenneth Andrews on his part stressed that Strategy is the pattern of objectives, purposes or goals and the major policies and plans for achieving these goals, stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be. Forms of strategy include intended strategy, deliberate strategy and realized strategy, with emergent strategy coming from learning and dissemination within the organization.

Henry Mintzberg (1987) presented five dimensions of strategy – as a plan, ploy, pattern, position and perspective. His critique of formal strategic planning: the fallacy of prediction – future is unknown, the fallacy of detachment – impossible to separate formulation from implementation and the fallacy of formalization- inhibits flexibility, spontaneity, intuition and learning. Strategy as a concept can help achieve success, but it doesn't guarantee it—certain features of strategy directly contribute to success: Goals that are simple, consistent, and long-term, profound understanding of the competitive environment, objective appraisal of resources and effective implementation.

1.1.2 Knowledge management as a strategic approach

According to Prowting (2010), KM as a strategic approach encompasses organizational structure, culture, knowledge retention, core competencies and external networks. Organizational structures deal with the way the firm is organized, and the way people relate to one another. Broadly speaking, there are two types of organizational structure, namely formal and informal. These two concepts are not independent, and the formal structure may greatly influence informal networks, both positively and negatively. Frost (2014) states that KM as a strategic tool fosters the support of existing structures, competencies, knowledge retention, mechanisms, culture, external network and knowledge management systems.

He further states that divesting enables removal of obsolete knowledge. Implementing changes to the formal structures implies restructuring the organization yet it can also allude to enforcing existing structures to a lesser or greater degree.The unofficial organizational structures are the ones that are created through informal networks, as a result of working within the organization. They represent the way people actually interact. KM must therefore play a central role in the management of both the formal and informal structures, including identification of the structures and the knowledge they hold, implementing changes and bridging gaps.

Organizational culture, which refers to the way people do things within an organization, including the values, beliefs and attitude that generate a common framework for interpreting events is a key component of KM within a firm. Trust is an essential element; hence knowledge sharing can only occur within a scope of familiarized relations. Pralahad and Hamel (1990) defined core competencies as the collective learning of the organization, especially on how to coordinate different production skills and integrate multiple streams of technology. Core competencies are a firm's primary expertise, hence a sustainable source of competitive advantage. They are what the organization can do best. It means what sets it apart from its peers within the industry. Core competencies therefore consist of a large knowledge component, and as Alan Frost states, managing them is in the very least, a product of the corporate strategy working with KM and innovation management.

1.1.3 Kenya Revenue Authority

KRA is a semi-autonomous government agency established by the Kenya Revenue Authority Act of 1st July 1995 (Chapter 496) by the National Assembly of Kenya. It main purpose was defined as the central body for the assessment and collection of revenue, for the administration and enforcement of the laws relating to revenue and to provide for connected purposes. The authority is a government agency that runs its operations in the same ways a private enterprise and for better service administration is divided into the following regions: Rift Valley, Western, Southern, Northern and Central.It is divided into the following departments, each headed by a commissioner: Customs Services Department (CSD), Domestic Services Department – Medium and small taxpayers (MST), Domestic Taxes Department- Large Taxpayers Office (LTO), Investigations and Enforcement (I&E),Technical Support Services and Corporate Support Services.

The roles of the Kenya Revenue Authority in the economy include administration and enforcement of written laws or specified laws pertaining to assessment, collection and accounting for all revenues in accordance with these laws, advise on matters pertaining to the administration and/or collection of revenue underwritten laws, enhance efficiency and effectiveness of tax administration by eliminating bureaucracy, procurement, promotion, training and discipline, eliminate tax evasion by simplifying and streamlining procedures and improving tax payer service and education thereby increasing the rate of compliance, promote professionalism and eradicate corruption amongst KRA employees by paying adequate salaries that enables the institution to attract and retain competent professionals of integrity and sound ethical morals.

It also restores economic independence and sovereign pride of Kenya by eventually eliminating the perennial budget deficits by creating organizational structures that maximize revenue collection and facilitates distribution of income in socially acceptable ways of effectively enforcing tax laws affecting income in various ways and finally, being a 'watchdog' for the government agencies (such as ministries) by controlling exit and entry points to the country to ensure prohibited and illegal goods do not pass through Kenyan borders.

1.2 Research problem

In Kenya, Knowledge management is still a relatively new phenomenon. A lot of people do not know of its existence while those that do, don't understand it. As a result a lot of business executives and managers consider it as just another management fad (Thiga, 2010).Knowledge management differs from the other plethora of fads and theories which have come and gone over the past decades in that it calls for fundamental or radical change by being a driver of new knowledge and ideas that result in cost reduction, innovation, increase the speed of response and reduction of tendency to repeat the same mistakes.

However, there exists a lack of substantial follow up studies on how these issues were reviewed by the authority's strategic policy makers in its fifth corporate plan of 2013. Leash and Rathod (2008) suggest various tools and techniques of knowledge management which from careful observation of KRA's corporate plan of 2013 have been put into use in streamlining operations. It is how this effective redeployment of knowledge management tools and techniques has been undertaken that creates the curiosity and necessitates this study .The alignment of the key elements of KRA as an organization: Structure, Culture and Core Competencies with the metrics of the knowledge management framework is a strategic undertaking that raises the need for further research in reference to the challenges and difficulties experienced by organizations to implement the strategies without altering the essence of the organizations.

Matundura (2008) listed poor knowledge management as a key impediment in the implementation of turnaround strategies at the Kenya revenue Authority as knowledge creation and sharing was effective. Saibulu (2008) further described the poor use of ICT in trickling down information and sharing skills as an obstacle to the effectiveness of managing knowledge by the tax collector, resulting in low staff morale, resulting in unattained targets and poor service delivery. Gondi (2013) highlighted the challenges faced by developing countries' government authorities in implementation of knowledge management as being non strategic alignment of the initiative, exacerbated by lack of requisite skills. Yusuf and Wanjau (2012) in their study on factors affecting knowledge management in state corporations in the national treasury in Kenya noted that globally government institutions are faced with demands to change and modernize their operations so as to facilitate development in the new knowledge economy.

Adoption of knowledge management is a hurdle that most top managers are confronted with, along with the dilemma of risking to lose key knowledgeable, skilled employees as collateral damage during the efforts of implementing such a strategy. This study was aimed at answering the following research question: How has KRA adopted knowledge management as a strategic approach in the fulfillment of its mandate of revenue collection?

1.3 Research Objective

The objective of this study was to determine the extent to which KRA has adopted KM as a strategic approach in the fulfilment of its mandate of revenue collection.

1.4 Value of the study

This study is beneficial to the students and instructors in strategic management, corporate strategies when they employ effective KM in their organization settings particularly in different concepts related to the use of effective KM strategies. By understanding the needs of the organization and benefits of communication with employees, the managers be assured of a competitive advantage through improved performance. Moreover, this research provides recommendations on how to evaluate the performance of a certain institution in accordance to KM.

The study results are a key addition to the body of knowledge with regard to the research conducted on KM. Researchers and students who are inclined to delve into the issues relating to KM will be able to benefit from the deductions of the study report. Corporate organizations which have strategic interests in the KM area will have access to valuable data and information which will be of use for decision making purposes. Lastly, KRA itself is able to benefit from the proposed areas of improvement on the KM framework process.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents literature related to knowledge management theories, adoption of knowledge management, knowledge management as a strategic approach and knowledge management techniques and tools.

2.2 Knowledge Management

Knowledge management is the explicit and systematic management of vital knowledge and its associated processes of creating, gathering, organizing, diffusion, use and exploitation. It requires turning personal knowledge into corporate knowledge that can be widely shared throughout an organization and appropriately applied. It is a discipline that promotes an integrated approach to identifying, managing and sharing all of an enterprise's information assets which may include databases, documents, policies and procedures, as well as previously unarticulated expertise and experience residence in an individual worker. It caters to the critical issues of organizational adaptation, survival and competence in the face of increasingly discontinuous environmental change. It seeks to merge information technologies with the creative and innovative ability of human beings.

Firestone (1998) provides a different perspective of knowledge management where two approaches to KM are given based on knowledge base, Knowledge Management Process and Knowledge Management System at the slightly lower level of abstraction of human organizations. Knowledge management process is an on-going persistent interaction among human-based agents who aim at integrating all of the various agents, components, and activities of the knowledge management system into a planned, directed process producing, maintaining and enhancing the knowledge base of the knowledge management system.

Different types of knowledge contrary to those provided by Dr Raymond Sison (2006) are proposed by Firestone (1998). He argues that it is useful to distinguish different types of knowledge in the knowledge base. The categories to be used include: planning knowledge (a network of propositions relating alternative decision options to predicted consequences and such consequences to the goals, objectives, and priorities expressed in a hierarchy of such goals and objectives);descriptive knowledge (a network of propositions specifying what exists or has existed exclusive of impact);knowledge about impact (a network of propositions specifying the extent of departure from an expected actual state given no purposive activity by an agent, caused by the purposive activity of that agent);predictive knowledge (a network of propositions specifying values of variables not yet available); and assessment knowledge (a network of propositions providing a value interpretation of descriptive, impact-related, or predictive knowledge, e.g. benefit/cost knowledge).These categories apply to the knowledge base, the meta-knowledge base, domain knowledge which will vary greatly with organizational specifics, and component subsystem-related knowledge, which also varies greatly.

Sison (2006) suggests two kinds of knowledge within an organization: Declarative and Procedural. Declarative consists of schemas, concepts and facts whereas procedural comprises of strategies, rules and procedures.

Figure 1: Kinds of knowledge

Declarative	Procedural	
Schemas	Strategies	Complex
Concepts	Rules	
Facts	Procedures	Simple

Source: (Sison, 2006)

2.3 Adoption of knowledge management

Knowledge management adoption is about building organizational intelligence by enabling people to improve the way they work in capturing, sharing, and using knowledge. It involves using the ideas and experience of employees, customers and suppliers to improve the organization's performance. Building on what works well leads to better practice, strategy and policy. According to Oracle White Paper (2011), a well-designed and implemented knowledge management initiative can result in higher agent productivity as well as shorter call times, greater customer satisfaction, and reduced costs thanks to standardization of operations. In contrast, a poorly designed and implemented knowledge management system can drive up costs, annoy customers (leading them to abandon the organization), and increase stakeholder frustrations.

Significant returns on knowledge management investment have been achieved by adopting KM strategies such as starting with a clear definition where setting realistic, precisely defined goals and objectives for the initiative is done while avoiding impromptu implementation in favor of a phased approach that enables knowledge management to be fine-tuned before wider application. Another strategy is taking a "less is more" approach where rather than bludgeoning customers with results lists containing hundreds of possible answers, providing a relevant, focused, and structured response that targets the intent of customers' inquiries is encouraged.

Fostering collaborative knowledge creation by embracing social networking as a part of the knowledge management strategy can rapidly develop useful content at a lower cost while recognizing the value of what you don't know will enhance leveraging analytics to identify gaps in implementation. By gathering intelligence on what you don't know, you can react faster to growing customer needs, continuously improve in areas you have yet to tap for efficiencies, and create a better service experience. The last strategy is thinking globally where starting small with an initiative without limiting the thinking about the uses and value of knowledge management in the business organization can have broad advantages across the enterprise and should be treated as a corporate initiative, not just a divisional solution (Oracle, 2011).

2.4 Knowledge management techniques and tools

Leask and Rathod (2008) suggest a portfolio of KM tools, techniques and resources that are useful in connecting people and information within an organization and community. This portfolio was funded and adopted by the United Kingdom (UK) government at the local government level with enviable results. The connecting people to people aspect comprised of: Communities of practice (CoP), peer assist, knowledge café and knowledge market place; Organization improvement aspect involved: gone well/ not gone well, after action review (AAR), retrospective review and knowledge exchange.

Table 2.1: Knowledge management tools and techniques

Tools and techniques	Description	Unique selling point
Case study	Narrative recording of a project's progress and outcomes.	Share experiences with others.
Rapid evidence review	A systematic review of research and other evidence producing an overview of the knowledge base in a particular area.	An evidence baseline to enable new projects to build on what has gone on before.
Knowledge banks (web databases)	Repositories of stored knowledge (research/ evidence/best practice), captured through various tools and techniques, and shared via websites and toolkits.	Mass collection of accumulated knowledge in a specific area at your fingertips.

Source: Leask and Rathod (2008)

2.5 Knowledge management as a strategic approach

According to Inside Knowledge Consultant website, www.ikmagazine.com, the term knowledge management is in danger of being devalued and becoming yet another initiative that organizations feel obliged to implement without fully understanding the potential benefits of doing so. Competing for recognition with the tens of other 'must have' trends of the moment, it would be easy for KM to be seen as a luxury: a nice idea if you have the time, but easily ignored by managers who have more important things like costs and profit margins to consider.

Ermine (2005) recognizes that installing a system to manage a Corporate Knowledge Capital (CKC) is a complex problem, with a lot of point of views, with solutions that can be very diverse. These solutions may use various tools, and imply important organizational changes. This complexity mastering is rarely pointed out in pragmatic approaches of KM. If strategic and economic analyses are now clearly performed on Corporate Knowledge, they usually directly lead to the implementation of tools (generally based on intranet), without asking what is the actual content of Knowledge, how to structure the Knowledge Capital to be managed by those tools.

The Information professionals have met the same kind of problem several decades ago. In that period, the strategic value of information was fostered correlatively with the development of computers. Then, starting from a strategic plan of Information Management, computers systems were directly implemented. Those first systems failed in their objectives, because an intermediate methodology, between a strategic plan and operational tools lacked (Leash and Rathod, 2008). Now, there are well known methodologies for designing Information Management Systems, filling that gap. It seems that the same problem is arising in KM. Moreover, Knowledge is not Information (roughly speaking, Knowledge is Information with one or several meanings given in one or several operational contexts –syntactic/semantic/pragmatic). Knowledge is a “material” elaborated by people for people, it is tightly related to culture, to personal features. Ermine (2005) further suggests that KM approach must then be built on three levels: Strategic, tactical and operational levels.

Gardi (2010) affirms that when establishing an organizational knowledge management strategy, it is essential to understand the type of focus or orientation which it will have. The strategies can then be outlined along two different dimensions: System and Human strategies. System strategy reflects a system orientation focus on knowledge management. The strategy emphasizes the capability to help create, store, share and use an organization’s explicitly documented knowledge. The strategy entails codification and storage of knowledge via information technology since codified knowledge is more likely to be reused. Human strategy on the other hand reflects human orientation focus on knowledge management. The strategy entails knowledge sharing through interpersonal interaction using dialogue on social networks groups and teams. Knowledge is shared through person to person contacts as the strategy attempts to acquire internal and opportunistic knowledge to share it informally.

Lee (2002) notes that many studies have shed light on guidelines for employing systems oriented or human oriented strategy. These studies can be categorized into three view: focused, balanced and dynamic. He observes that Hansen et al (1999) argues that an organization should pursue one strategy at a go while Swan et al (2000) emphasizes the superiority of the human strategy to the system strategy. Despite these contrasting opinions, balanced view suggest that organizations should strike a balanced view between the two strategies. Bierly and Chakarbati (1996) observe that firms which accumulate and share knowledge via combining system and human strategies are seen to be more profitable.

On the other hand, Jordan and Jones (1997) encourage the balance between explicit and tacit knowledge based strategies for fostering development of more innovative knowledge. Firms with an aggressive strategy which integrates both system and human strategies tend to outperform those with less aggressive strategies. The dynamic view entails that firms align their strategies with the characteristics of knowledge while the focused view demands that a company should concentrate on one strategy.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that was used in the study. The chapter has been arranged to present the research design, data collection procedures and data analysis techniques used in the study.

3.2 Research design

The study was carried out in the form of a case study whose purpose was to collect in-depth information regarding adoption of knowledge management strategies at the Kenya Revenue Authority. A case study provides a very valuable and focused insight into phenomena that may be vaguely understood or comprehended. Gerring (2004) defined a case study as an intensive study of a single unit with an aim to generalize across a larger set of units. He further clarified that the case study method is correctly understood as a particular way of defining cases, not a way of analyzing cases or a way of modeling causal relations.

It is a very powerful form of qualitative analysis that involves a careful and complete observation of a social unit, which could be a person, a family, an institution, a cultural group or even a community. It is a method of study that drills down rather than casts wide and is used to determine the relationship amongst the variables influencing the current behavior or status of the subject unit of study. It is a published report about a person, group, or situation that has been studied over time.An evaluation of how an individual, business or corporation operates in relation to other groups in the same field of operation.

3.3 Data collection

The data collected was qualitative in nature, in the form of ideas and themes that are related to knowledge management. This allows an in-depth view of adoption of knowledge management strategies at the Kenya Revenue Authority. Primary and secondary data was used in the research. Primary data was collected through the interview guide, where the respondents were the heads of the ICT and Human Resource sections and revenue officers. The guide served as the best tool for enhancing confidentiality and precision.

Secondary data was sourced from the company information such as annual departmental reports and strategic plans. Previous surveys and scholarly researches on the operations of the Kenya Revenue Authority also provided a reliable source of data that enhanced the stature and credibility of the study. Benchmark knowledge management reports from audit firms in the industry gave a clear insight on how the state agency manages knowledge within its confines to enhance performance.

3.4 Data analysis

Content analysis was used in the case study. It is described as any technique for making inferences systematically objectively identifying specific characteristics of messages. All three approaches of content analysis: conventional, directive and summative were considered to derive the meaning from the content of text data and hence maintain adherence to the natural paradigm of the research.

Cooper and Schindler (2006) state that content analysis measures the semantic content or the “what” aspect of the message. Its breadth makes it a flexible and wide ranging tool that may be used as a methodology or problem-specific technique. It guards against selective perception of the content, provides for the rigorous application of reliability and validity criteria. The analysis was based on meanings and implications which emanated from the respondents information and documented data on knowledge management.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the data analysis, results and discussion. The section also includes presentations on the respondents' profile, the main study profile, knowledge management tools and techniques, Kenya Revenue Authority's fifth corporate plan and cultural issues.

4.2 Respondents profile

Knowledge management is a business level strategic approach. The respondents were chosen from the mid level management and comprised the Deputy Commissioners of Human Resource, ICT, I&E and Domestic Taxes (MST and LTO). They are all based at the head office and have over five years of experience at the authority as shown in Table 4.1.

Table 4.1 Gender of respondents

Gender	Frequency	Percent
Male	3	60%
Female	2	40%
Total	5	100%

Table 4.2 shows that the highest level of education achieved by most respondents was a master's degree (80%) followed by a bachelor's degree.

Table 4.2 Highest level of education of respondents

Highest level of education	Frequency	Percent	Cumulative percent
Bachelor's degree	1	20%	20
Masters degree	4	80%	100
Total	5	100%	

Source: Kenya Revenue Authority website, www.kra.go.ke

4.3 Main study sample profile

Out of the six questionnaires forwarded to the respondents, five were returned to the researcher. The overall response rate was 83.33%. According to Francis (2010), any of the imputation methods can be applied when missing data are under 10%, however, cases with missing data for dependent variables, any artificial increase in relationships with independent variables are avoided.

Lee (2002) suggests that incomplete data should be excluded from the analysis if they have missing values on items of specific interest to the study. However, no cases with missing data in the responsive section were obtained. This had no effect on the hypothesis testing of the research. As a result, the final data comprised 5 usable responses.

4.4 Knowledge management tools and techniques

Ermine (2005) and Gardi (2010) view knowledge management as a complex corporate problem. Sison (2006) on the other hand suggests two kinds of knowledge within an organization: Declarative and Procedural. Leask and Rathod (2008) describe four tools and techniques which are essential in aiding adoption of knowledge management as a strategic tool in the running of corporate and public organizations. The need for knowledge management adoption as an approach in strategic management at the Kenya Revenue Authority a result of both internal and external causes. As a result, the government agency adopted various sets of tools and techniques to incorporate it in its corporate plan. The authority adopted various techniques and tools in integrating knowledge management in its fifth corporate plan.

4.4.1 Case study

A case study is a written examination of a project, or important part of a project. It has a clear structure that brings out key qualitative and quantitative information from the project (Hovland, 2003). Case studies are often published with a broad audience in mind, so it is useful to bring the most useful and transferable information to the fore. KRA’s project and programme teams captured and recorded their learning and best practices in an effort to accumulate case study data. Structured case study format was used to relay information to the readers. The fact that it was written – often with a view to being published – meant that case study information was usually enduring and far-reaching.

4.4.2 Rapid evidence review (RER) and Knowledge banks

A rapid evidence review (RER) is a way of reviewing research and evidence on a particular issue. It looks at what has been done in a particular area and records the main outcomes. The Kenya Revenue Authority ran evidence reviews in several ways. Some are were exhaustive in their execution and ambitious in their scope. Fully-developed reviews scanned available literature as comprehensively as possible, using electronic databases and comprehensive sourcing. The RER provided a quicker but still useful way of gathering and consolidating knowledge. It was a useful building block from which to start work on new projects. The authority did not consider it a definitive review, but rather the most suitable given the time and resources available.

Due to the volume of published material, the review sourced and scanned selected research. It was run as in various ways such as: Gathering the group of people the top management hoped to get information from and asked them to write on paper any ideas and examples of work that relate to the being issue researched; Sticking these examples on the walls around the room and arranging them into themes; Grouping people according to the theme that contain their ideas or example of work; Running breakout groups by theme. KRA used group discussions to test the effectiveness of the practice.

A facilitator was present to record the discussion. As each person in the group discussed their work, the facilitator ensured that supporting evidence was captured. This included URLs, file paths, quotes, and contact details. At the penultimate stage, reports that summarized the discussion and outcomes were produced. These findings were published via the intranet and as a paper publication for reference purposes.

KRA also established knowledge Banks, which are online services and resources that hold information hence offering opportunities for learning and support. They were typically used to showcase the work of the authority and provided signposts to documents, articles and toolkits within the agency's database.

4.5 Kenya Revenue Authority's fifth corporate plan

Kenya Revenue Authority's fifth corporate plan identifies six strategic priorities: Creating a workforce that adheres to KRA core values and visions i.e. Integrity, Professionalism, Fairness, Equity, Commitment, Teamwork, and Corporate Social Responsibility (CSR). Ten initiatives were highlighted as enablers to drive achievement of this objective. Firstly, in recognizing the importance of leadership in determining the extent to which the staff adopt and adhere to the organizations core values, a leadership effectiveness measure was to be developed during the planning period. Secondly, the integrity programme was to be revamped to re-energize it and ensure conformity with the Leadership and Integrity Act. Thirdly, the Kenya School of Revenue Administration (KESRA) Strategic Plan would be implemented to enhance the levels of professionalism and competency.

Fourth, the equal treatment of customers would be enhanced based on the relevant provisions of the Leadership and Integrity Act. Fifth, KRA was to improve on the effectiveness of its Corporate Social Responsibility (CSR) programme by developing a measure of its effectiveness and once developed, re-orienting the programme to focus on aspects that maximize its effectiveness. Sixth, KRA would institutionalize change management within the Authority by undertaking a comprehensive change management programme and building a structure to support the initiative on a continuous basis. Seventh, KRA would tap talent of KRA staff by encouraging creativity and innovation aimed at improving work processes. Eighth, KRA would enhance staff performance monitoring by automation of staff performance management. Ninth, by institutionalizing knowledge management and developing a knowledge management system using proven knowledge management techniques and tools. Finally, the authority was to implement a succession management policy for sustained provision of capable staff with the right skills, knowledge and attributes.

Upgrading the work environment to enhance staff morale, efficiency and effectiveness was deemed necessary as to a considerable extent, poor service delivery resulted from an inadequate work environment for staff. KRA was faced with a situation where sharing of knowledge and skills between the outstations was near stagnant. Upgrading KRA’s ICT to facilitate achievement of international best practice, raise performance standards and reduce operational costs created a knowledge database and created a channel for knowledge sharing that enhanced operations and efficiency. It enabled the review of the Paying Taxes analysis as well as the relative areas of underperformance with respect to Upper Middle Income (UMI) countries, pointing out the growing importance of automation in ensuring improved service delivery.

The plan noted that almost certainly, the ICT objectives would be the most important to be carried out during the plan period. Six initiatives encompassed the bulk of the ICT activities. Firstly, the second ICT Strategy Blueprint would be developed including the development of the ICT Architecture. Secondly, information system security would be improved based on the ISO 27001/2/5 standard, which involves risk management for information and cyber security risks. Thirdly, ICT systems would be modernized and integrated, including the implementation of electronic invoicing, ITMS Phase II for Domestic Taxes Department (DTD), SIMBA upgrade for Customs Services Department (CSD), dynamic risk management system, enhancement of the Common Cash Receipting System (CCRS) to cover all KRA business systems, the Enterprise Resource Planning (FRP) solution, attaining a fully automated human resource management system to reduce the manual workload of these administrative activities and data warehouse which included developing a business intelligence framework to enhance intelligence of gathered information.

Fourth, KRA would continue to upgrade ICT infrastructure including its Local Area Network (LAN) and Wide Area Network (WAN) in all major towns as well as refurbish the ICT data centre. Fifth, ICT service management would be enhanced through implementation of an Information Technology Service Management (ITSM) tool. Sixth, the ICT related budget would be increased in line with best practice to 8%

- 10% of the total budget found in countries that have achieved the levels of service envisioned.

Having transformed from a tax-based structure to a function-based one, KRA was now set to implement a new structure to enhance productivity and service delivery through better management of its knowledge resources. This will lead to adoption of a flatter grading structure and improved coordination of support services among others. KRA would also enhance its ISO related capabilities by targeting accreditation in seven sectors while strengthening its institutional ISO related capabilities. Having finalized its Enterprise Risk Management (ERM) policy framework during the Fourth Corporate Plan period, the emphasis of the Fifth Corporate Plan will be to roll out the ERM, develop appropriate structures, and acquire requisite software. A final initiative will be improving management of KRA reform initiatives by rolling out the Prince "Project Management Methodology', implementing a project management dashboard and building additional capacity in business analysis, software quality assurance and testing.

4.6 Cultural Issues at the authority

Four important cultural issues were examined as enablers of knowledge management at the Kenya Revenue Authority as per its fifth corporate plan. These are mutual trust, collaboration, leadership and learning. The researcher found them key to the successful integration of the staff into the implementation of the plan. These are discussed in the following four subsections.

4.6.1 Mutual Trust between employees

Varying number of issues were researched under the mutual trust. To begin with, the respondents were asked to state if their staff were generally trustworthy. They were all affirmative that their staff were trustworthy, highlighting the fact that without trust none would be willing to share ideas. The study strived to deduce if the staff had corresponding faith in each others' abilities. All of the respondents agreed that the staff had reciprocal faith in their colleagues' abilities, the reason being that the staff consulted each other on matters of common interest.

4.6.2 Collaboration in the departments

Upon request to describe the degree of collaboration in their departments, the respondents agreed that the degree of collaboration in the organization was high. The researcher noted that 80 percent of the respondents confirmed that the degree of collaboration was high. The respondents were asked to state if the staff of their department/organization were supportive to which were all affirmative. They went explained that the staff 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 employees of their department/organization were helpful. The respondents agreed that the staff were helpful and noted that there was sharing of ideas among colleagues, with willingness to demonstrate various work procedures to others the mantra of the departments. The study also sought clarify if there was willingness to accept responsibility for failure, with results alluding that nearly half of the respondents could accept responsibility for failure.

4.6.3 Leadership in the departments

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. 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.

4.6.4 Learning culture in the authority

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 causes 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.

4.7 Discussion of the findings

The researcher set out to establish determine the extent to which KRA has adopted KM as a strategic approach in the fulfilment of its mandate of revenue collection. The research finding as discussed above support various arguments in the knowledge management literature on its adoption by the Kenya Revenue Authority. The tools and techniques deployed by the authority's top brass were clearly outlined in its fifth corporate plan of 2012/13 -2014/15. They were able to bridge the knowledge gap existent within the various levels of the organization, change the perception of knowledge creation and sharing and ease the completion of tasks in terms of the time resources. They also highlighted the difficulties that public entities face when implementing strategic decisions and their prevalence. This concurs with Matundura (2008) and Thiga (2010) who identified the same factors to have contributed to challenging strategy implementation in government agencies and parastatals in Kenya.

From the literature, long before the need for knowledge management emerge, warning signals start flashing, but managers often do not notice the red lights, or they ignore them. When they finally do acknowledge something is amiss, some managers will treat the problem as temporary phenomenon but not solving the issues. From the research findings, the knowledge management need signals for The Kenya Revenue Authority were felt long before the actual negative impacts of poor knowledge creation and sharing were encountered. This is manifest in the early 2000s when the authority could not meet set revenue collection targets set by the treasury, resulting in the need for external borrowing from donors so that the government could fund its projects and meet recurrent expenditure costs.

KRA actually returned most of the funds allocated for projects to treasury. The revenue collection from foreign investors continued to reduce due to attrition and the fact that there was communication breakdown between officers in the field and their superiors in the respective stations. This in effect led to shrinking of revenue margin. A strong management team should be aware of any potential difficulties or signs of trouble and should deal with them accordingly. Neglecting these warning signals can cause irreparable damage to the organization.

The research findings indicate that the main element of knowledge management strategy implementation at the Kenya Revenue Authority was change of top management tact in communicating change to subordinates and supporting knowledge sharing. Top management change of approach is widely quoted as a necessity for successful strategy implementation, simply when old ways of operating need to undergo drastic change. A change in top management approach is tangible evidence that something positive is being done to improve the organization's performance even though the cause of the poor performance may have been beyond management's control.

The strategic management literature provides empirical support for overlapping two-stage approach to corporate knowledge management adoption in strategy formulation and implementation: Declarative and Procedural. Procedural memory is proposed as the system containing knowledge of how to do things. This kind of knowledge guides both physical activities like cycling and swimming, and (partially) cognitive skills like playing chess or speaking in public. Usually, many trials are needed to acquire procedural knowledge, although one-trial learning does occur. These skills are hard to express verbally, if at all; the only way to show their presence is by means. Declarative memory is responsible for what cognitive psychologists traditionally consider to be knowledge, that is, storage of facts and events. Declarative knowledge is symbolic knowledge (Kapp, 2007), sometimes subdivided in semantic and episodic memory. Declarative memory affords an individual the capacity to store associations, and to do so in a single trial. It stores information in propositions the truth or falsity of which can be verbalized instantly. The system contains knowledge that can be thought and spoken about explicitly. There are exceptions to this rule, however, as in the case of memory for faces; these are very difficult to describe verbally.

Declarative knowledge can be altered under the influence of new memories. Declarative knowledge is not conscious until it is retrieved by cues such as questions. The retrieval process is not consciously accessible either; an individual can only become aware of the products of this process (Yates, 2008). It is also a very selective process. A given cue will lead to the retrieval of only a very small amount of potentially available information. Expression of declarative knowledge requires directed attention, as opposed to the expression of skills, which is automatic.

The cooperation of each of them is essential. The stakeholders have vested interest in the survival of the organization. If not involved in the process, they could frustrate any efforts to have a successful turnaround. Employee participation is essential to turning a business around. When employees are included in the restructuring plan, they tend to accept painful concessions as necessary to the company's survival. When restructuring is complete, the business is certainly indebted to these people and should compensate them for their contributions. The research findings at the Kenya Revenue Authority are in consonance with these observations.

The strategy used and the timing of the strategy determine the success its components. Strategies can be combined and used in various sequences since an initial strategy may require cost-cutting, and then be superseded by the revenue generating strategy but using the inappropriate strategy can be a terminal error (Wilter and Whittington, 2009) . The unique requirements of an organization and the situation will determine the knowledge management tools and techniques to be used. The adoption of a knowledge management as a strategy itself is no guarantee of recovery. For a strategy to be effective, it may have to be carried out swiftly, intensively and competently. Luck lustre adoption and deployment of knowledge management tools and techniques in the implementation of strategies may exacerbate poor performance.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary, recommendation, limitations of the study, suggestions for further study and the conclusion of the study. It presents a summarized conclusion to the research study and points out areas of improvement on the study subject.

5.2 Summary

Kenya Revenue Authority faced immense challenges in successfully implementing formulated strategies that led to declining performance. Some of the factors included the lack of knowledge sharing and communication structures hence resulting in no clear corporate strategy, non-performing staff, lack of improvable projects to finance, abrupt changes and the economic recession experienced in the country at the time.

To save the authority from further poor performance, the management embarked on adopting knowledge management based strategies that would see it recover from the poor productivity and assume normal effective operations into the foreseeable future. The strategies adopted were effective and led to improved performance by year 2014.

5.3 Conclusion of the study

The objective of this research was to identify the adoption of knowledge management as an approach to strategic management at the Kenya Revenue Authority to counter the declining performance. From the research findings and in consonance with the existing theory, no single knowledge management tool is able to confront poor performance of strategies. Organizations should adopt various knowledge management tools and techniques in their strategies concurrently for a success. The strategies adopted by KRA were effective as they resulted in improved performance.

5.4 Limitations of the study

The study was a case study, the research findings cannot be generalized to other organizations in the industry. Management is sensitive to environment and organizational factors. The study was time limiting as it was conducted within a short period of time. Some of the intended respondents like the departmental commissioners were not available for the interview. In addition those interviewed did not have sufficient time to explain all the issues in greater detail due to time factor. As such some of the information was derived from the published accounts and other publications.

5.5 Suggestions for further study

Further research can be carried out on the challenges that were encountered in the implementation process and how they were overcome. Government owned institutions are perceived to have lengthy and unnecessary bureaucratic processes which at times hamper the timely implementation of key strategies. As such the researcher should aim to find out whether this perception was true in case of KRA, a government is owned institution.

5.6 Recommendations of the study

The research findings indicate that the revenue collecting authority adopted the series of integrated strategies within two key phases- the decline stemming and the recovery phase. In order to improve the performance of the authority, senior management had to strengthen employee support by providing platforms for knowledge sharing and creation through continuous communication and updates of any changes that were being undertaken. The aim of the recovery phase was to ensure that the causes of poor knowledge sharing and creation were addressed and overcome.

As a result, knowledge management techniques adopted focused on maintaining both efficiency, and reliability reconfiguration in knowledge sharing and creation. The top management approach change was able to restore the employees' confidence and support. It's therefore important for any organization that wishes to undertake any knowledge management based strategies to first seek to understand the cause of the breakdown in sharing knowledge and factors hampering knowledge creation.

5.7 Implication on policy and practice

Critical in knowledge creation and sharing is to offset any communication problems. The results of the study indicate that the ability of an organization to achieve successful knowledge management within its confines largely depends on actions under the control of managers, either in the pre-poor knowledge creation and sharing conditions or in specific responses to breakdown in knowledge sharing and creation. From the research findings, the most successful way of stemming poor knowledge sharing and creation is carefully thought out blending of knowledge management techniques and tools when implementing strategies.

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Appendix I: Interview Guide

Section A

Position held in the authority.........………………………………................................

Department …………………………………………………………………….........

No. of years of experience at the authority……………………………………………..

Section B

1. What was the perception of knowledge creation and sharing prior to 2013?
2. What has been your role in knowledge creation and sharing within the authority?
3. What was the motivation for adoption of knowledge management as a strategy?
4. What were the strategies put in place to enhance knowledge management?
5. What challenges were faced in the adoption of knowledge management as a strategy?
6. Was the communication of the new strategies to the employees effective?
   If yes, please explain how
7. How were other employees in the organization involved in the knowledge management adoption process?
8. How has knowledge management changed how information is communicated to the employees?
9. What conditions, if any, facilitates knowledge creation within the authority?
10. How does knowledge sharing enable you to complete tasks more efficiently?
11. In your view were the strategies employed to enhance knowledge management effective?
12. Comment on the Kenya Revenue Authority then and now
13. Where do you see the state of knowledge creation and sharing at the Kenya Revenue Authority in the next 5 years?

Thank You.

Appendix II: Summary of Kenya Revenue Authority's Fifth Corporate Plan

VISION	MISSION	STRATEGIC GOAL	STRATEGIC OBJECTIVES	MAIN INITIATIVES TO ACHIEVE OBJECTIVES
PEOPLE PERSPECTIVE	CORPORATE PERSPECTIVE	MANAGEMENT PERSPECTIVE	MANAGEMENT PERSPECTIVE	STRATEGIC ORIENTED
To be the leading revenue authority in the world, respected for professionalism, integrity and fairness	To promote compliance with Kenya's tax, trade and border legislation and regulation through communication, quality service And responsible enforcement thereby contributing to social and economic well being of Kenyans	Creating a workforce that adheres to KRA's values and vision	Development of leadership effectiveness measures Development of new integrity strategy and implementation Developing professionalism by ensuring competency and efficiency	A leadership effectiveness measure developed Implementation of provisions of the Leadership and Integrity bill once it becomes law Implementation of the CIAT integrity Act. Develop composite measure of integrity in the authority

Source: KRA Website, www.revenue.go.ke (2014)