

**INFLUENCE OF STRATEGY IMPLEMENTATION PRACTICES ON THE
PERFORMANCE OF KENYA REVENUE AUTHORITY**

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KENYA METHODIST UNIVERSITY**

JUNE, 2025

DECLARATION

I declare that this thesis is my original work and all the reference materials are fully acknowledged.

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DEDICATION

I dedicate this work to my loving brothers: Joseph Kiarie and Stephen Mbugua.

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ABSTRACT

Strategy implementation is a critical process that influences an organization's performance. However, the implementation of a strategy does not happen easily or automatically due to various internal and external challenges. The Kenya Revenue Authority has developed strategies through different corporate plans, implemented at different phases. This study sought to establish how strategy implementation affects the Kenya Revenue Authority's performance from the perspective of the drivers of strategy implementation. The specific objectives of the study were to establish: the influence of resource allocation, the influence of strategic leadership, the influence of human capital development, and the influence of organizational structure on the performance of KRA. The study applied a descriptive research design. The unit of observation was 196 middle-level managers at KRA involved in strategy implementation. A stratified random sampling method was used in the study with the Taro Yamane formula, where 132 were sampled and the sample was distributed among the various departments (strata). Questionnaires were the instruments for the study, where data were gathered through the physical administration of the questionnaires. The study used descriptive and inferential analysis to analyze the data. Descriptive analysis was involved in the determination of mean, frequency, percentages, and standard deviation. The inferential analysis helped in hypothesis testing through regression and correlation analysis at a 0.05 significance level. Results emerging from the study were tabulated, whereas interpretations and discussions were presented in narratives. Results revealed a β of 0.094 and a p-value of 0.475 between the allocation of resources and KRA's performance. Results revealed a β of 0.160 and a p-value of 0.176 between strategic leadership and the performance of KRA. Additionally, results revealed a β of 0.034 and a p-value of 0.828 between strategic communication and the performance of KRA. Lastly, results revealed a β of 0.052 and a p-value of 0.627 between human resource development and the performance of KRA. The study recommends a proactive allocation of sufficient staff, financial resources, and technological equipment for effective strategy implementation. The study also recommends that leaders should continue to communicate the vision and mission of the organization in a visionary manner for effective strategy implementation. Strategic leaders should also communicate their visions and inspire employees to achieve high targets that translate to better organizational performance. The study also recommends that organizations adopt a comprehensive strategic leadership approach that places a strong emphasis on human resource development. Employees should embrace change and also become more adaptable to change initiatives that are tailored to respond to market trends. Finally, KRA should prioritize mechanisms for collecting and incorporating feedback, creating a dynamic and responsive strategic environment that ultimately contributes to improved organizational performance.

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LIST OF ABBREVIATIONS AND ACRONYMS

AMOS	Analysis of moments and structures
CEOs	Chief Executive Officers
CFA	Confirmatory Factor Analysis
EFA	Exploratory Factor Analysis
JSE	Jakarta Stock Exchange
KEBS	Kenya Bureau of Statistics
KMO	Kaiser-Meyer-Olkin
KRA	Kenya Revenue Authority
RoK	Republic of Kenya
SMEs	Small and Medium Enterprises
UK	United Kingdom
USA	United States of America

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The performance of revenue authorities is critical in determining a nation's fiscal health, economic stability, and service delivery. Across the globe, revenue authorities are responsible for collecting and managing taxes, ensuring that governments generate sufficient revenue to fund essential services such as infrastructure, healthcare, and education (Keen & Slemrod, 2017). The ability of a government to meet its budgetary allocations depends significantly on how well tax revenues are collected and managed (Klein et al., 2020). A well-functioning tax system not only finances government expenditure but also fosters economic growth and job creation, reinforcing long-term economic stability. Despite the crucial role played by tax authorities, achieving high performance remains a challenge due to various inefficiencies in strategy implementation. For the Kenya Revenue Authority (KRA), strategic implementation is essential in ensuring tax compliance, improving revenue collection, and streamlining operational efficiencies. However, gaps in resource allocation, leadership, human capital, and organizational structures continue to impact KRA's ability to execute its strategies effectively, necessitating an inquiry into how these factors influence its overall performance (Mc Laughlin & Buchanan, 2017).

A well-performing tax authority ensures the efficient allocation of resources, directing funds to priority sectors such as public infrastructure, education, and healthcare, which are vital for economic sustainability and development (Moses, 2023). Furthermore, an effective revenue collection system enhances fairness and equity, ensuring that all taxpayers fulfill their obligations without evasion or fraud (Povetkina et al., 2018).

However, despite the presence of tax policies and compliance mechanisms, revenue leakages and inefficiencies continue to pose significant challenges. Many tax authorities struggle with weak enforcement mechanisms, inadequate personnel, and outdated technology, which hinder optimal tax administration. At KRA, strategic implementation plays a key role in tackling these challenges by fostering efficiency in tax collection and ensuring compliance among businesses and individuals. The effectiveness of KRA's performance is, therefore, highly dependent on how well it implements its strategic initiatives, making it imperative to assess the role of strategic drivers in influencing its overall success (Tilahun, 2019).

Organizations, whether public or private, require well-defined strategies to enhance their competitiveness and effectiveness. Strategic implementation transforms organizational plans into actionable steps, ensuring that firms achieve their desired objectives (Gamble et al., 2015). However, many organizations struggle with executing their strategies due to misalignment of resources, unclear priorities, and weak leadership structures. In the public sector, ineffective strategy implementation results in service delivery inefficiencies, affecting the ability of institutions to meet citizen expectations (Kaino, 2016). For KRA, strategy implementation is fundamental in driving performance, particularly in tax administration, enforcement, and compliance. The ability to implement strategies successfully ensures that revenue collection targets are met, contributing to national development goals. However, weak coordination, budgetary constraints, and resistance to change often hinder effective execution, highlighting the need for a structured approach to strategy implementation.

Managers play a critical role in ensuring that organizations have the right resources to execute their strategies successfully. Effective resource allocation enables organizations to optimize scarce resources, ensuring that all stakeholders derive maximum value (Mubarak & Yusoff, 2019). Strategic implementation also involves aligning an organization with its external environment to mitigate risks and leverage opportunities. Without a well-structured implementation framework, organizations remain vulnerable to market uncertainties, regulatory changes, and operational inefficiencies. At KRA, the success of tax administration depends on the institution's ability to align its strategies with emerging economic and regulatory trends. However, inadequate leadership support, inconsistent policy execution, and inefficient resource utilization often slow down the progress of strategic initiatives (Tilahun, 2019). Therefore, examining the influence of resource allocation, strategic leadership, human capital development, and organizational structure on KRA's performance is essential in identifying areas for improvement.

In public institutions, strategic implementation is fundamental in enhancing service delivery, improving governance, and ensuring efficient utilization of resources. Governments worldwide require ministries and agencies to develop strategic plans that outline their objectives and implementation frameworks (Kipkorir & Ronoh, 2017). In Kenya, performance agreements and contracts are used to track the progress of public entities in executing their strategic plans. Despite these efforts, many public institutions still face challenges in strategy execution, leading to inefficiencies in service delivery. At KRA, the strategic implementation process is vital for ensuring compliance with tax policies, enhancing revenue collection, and fostering accountability. However, various

constraints, including bureaucratic delays, inadequate technology, and skill gaps, affect the effective execution of strategic plans. Investigating the key drivers of strategy implementation within KRA is, therefore, necessary to identify factors that influence performance and propose recommendations for improvement.

Commitment to strategic implementation is a crucial determinant of organizational success. Managers must demonstrate dedication in executing strategies, ensuring that objectives are met within the allocated time and budget (Kaino, 2016). Effective implementation requires financial resources, skilled personnel, and technological support to drive efficiency and performance (Gamble et al., 2015). In the public sector, strategic implementation plays a key role in enhancing service delivery, promoting transparency, and optimizing resource utilization. Unfortunately, many public institutions, including KRA, face challenges in executing their strategic initiatives due to inadequate implementation models. Addressing these gaps is essential in improving operational efficiencies and ensuring that KRA meets its performance objectives.

1.1.1 Global Perspective on Strategy Implementation and Performance

Globally, revenue authorities have adopted various strategic implementation measures to enhance their performance. In the United States, the Internal Revenue Service (IRS) has implemented a diversified tax structure that includes federal, state, and local taxes, covering corporate, income, and consumption taxes (Bogaevskaya, 2019). The IRS integrates data analytics and stringent enforcement mechanisms to ensure compliance and efficiency in tax administration (Afonso & Alves, 2018). The integration of technology with these strategies has significantly enhanced revenue collection, resulting in greater economic stability. Similarly, in the United Kingdom, the tax system includes

corporate, income, and value-added taxes, with the government optimizing tax collection through tax education, simplified tax regulations, and digital technology (Advani et al., 2021). The UK government encourages voluntary tax disclosure by fostering collaboration between businesses and tax authorities, a strategy that has reduced tax evasion and stimulated economic growth (Ghodsi & Webster, 2018).

China's tax system, which includes VAT and personal income tax, has been strengthened through strategic implementation efforts such as taxpayer education, digital tax administration, and enhanced enforcement mechanisms (Amin et al., 2018). China has taken robust measures to combat tax evasion, particularly through transparency initiatives and anti-avoidance policies. These measures have significantly improved tax performance and economic stability (Wang et al., 2021). Similarly, in Malaysia, revenue collection is driven by corporate taxes, income taxes, and the sales and service tax, which replaced the previous goods and services tax (Abdul et al., 2021). Malaysia's tax authority promotes compliance through tax education, frequent audits, and transparent enforcement policies. The combination of these strategies has resulted in reduced tax evasion and improved economic sustainability (Sahari et al., 2020).

1.1.2 African Perspective on Strategy Implementation and Performance

African revenue authorities have also embraced strategic implementation efforts to enhance tax performance. In South Africa, the government relies on multiple sources of tax revenue, including customs duties, income tax, corporate tax, and VAT. The South African Revenue Service (SARS) has integrated electronic tax systems, risk assessment mechanisms, and digital enforcement strategies to enhance tax administration. Furthermore, taxpayers receive education on tax compliance through business clinics

and workshops, which has increased voluntary compliance despite challenges with illicit financial flows. Leadership is a critical factor in achieving superior performance, according to the study. The study found that financial constraints, poor leadership, and weak organizational culture were significant barriers to effective strategy implementation. (Burger & Schoeman, 2021).

Similarly, in Ghana, revenue generation is primarily based on corporate tax, income tax, and VAT (Aboagye & Hillbom, 2020). The Ghana Revenue Authority (GRA) has improved tax administration through technology, tax education, and tax identification systems, which require businesses and individuals to use personal identification numbers (Ameyaw & Dzaka, 2016). The study emphasized that these measures have significantly improved voluntary tax compliance, even though Ghana has yet to achieve full budgetary financing through taxation. In Nigeria, revenue sources mirror those of Ghana, but the country faces high levels of tax evasion due to a large informal economy and weak tax administration. The Nigerian government has implemented measures such as taxpayer education, electronic tax systems, and targeted audits to improve compliance. Despite these efforts, tax compliance remains a challenge, necessitating stronger enforcement mechanisms (Obafemi, 2021).

In Tanzania, revenue collection strategies include technology adoption, tax administration modernization, and taxpayer education. The Tanzania Revenue Authority has broadened the tax base and simplified tax procedures to enhance compliance. However, despite improvements in tax revenue, challenges such as limited tax coverage and informal economic activities persist. Continued implementation of tax

reforms remains essential in strengthening Tanzania's revenue performance (Fjeldstad et al., 2020).

1.1.3 Local Perspective on Strategy Implementation and Performance

Kenya's approach to strategy implementation and performance is closely linked to its economic landscape, revenue structures, governance frameworks, and taxation policies (Maika, 2020). The study emphasized that the country has a diverse economy driven by key sectors such as agriculture, services, and manufacturing. In recent years, there has been a strategic shift towards diversifying income sources to reduce overreliance on conventional sectors. A notable initiative in this regard is the government's investment in the technology and innovation sector, exemplified by the development of Konza Techno City. These efforts are aimed at expanding Kenya's financial avenues while positioning it as a leading hub for technology-driven businesses within the region. By fostering a strong technological ecosystem, Kenya seeks to enhance economic resilience and create new revenue streams that support long-term national development.

To improve efficiency and transparency in governance, Kenya has undertaken significant administrative reforms. One of the most impactful initiatives is the establishment of Huduma Centers, which serve as integrated service points for multiple government functions. These centers have played a crucial role in reducing bureaucratic inefficiencies, making it easier for businesses and individuals to access essential government services. These reforms have directly contributed to a more favorable environment for strategy implementation by allowing businesses to focus on core operations rather than navigating complex regulatory processes. Additionally, the Kenyan government has adapted its taxation system to align with the digital economy.

The introduction of the Digital Service Tax (DST) is a significant policy shift, ensuring that companies generating revenue through digital platforms contribute their fair share of taxes. The adoption of such measures reflects Kenya's commitment to staying responsive to global technological and economic trends while enhancing domestic revenue collection (Abdul et al., 2021).

From a corporate perspective, strategic adaptability has been a key factor in driving performance among leading firms. Safaricom, Kenya's dominant telecommunications provider, serves as a prime example of how businesses leverage strategic implementation to achieve long-term growth. Safaricom has successfully expanded beyond traditional telecom services by diversifying into mobile money solutions through M-Pesa and home internet services. This approach has significantly increased its revenue streams and strengthened its market leadership. Kenya's broader approach to strategy implementation integrates multiple revenue streams, streamlined administration, and an evolving taxation framework. These combined efforts have fostered a business environment that supports innovation, economic stability, and sustainable growth (Ndwiga & Theuri, 2023).

1.1.4 Perspective of the Kenya Revenue Authority

The Kenya Revenue Authority (KRA), established in 1995 under an Act of Parliament, plays a crucial role in revenue collection on behalf of the government. Over the years, KRA has implemented various strategic plans to enhance its efficiency and effectiveness in tax administration. For example, the Seventh Corporate Plan focused on revenue mobilization through transformative, data-driven decisions. Currently, KRA is implementing the Eighth Corporate Plan, which aligns its strategies with Kenya's

Vision 2030, the Budget Policy Statement 2021, and the Big Four Agenda. In addition, KRA's corporate strategies incorporate global and regional development frameworks such as the Sustainable Development Goals (SDGs) and Africa's Agenda 2063. These initiatives aim to enhance revenue mobilization while improving service delivery through tax simplification, technology adoption, and tax base expansion (Muremi & Wadongo, 2021).

Despite the structured strategic plans, KRA has faced significant challenges in implementing its strategies, affecting its ability to meet revenue collection targets. Inadequate funding, unrealistic revenue targets, and weak interdepartmental collaboration hinder the effective execution of strategic initiatives. Moreover, leadership politicization, corruption, and an unfavorable organizational culture further complicate the strategic implementation process. These challenges highlight the need for an effective strategic framework that addresses financial constraints, fosters a transparent organizational culture, and strengthens interdepartmental collaboration to ensure the successful execution of strategic plans. By examining the factors influencing strategic implementation at KRA, the study seeks to establish a basis for improving revenue mobilization and enhancing overall organizational performance (Musiega et al., 2023).

1.2 Statement of the Problem

Revenue authorities serve as a critical measure of a nation's financial stability, as they are responsible for mobilizing domestic resources that fund public services, social programs, and infrastructure projects (Klein et al., 2020). A country's ability to finance its budget through internally generated revenues, rather than relying on external

borrowing, reflects its fiscal discipline and economic sustainability (Hassan, 2022). Effective tax collection systems play a vital role in reducing dependence on foreign aid, allowing nations to support their development. For instance, Norway has leveraged oil revenues and a robust taxation framework, while Singapore has successfully relied on domestic revenues and prudent fiscal management to sustain economic growth (Ifeanyichukwu, 2016). These cases illustrate how strategic revenue collection policies contribute to economic self-reliance.

However, most developing nations struggle to achieve sustainable budgeting, leading to heavy reliance on the International Monetary Fund (IMF) and World Bank loans to finance their economies. This dependency has created debt traps, where nations fall into cycles of perpetual borrowing. The conditions attached to such loans, including structural adjustment programs and austerity measures, often disrupt economic and social programs, exacerbating financial instability. Countries such as Zambia, Greece, and Argentina have experienced severe debt crises due to their inability to generate sufficient revenue internally. Kenya's debt-to-GDP ratio was at 70.5% in 2022 and projected to rise to 79.2% by 2023, indicating a growing fiscal burden that requires urgent measures in revenue mobilization (Nnyanzi et al., 2018)..

In response to these challenges, the Kenya Revenue Authority (KRA) has developed strategic plans to enhance revenue collection and service delivery. The eighth corporate plan for 2021 and 2024 aims to align KRA's strategies with Vision 2030, the Budget Policy Statement, and the Big Four Agenda. However, despite these strategic initiatives, KRA has not fully realized its revenue targets, partly due to challenges in strategy implementation. The persistent increase in Kenya's external debt underscores the urgent

need for improved revenue collection strategies to close fiscal gaps and reduce reliance on borrowing (Murimi et al., 2021).

While extensive research exists on strategy implementation, most studies have focused on the private sector, creating a gap in understanding public sector contexts, particularly revenue collection agencies. Formal firm structures and strategic leadership significantly influence the growth of top SMEs in Nairobi County (Maika, 2020). Another study highlighted the role of communication in strategy implementation within agribusiness firms in Kisumu County (Cheruiyot, 2022). However, these studies present contextual gaps as they were conducted in different sectors and geographical locations. They also pose conceptual gaps, as they examined strategy implementation as a dependent variable rather than as a driver of organizational performance. Furthermore, methodological gaps arise, as these studies primarily employed correlational surveys, differing from the approach of the current study. To bridge these gaps, this study investigates the influence of strategy implementation practices on the performance of the Kenya Revenue Authority, addressing contextual, conceptual, and methodological limitations in existing research.

1.3 Research Objectives

1.3.1 General Objective

To establish the influence of strategy implementation practices on the performance of the Kenya Revenue Authority.

1.3.2 Research Objectives

- i. To examine the influence of resource allocation on performance of the Kenya Revenue Authority.

- ii. To assess the influence of strategic leadership on performance of the Kenya Revenue Authority.
- iii. To analyze the influence of strategy communication on the performance of the Kenya Revenue Authority.
- iv. To evaluate the influence of human resource development on the performance of the Kenya Revenue Authority.

1.4 Research Hypotheses

HO₁: Resource Allocation does not have a significant influence on the performance of the Kenya Revenue Authority

HO₂: Strategic Leadership does not have a significant influence on the performance of the Kenya Revenue Authority

HO₃: Strategy communication does not have a significant influence on the performance of the Kenya Revenue Authority

HO₄: Human Resource Development does not have a significant influence on the performance of the Kenya Revenue Authority

1.5 Justification of the Study

This study was significant to different types of people: policymakers, future researchers, and public institutions. The study offers value to policymakers by establishing the hurdles of implementing strategies in the public sector. Good and well-developed strategies have often failed in the public sector due to poor implementation strategies. This study highlights the role of various stakeholders in implementing strategies and synergy-building in the public sector.

The study also offers value to all Kenyan public institutions by identifying the hurdles that affect strategy implementation. The study also highlights the various ways to overcome the challenges to ensure the public sector serves its goal of economic development. The study also sheds more light on how the private-public partnership can be used to help the public sector's performance.

Finally, the study can be used in theory development and hypothesis testing of the various theoretical models used in the paper. The study can be useful in theory development as it tests hypotheses that are useful for theory development. The study also criticizes theories, thus shedding more light on existing theoretical models. The study explains the predictability of theories in explaining the different phenomena in strategic implementation and performance, or any variable that may be applicable in the future. The study benefits scholars and further similar research in the field of strategic implementation in Kenyan firms.

1.6 Scope of the Study

This study has identified four main objectives: resource allocation, strategic leadership, strategic human resource development, and strategic communication. These objectives guide the literature reviews used in the study as well as offer recommendations on how KRA can use these variables to improve its performance. The study took one year and was conducted among middle-level managers working in the various organizational departments. Questionnaires were used to collect data that aligns with the research objectives. This study used quantitative and qualitative techniques of data analysis.

1.7 Limitations of the Study

Some respondents were not willing to participate in the data collection because of confidentiality concerns. These respondents feared that their responses could be exposed to third parties. However, this study ensured that it did not expose or link personal details such as the names of the respondents in the research to conceal the identities of the participants. The researcher also ensured that all the respondents were issued with an authorization letter from the University to ensure that respondents were assured of confidentiality. The confidentiality letter assures that the research was used for academic purposes only and that no information was divulged to third parties.

The study relied on primary data whose credibility and validity depended on the honesty of the respondents in answering the questions. Some respondents who are middle managers usually had tight job schedules which means they may assign their assistants to answer the questionnaires, the act has the effect of compromising the validity of the responses given, the researcher, however, gave a disclaimer that the questionnaire was confidential and it was only meant for the addressed person and not their assistants to help in gathering valid data. On the part of the researcher, quantitative (scientific methods) testing for validity and reliability was used to establish instrument validity and reliability.

1.8 Operational Definition of Terms

Performance of the Kenya Revenue

Authority: Performance refers to what an organization can achieve when different resources in an organization are put into use (Wang et al., 2021). The KRA's

performance was measured by its employees' growth and the amount of revenues collected in different years.

Strategy Implementation: Refers to the process by which an organization turns a plan into action to ensure the organization achieves its outcomes. Strategic implementation entails the monitoring, evaluation, and adjustments of an organization's strategic initiatives (Ifeanyichukwu, 2016).

Human Resource Development: Refers to the framework adopted by KRA to help its employees improve their skills, abilities, and knowledge. Human resources are concerned with the training of employees after they are hired to ensure they acquire more skills and abilities (Musiega et al., 2023).

Resource Allocation: It is the way by which an organization assigns and manages assets in a manner that helps the organization achieve its goals. Resource allocation entails managing both the tangible and the intangible assets in an organization to help it achieve its goals. Resource allocation requires an organization to balance the various competing needs and priorities of the organization and maximize the use of limited resources

in a manner that increases an organization's competitiveness (Mubarak & Yusoff, 2019).

Strategic Leadership:

A leader can identify a strategic plan that allows an organization to achieve its mission. Strategic leadership uses the available resources to ensure that an organization works towards achieving its future goals (Abdul et al., 2021).

Strategy communication:

Refers to the way an organization ensures that there is consistent information on the decisions made in the organization. Strategic communication is focused on distributing and receiving information through the correct channels. Organizations use strategic communication to get the right feedback from the stakeholders to achieve organizational goals (Percy, 2008).

Strategy:

Refers to the course of action or plan designed by an organization to achieve a long-term goal (Percy, 2008). KRA's strategy refers to the roadmap that defines its overall mission, vision, and direction taken by the organization. Strategies enable organizations to integrate their activities and allocate scarce resources to meet organizational objectives.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The theoretical review, the empirical review, and the conceptual framework used in the study are presented here. The theoretical review presents the theories used in this research, while the empirical review discusses the literature derived from other studies. The conceptual framework and the operationalization of variables provided the variables and the indicators for the variables that were used in the study.

2.2 Theoretical Review

This section utilized several theories to describe the current study by explaining their applicability and connecting them to the research variables. The approaches used in this study include the upper Echelon theory, the contingency theory, the theory of constraints, and the stewardship theory.

2.2.1 Upper Echelon Theory

The Upper Echelon Theory posits that executives perceive and respond to organizational situations based on their experiences, values, personalities, and cognitive orientations. These individualized perspectives influence decision-making processes, which, in turn, shape an organization's strategic direction and performance. In the quest to determine the impact of CEO characteristics on strategic choices using upper echelon theory, a study found that factors such as prior experiences, educational background, and tenure significantly affect managerial decisions and performance outcomes. The theory asserts that the cognitive makeup of top executives influences how they scan, interpret, and respond to environmental conditions, ultimately determining the success of strategic initiatives (Bassyouny et al., 2020).

The CEO's characteristics, including age, formal education, and leadership experience, play a measurable and critical role in shaping firm performance. The theory highlights that executive cognition, shaped by past experiences, dictates how leaders assess risks, seize opportunities, and implement strategic plans. Since strategic leadership is closely tied to executive perception and decision-making, Upper Echelon Theory provides a framework for understanding how leadership traits affect the formulation and execution of strategic decisions. CEOs with extensive industry experience may be more adept at allocating resources efficiently, while those with strong analytical skills may adopt more structured decision-making approaches (Bassyouny et al., 2020). This theory is essential in explaining how leadership traits influence strategic leadership, organizational structure, and human capital development, affecting overall organizational performance.

By linking leadership characteristics to strategic choices, the theory provides insights into how top executives influence the structural and operational efficiency of an organization. CEOs' cognitive biases shape their ability to implement strategic models, affecting how they allocate resources, structure organizational processes, and develop human capital (Bassyouny et al., 2020). Since executive choices determine the firm's capacity to innovate and remain competitive, analyzing leadership traits through the Upper Echelon Theory enables organizations to refine their leadership selection processes. This perspective is instrumental in understanding how organizations like KRA can align leadership characteristics with strategic objectives to enhance overall efficiency and performance.

2.2.2 Contingency Theory

Fred Fiedler introduced the Contingency Theory in the 1960s while studying leadership effectiveness, emphasizing that leadership effectiveness is contingent on the interplay between a leader's traits and situational factors (Shala et al., 2021). The theory posits that leadership is not a one-size-fits-all approach but rather a dynamic interaction between leaders and organizational environments. Since different organizational structures and strategic goals require distinct leadership styles, Contingency Theory asserts that effective leaders should be selected based on their ability to match the specific needs of an organization (Wu & Choi, 2022).

Leaders can be relationship-oriented or task-oriented, and the effectiveness of either approach depends on contextual factors such as organizational structure, resource availability, and external pressures. Relationship-oriented leaders focus on team cohesion and motivation, fostering a collaborative environment that enhances human capital development. On the other hand, task-oriented leaders prioritize efficiency and goal achievement, making them more suited for structured environments with well-defined processes. The ability to align leadership style with organizational demands directly influences strategic decision-making, human resource development, and the effective allocation of resources (Childs et al., 2022).

This theory is particularly relevant in explaining the role of strategic leadership in human capital development and resource allocation. Since leadership effectiveness depends on an organization's circumstances, firms must ensure that their leaders possess the skills and strategic insight necessary to navigate evolving challenges (Gunaratne &

Lee, 2021). The theory underscores the importance of leadership alignment with organizational needs, particularly in resource-intensive environments where strategic planning plays an important role. By applying Contingency Theory, organizations like KRA can identify leadership models that foster agility, efficiency, and adaptability, ensuring that resources and human capital are optimally utilized.

2.2.3 Theory of Constraints

Theory of constraints asserts that every organization faces constraints—whether in processes, resource allocation, or leadership—that hinder operational efficiency and strategic success. By recognizing these constraints, managers can develop strategies to optimize resources and improve performance outcomes (Datt et al., 2024). The application of this theory is particularly relevant in strategic leadership, human capital development, and resource allocation, as it enables firms to identify weaknesses and implement targeted interventions.

Organizations must first diagnose weak links in their operational frameworks before implementing performance-improvement initiatives. Ignoring bottlenecks leads to inefficiencies, conflicts between departments, and increased operational costs. For instance, a misaligned organizational structure may hinder communication between departments, limiting the effectiveness of strategic leadership and human capital development. The theory suggests that firms should focus on strengthening their weakest links rather than investing in non-critical areas that do not directly impact performance (Datt et al., 2024).

In the context of resource allocation and strategic leadership, the theory of constraints provides a framework for organizations to optimize performance by addressing

inefficiencies at their core. Constraints can exist in areas such as human resources, technology, procurement, and process workflows, all of which affect an organization's ability to execute its strategy effectively (Zare et al., 2021). By identifying and addressing these weak links, organizations like KRA can enhance operational efficiency, improve decision-making structures, and ensure that resources are allocated in ways that maximize organizational success.

2.2.4 Stewardship Theory

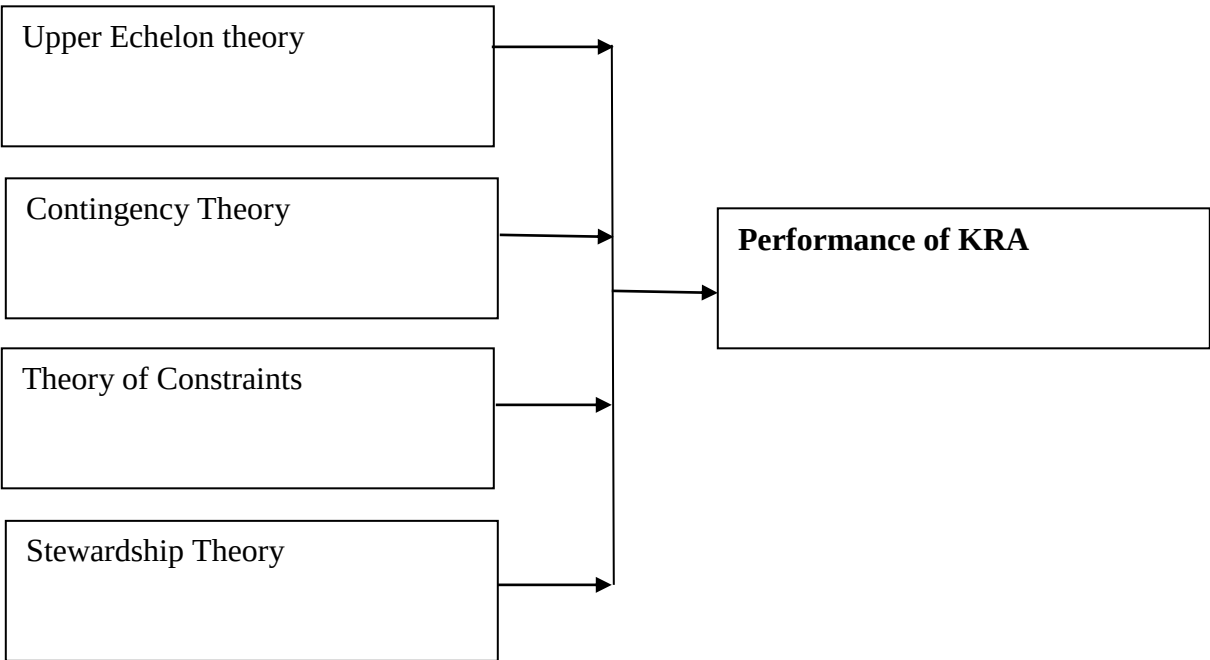
Managers act as responsible stewards who prioritize organizational success over personal gains. Unlike agency theory, which assumes that managers act in self-interest, Stewardship Theory posits that leaders are intrinsically motivated to align their objectives with those of the organization. This theory emphasizes trust, empowerment, and collaborative decision-making, making it particularly relevant in strategic leadership, human capital development, and organizational structure (Rouault & Albertini, 2022).

Stewardship behavior is fostered when managers are provided with autonomy and intrinsic rewards such as job satisfaction, tenure stability, and a sense of purpose. Managers who perceive their roles as stewardship responsibilities are more likely to engage in effective strategic leadership, ensuring that human capital is nurtured and aligned with organizational objectives. The theory underscores the importance of strategic communication in fostering trust and engagement within an organization. Leaders who communicate transparently and motivate employees through mentorship programs can cultivate a performance-oriented culture that drives long-term success (Löhde et al., 2020).

Stewardship Theory also provides insights into organizational structure by advocating for leadership models that prioritize collective success over individual incentives. Organizations with strong stewardship cultures experience higher employee engagement and operational efficiency due to their emphasis on shared goals (Wei et al., 2021) . In organizations like KRA, strategic leadership based on stewardship principles can enhance communication, optimize resource allocation, and strengthen human capital development. By fostering a culture of responsibility and accountability, Stewardship Theory provides a valuable framework for organizations seeking to improve performance through strategic leadership and effective resource management.

Figure 2.1

Theoretical Framework



Source: Author (2025)

2.3 Empirical Literature

2.3.1 Influence of Resource Allocation on the Performance

A study to examine the effect of resource allocation on performance used a cross-sectional survey within the Kenyan commercial banking sector (Njagi, 2014). The research primarily examined the role of resource allocation in influencing firm performance, emphasizing how the institutionalization and operationalization of strategy shape banking sector outcomes. The study encompassed all 43 commercial banks in Kenya as its analytical units, with a specific focus on top managers. A census sampling approach was employed, targeting chief executive officers (CEOs) to provide insights into strategic decision-making and resource utilization. The study utilized both descriptive and inferential analyses, incorporating means, frequencies, correlation coefficients, and regression analysis at a 0.05 significance level. The findings indicated a significant impact of strategy implementation on private-sector performance, with resource allocation emerging as a key determinant of success. However, the study was confined to commercial banks, which operate under distinct regulatory frameworks and profit-driven objectives, differing from public sector organizations such as the Kenya Revenue Authority (KRA). Given these contextual differences, a research gap exists in understanding how resource allocation influences the performance of public institutions with non-commercial mandates. This study seeks to address that gap by focusing on KRA, where resource allocation may be influenced by bureaucratic structures, regulatory constraints, and public service imperatives.

The relationship between strategy implementation and firm performance among manufacturing companies listed on the Jakarta Stock Exchange (JSE) was conducted

through a cross-sectional survey, collecting data via online questionnaires from top-level managers (Ibrahim et al., 2012). A predominantly quantitative approach was used, applying regression analysis, hierarchical modeling, and PROCESS in Smart PLS-4 to analyze data. The findings revealed that strategic implementation had a positive impact on performance. Notably, the study highlighted that the moderating role of formalized structures in resource allocation and policy-making strengthened the link between strategy implementation and firm performance.

While this study provides valuable insights into the role of structured resource allocation in organizational success, its findings are specific to the private sector in Indonesia. Manufacturing firms, particularly those listed on stock exchanges, prioritize profit maximization and operate under different strategic frameworks compared to public institutions like KRA. Unlike private enterprises that have flexibility in resource allocation, public institutions operate under government-imposed budgetary constraints and accountability structures. Consequently, there is a need to investigate how resource allocation affects the performance of public entities operating under different regulatory, structural, and strategic conditions. This study will address that gap by focusing on KRA's unique context.

The challenges of implementing performance management systems among state-owned enterprises in Ghana, applying a qualitative cross-sectional survey approach, were investigated (Ohemeng, 2009). Data were collected through interviews with CEOs and senior bureaucrats, focusing on institutional and capacity-related constraints. The study identified key challenges, including organizational culture, institutional fragmentation, public apathy, and leadership support. It underscored the significance of performance

management systems in enhancing both individual and organizational effectiveness in delivering public services. Although the study provides useful insights into performance management in public enterprises, its findings are based on Ghana's regulatory and institutional framework, which differs from Kenya's governance structures. Furthermore, while the study identified broad institutional constraints, it did not specifically interrogate the role of resource allocation in influencing performance. Public sector performance is often tied to how financial, material, and human resources are allocated and utilized, yet this remains underexplored in the Kenyan context. Therefore, there is a need to investigate how resource allocation influences the performance of public institutions such as KRA, which must balance efficiency with regulatory compliance and service delivery.

2.3.2 Influence of Strategic Leadership on the Performance

Another study on leadership and performance focused on the top 200 South African financial firms (Jooste & Fourie, 2009). The study employed a cross-sectional survey methodology, targeting 1,000 randomly selected top directors through email questionnaires. The research sought to identify obstacles to strategy implementation, factors that facilitated overcoming these challenges, and the role of strategic leadership in the process. The findings revealed that major challenges in strategy implementation included cultural misalignment with organizational goals, inadequate strategic leadership, deficiencies in information systems, resource misallocation, sub-optimal strategy formulation, and weak strategic controls.

Key drivers of successful implementation encompass resource allocation, strategic leadership, organizational culture, training and development, effective information

systems, and performance management systems. Additionally, the study highlighted critical strategic leadership functions, including leveraging core competencies, determining strategic direction, prioritizing ethical practices, fostering human and social capital development, implementing balanced organizational controls, and preserving organizational culture. A strong positive correlation was identified between strategic leadership and effective strategy execution. However, the study's focus on South African financial firms limits its applicability to public institutions like the Kenya Revenue Authority (KRA). Private entities have different strategic priorities, decision-making autonomy, and regulatory frameworks compared to public institutions. As a result, a gap exists in understanding the role of strategic leadership in the public sector, particularly in government agencies where bureaucratic structures influence strategic implementation. This study aims to bridge that gap by examining how strategic leadership influences performance within KRA.

Another study on strategic leadership influence on performance was contextually within high-tech Taiwanese manufacturers, analyzing responses from 456 software development SME owners (Chung et al., 2008). The study investigated the relationship between innovation strategy and performance, moderated by enterprise scale. Results indicated that in-house innovation had a stronger impact on implementation success than outsourced innovation, positively influencing business performance through cost reduction and differentiation. While the study provides insights into the link between innovation motivation, strategy implementation, and performance, it is primarily relevant to the technology sector, which operates under market-driven competition and rapid technological advancements.

The study does not directly address strategic leadership's role in implementing organizational strategies within public institutions. Government agencies, such as KRA, operate under different regulatory environments where leadership influences strategic execution through policy formulation, resource allocation, and institutional frameworks. Moreover, while the study identifies innovation as a driver of performance, it does not examine how strategic leadership fosters or impedes innovation in public-sector organizations. This gap underscores the need to investigate how strategic leadership influences performance in a regulatory-driven institution like KRA.

A qualitative study on the application of balanced scorecards at the Kenya Bureau of Standards (KEBS) and the challenges faced in strategy implementation helps in highlighting the importance of strategic leadership on performance metric tracking (Mwakithi, 2017). Using in-depth interviews with KEBS employees, the study found that respondents primarily learned about balanced scorecards through management and external consultants. The research further established that balanced scorecards were instrumental in implementing both financial and non-financial strategies by providing clear mission, vision, and objective statements that guided execution. The study highlighted the role of strategic leadership in overcoming strategy implementation hurdles, particularly through training initiatives, resource allocation, and managerial skill development in using balanced scorecards. Despite these findings, the study was limited by its reliance on content analysis, which restricted the depth of quantitative validation. Furthermore, KEBS operates as a regulatory agency with a specific mandate, making its strategic execution framework different from tax administration institutions like KRA. The present study aims to address these limitations by using hypothesis

testing to empirically analyze the role of strategic leadership in KRA's performance, ensuring broader applicability of findings.

The effects of strategic planning on strategy execution were examined, focusing on how management involvement influences key strategic variables in Regina City among targeted top-level executives in public institutions using online questionnaires for data collection. Data were analyzed using Smart PLS and SPSS-Amos, revealing that strategic planning significantly impacted strategy execution, with management support playing a moderating role (Elbanna et al., 2016).

While this study provides valuable insights into strategic planning and execution, its findings are geographically confined to Regina City, making generalization to other contexts, including Kenya, difficult. Moreover, the study focused on planning as an isolated factor without integrating strategic leadership's role in driving performance outcomes. Public institutions, such as KRA, require a comprehensive analysis of how leadership influences not just planning but also the overall execution and performance. Addressing this gap, the present study will examine the combined effect of strategic leadership, resource allocation, institutionalization of strategy, and reward systems on KRA's performance.

A study was also done to assess the impact of strategy implementation on organizational outcomes through a cross-sectional survey of 108 Kenyan state corporations. The study examined multiple performance dimensions, including customer focus, business processes, environmental performance, learning, and organizational growth. Using a stratified random sampling approach, 98 corporations participated, with CEOs providing insights. Data analysis incorporated descriptive and

inferential techniques, including multiple regression and correlation analysis, revealing that strategy implementation had a positive effect on all performance indicators (Njoroge & Machuki, 2015).

However, while the study established a link between strategy implementation and performance, it did not interrogate the factors influencing strategy execution. Unlike private firms, state corporations operate under rigid bureaucratic structures that can impede or facilitate strategic leadership's effectiveness. Furthermore, the study treated strategy implementation as a single variable rather than deconstructing it into specific components such as leadership, resource allocation, and institutional support. This study addresses this gap by examining the combined influence of strategic leadership, resource allocation, strategy communication, and human resource development on KRA's performance, providing a more comprehensive understanding of public-sector strategy execution.

2.3.3 Influence of Strategy Communication on the Performance

A study was conducted to investigate the impact of strategy implementation on the performance of the Kenya Bureau of Standards (Muendo, 2016). The study utilized a qualitative approach, where five senior managers at KEBS were interviewed, and the collected data were analyzed using content analysis. The findings highlighted several factors that influence strategy execution at KEBS, including organizational structure, information technology, leadership styles, communication, and organizational culture. These factors were observed to pose challenges to organizational performance, affecting employee retention, ISO certifications, market expansion, and overall employee productivity. The study offered valuable insights into the local literature on strategy

execution and its link to performance; however, it lacked hypothesis testing, which limits the ability to generalize the findings to other institutions, such as the Kenya Revenue Authority, which may face different challenges in implementing strategies.

Another study on communication conducted in Kenya on strategy communication examined broadly the impact of strategy implementation on the performance of the Tana River County government (Hantiro, 2020). The study focused on four key independent variables: resource allocation, organizational structure, organizational culture, and communication. Targeting a population of 1,666 county executives and employees, a sample of 66 respondents was selected. The study utilized thematic content analysis for qualitative data and applied descriptive statistical methods to analyze quantitative data. The findings revealed a significant and positive correlation between the four independent variables and public sector performance. The study contributed to the body of knowledge on strategy implementation and performance in the public sector. However, it is important to acknowledge the study's limitations, as it focused on a single county government. Therefore, generalizing the findings to all county governments in Kenya, including agencies like the Kenya Revenue Authority, requires caution. Furthermore, the study's R-squared value of 0.785 suggests that additional unexamined variables could influence strategy execution outcomes, necessitating further research.

Additionally, a study was conducted within the automobile sector, focusing on key determinants influencing the integration of sustainability into corporate strategy (Engert & Baumgartner, 2016). The study adopted a qualitative approach, utilizing company records, interviews with key decision-makers, and insights from workshops. The

findings identified several crucial factors that contribute to the successful execution of corporate strategies, including a well-defined corporate framework, organizational culture, managerial competencies, employee skill sets, effective communication channels, and employee engagement. The study highlighted that strong communication within an organization enhances the implementation of strategic initiatives by ensuring clarity, alignment of goals, and the active participation of all stakeholders. This research provides a significant reference point for organizations seeking to optimize their strategic execution processes by effectively managing the diverse factors that influence implementation. However, since the study focused on the automotive industry, its findings may not be directly transferable to public institutions such as the Kenya Revenue Authority, given the differences in industry dynamics and regulatory environments.

2.3.4 Influence of Human Resource Development on the Performance

A study was conducted in Islamic boarding schools located in Malanga (Rofiaty, 2019). The study investigated the correlation between knowledge management and the execution of strategies. The research design employed was causal, and data collection spanned from January to December 2017. Utilizing questionnaires as the primary data-gathering tool, both physical and online methods were employed for administrators, teachers, and employees across seven schools, forming the focal unit of analysis. The findings showed that knowledge management is critical to the successful implementation of strategies. This, in turn, contributed to an enhanced performance of the Islamic schools.

The study is among a few studies conducted in an educational setup. The study, however, faced limitations because it was not generalizable to all sectors, especially the state-owned enterprises such as the Kenya Revenue Authority. Besides, the study faced the limitation of sample size, where only a few boarding schools were considered in the study, despite Malang having more than 78 Islamic boarding schools. Furthermore, the study was conducted in an educational set-up, which cannot be generalized as applicable to all sectors, including the Kenya Revenue Authority.

Another study on how HRM influences the implementation of strategies within NGO's performances in Kericho County (Kipkorir & Ronoh, 2017). Employing the McKinsey 7S model as their framework, the study aimed to assess how communication infrastructure, reward systems, resource allocation, and staffing affect organizational performance. The unit of analysis comprised 37 organizations, with a focus on 347 management staff as target respondents. Utilizing a stratified random sampling technique, 134 respondents were selected for the study. Employing statistical analysis through SPSS version 21, the research employed both descriptive and inferential methods. The findings indicated that reward systems, communication infrastructure, operational procedures, and resource allocations were significant predictors of positive organizational performance. However, it is noteworthy that the study's scope was limited to Kericho County, and thus, caution should be exercised in generalizing the results to other sectors of the economy, such as the Kenya Revenue Authority.

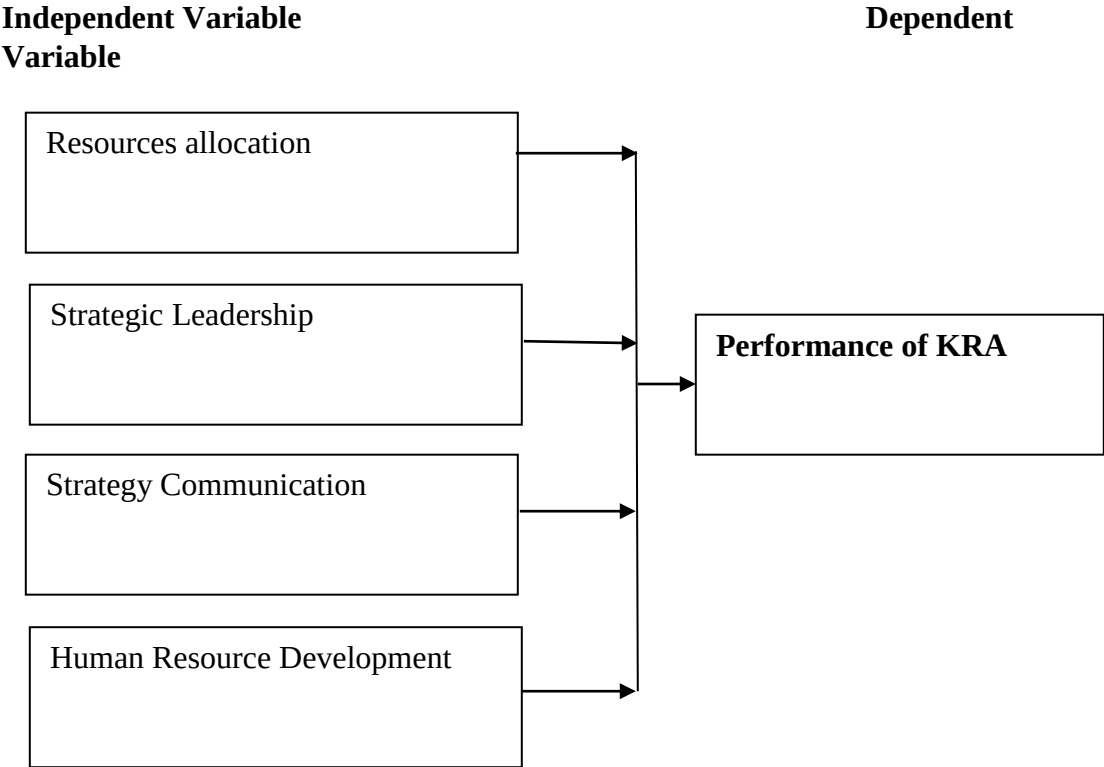
2.4 Conceptual Framework

The conceptual framework shows the relationship between the study questions. The four independent variables are resource allocation, strategic leadership, strategy

communication, and human resource development, whereas the dependent variable is the Performance of KRA.

Figure 2.2

Conceptual Framework



Source: Researcher (2025)

2.5 Operationalization of Variables

The study links the implementation determinant factors with KRA’s performance. The independent variables include resource allocation, strategic leadership, strategy communication, and human resource development. The indicators for resource allocation were the allocation of money, adequate personnel, staff involvement, and the allocation of equipment/machines.

Strategic Leadership indicators/measures were the exploitation of core competencies, determination of strategic direction, ethical practices, development of social capital, development of human capital, balanced organizational controls, and sustaining of the

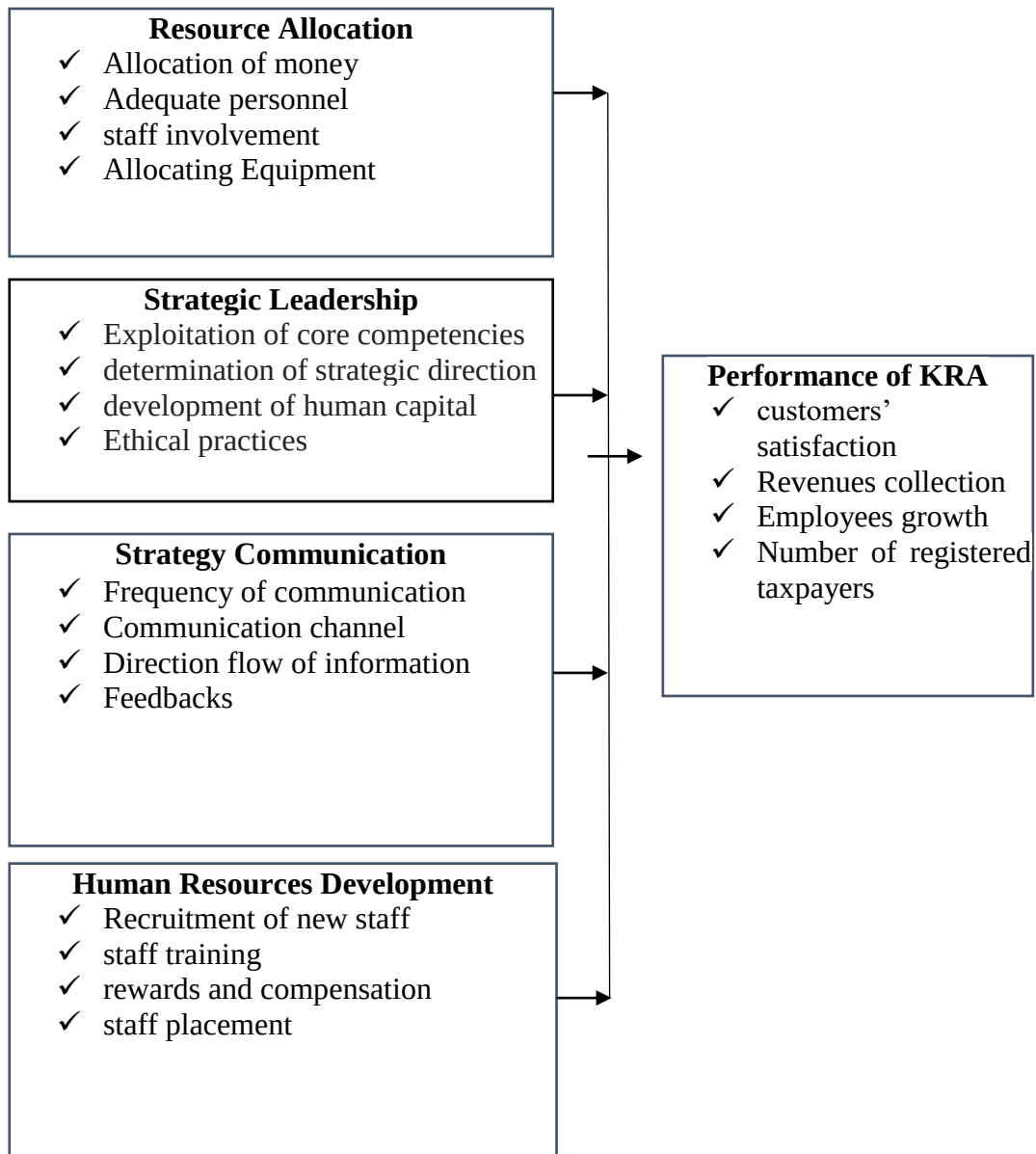
organizational culture. Strategy Communication measures/indicators were frequency of communication, communication channel, direction flow of information, feedback, public/stakeholders' participation, and press from board meetings. Human resources development indicators were recruitment of new staff, staff training, rewards and compensation, staff placement, and training, and development. KRA's performance was measured by: customer satisfaction, business processes, Revenue collection, Employee growth, and the Number of personal identification Number (PIN) holders registered within the time frame given.

Figure 2.3

Operational Framework

Independent Variables

Dependent Variable



Source: Author (2025)

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

Chapter three covered the research design that was applied by the study, the target population, the sampling procedures and sample size, the data collection procedures, and the data analysis techniques.

3.2 Research Design

A research design serves as a structured framework guiding the process of data collection, analysis, and interpretation to address key research questions. Selecting an appropriate research design is crucial in ensuring the reliability and validity of study findings (Harris, 2019). This study adopted a cross-sectional survey research design, which is suitable for examining relationships between variables at a single point in time without manipulating field-collected data. A cross-sectional survey allows for data collection from multiple respondents simultaneously, facilitating an in-depth understanding of the effects of resource allocation, strategic leadership, strategy communication, and human resource development on performance. This design was appropriate as it enabled the researcher to gather both qualitative and quantitative data, providing a holistic view of the study variables (Rahi, 2017).

The cross-sectional approach further allowed for descriptive and inferential statistical analyses, ensuring that patterns and correlations among the study variables were effectively examined. This method was particularly relevant to the Kenya Revenue Authority (KRA) as it enabled the researcher to capture data over a specific period, reflecting the current state of strategic implementation practices and their impact on

performance. The cross-sectional design also enhanced the generalizability of findings within the study context by incorporating diverse respondents across relevant departments.

3.3 Target Population

The target population of this study comprised middle-level managers at the Kenya Revenue Authority (KRA) who were directly involved in strategy implementation and performance monitoring. The unit of analysis was the Kenya Revenue Authority as an organization, while the unit of observation consisted of the 196 middle-level managers responsible for executing and overseeing strategic initiatives within various departments. Since the study focused on understanding how strategy implementation influenced performance, managers were selected as respondents because they possessed firsthand knowledge of both strategic decision-making and operational execution. This distinction ensured clarity in aligning the study's objectives with the appropriate respondents, thereby strengthening the relevance of the findings. Table 3.1 gives the target respondents' distribution.

Table 3.1

Target Population

Departments	Population Size
Finance department	87
Human resource department	43
Marketing and communication	39
Corporate service department and administration	27
Total	196

Source: Kenya Revenue Authority Human Resource Department (2025)

3.4 Sample Size and Sampling Techniques

A sample refers to a portion of the population which have similar characteristics to the entire population, whereas sampling techniques refer to the methods of selecting a sample size. Best sampling techniques require that the sample size should be representative and therefore non-biased (Miyazaki et al., 2018). The current study applied a stratified random sampling technique and the Slovin formula to obtain a representative sample size. The formula is given below:

$$N/[1 + N(e^2)] = n \dots\dots\dots$$

equation (1). whereby N = population, n = sample size, and e = margin of error, with a margin of error of 5%, the sample size was as follows. The sample size was therefore implemented as follows:

$196/[1 + 196(0.05 * 0.05)] = 131.54$. The sample size was 132 to the nearest whole figure. The sample size was proportionately distributed as follows:

Table 3.2

Sample Distribution

Departments	Population Size	Ratio	Sample Size
Finance department	87	0.444	59
Human resource department	43	0.219	29
Marketing and communication	39	0.199	26
Corporate service department and administration	27	0.138	18
Total	196	1	132

Source: Researcher (2022)

3.5 Data Collection Instruments

There are various ways through which data can be collected, depending on what the researcher wants to achieve and the resources available. Interviews were used to get qualitative data, while questionnaires helped in both quantitative and qualitative data (Miyazaki et al., 2018). Closed-ended questions were used in the first section to capture the demographic information of the respondents. The questionnaire also collected data on the four objectives of the study as well as the dependent variable. The major section of the questionnaire on variables collected data through a five-point scale where 1= strongly disagreed, 2= disagreed, 3= Neutral, 4= agreed, and 5= strongly agreed.

3.6 Pre-Testing of the Research Instruments

Piloting is carried out so that the researcher can improve the instrument before actual data collection (Miyazaki et al., 2018). The pilot was conducted on 10% of the sample size, or 13 participants, however, the findings of the pilot were unused but only served to improve the instrument. Piloting was used to test for two major requirements in research: Validity and reliability tests were used as pilot tests in the study (Sayginer & Ercan, 2020).

3.6.1 Reliability Tests

Reliability of research instruments refers to the internal consistency of the research instrument. Reliability can be determined through both test-retest methods as well as construct reliability (Sayginer & Ercan, 2020). The test re-test entails using questionnaires on a control group in the pilot in one instance and repeating the process of administration on the same control group after one week to establish whether there were variations in the responses given. Besides, the researcher used the Cronbach alpha

test to establish the construct reliability; a score on the Cronbach alpha of above 0.7 was considered adequate for further analysis (exploratory or confirmatory) factor analysis.

3.6.2 Validity Tests

Validity pertains to the research instrument's capability to capture the necessary data for the study's conclusive report. Evaluation of instrument validity involves considerations of both face and construct validity. Face validity involves the examination of elements such as grammar, word choice, and user-friendliness in addressing research inquiries. On the other hand, construct validity assesses the appropriateness of the exploratory factor analysis (EFA) or confirmatory factor analysis (CFA) (Vohland et al., 2021). To enhance face validity, the researcher engaged research experts from the university and practitioners specializing in strategic management. Additionally, during the pilot test, the questionnaire was distributed to respondents to assess their understanding of the questionnaire and the ease with which they could respond to its inquiries. This process aimed to refine the instrument and ensure its effectiveness in collecting pertinent data. To determine construct validity, the researcher used both Bartlett tests and Kaiser-Meyer-Olkin (KMO). A KMO score of above 0.7 was considered appropriate for further exploratory factor analysis, besides a p-value score of less than 0.05 on Bartlett tests was considered adequate for further analysis.

3.7 Data Collection Procedures

Data for the study were collected through the questionnaires. The online administration involved collecting emails for the respondents first through the human resource manager at the Kenya Revenue Authority. The researcher sent the questionnaire to inform of a link (Google Sheet), which was, and the respondent filled in the response

and submitted the information, which was automatically saved in Google Drive. The researcher left the questionnaires among the respondents who voluntarily participated in the study. After two weeks, the respondents contacted the respondents to find out if they had filled out the questionnaires. The researcher consistently reminded the respondents to fill out the questionnaires and return them in good time to enhance a high response rate.

3.8 Data Analysis and Presentation

Data analysis is a structured approach to extracting meaningful insights from raw data, utilizing either qualitative or quantitative methodologies (Helbig et al., 2015). In this study, the data underwent quantitative analysis using SPSS version 23. The quantitative techniques encompassed inferential and descriptive methods. The study's findings were conveyed through tables and narratives, facilitating the interpretation of results and subsequent discussions. The regression analysis specifically employed a multi-linear regression model as outlined below;

$$y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon \dots\dots\dots$$

Equation (ii)

Where y was KRA's performance, β_0 , was the constant.

β_1 was the resource allocation's coefficient, β_2 was the Strategic leadership, β_3 was the coefficient for Strategy communication, and β_4 was the Human Resource Development coefficient. Whereas ϵ was the error term

X_1 was the resource Allocation, X_2 was the Strategic leadership, X_3 was the Strategy communication, and X_4 was the human resources development.

3.9 Diagnostic Tests

Before conducting the multi-linear regression analysis, the researcher has to ascertain that the assumptions of regression analysis (independence, homoscedasticity, normality, non-autocorrelation, and linearity) have not been violated (Helbig et al., 2015). The following tests were conducted to ascertain that there was no violation before the actual regression analysis.

3.9.1 Test for Auto-Correlation

The test is conducted to determine whether residuals from previous measures are autocorrelated in the current measures. This usually happens in time series data or panel data. Auto-correlation becomes a problem because it affects the accuracy of the model while predicting the dependent variable (Rahi, 2017). The Durbin-Watson Scale was used to test for the presence of autocorrelation. The Durbin-Watson scale runs between 0 and 4. A score of 2 indicates that there is no autocorrelation, whereas scores below 2 show positive autocorrelation, and values above 2 show negative autocorrelation. The current study was conducted at a specific time and not over a particular period, therefore, auto-correlation was not going to be a problem.

3.9.2 Homoscedasticity Test

The residuals in a multi-linear regression are not supposed to vary when the independent variables change, otherwise, there could be a problem called heteroscedasticity, which affects the accuracy of the model in predicting the predicted variable (Rahi, 2017). To test for homoscedasticity, the study applied the Bruesch Pagan tests. The tests involved carrying out a regression analysis between the independent variables against the residuals (treated as the dependent variable in this case). Where the Observed p-values in the tests were found to be higher than 0.05 (i.e the independent variables did not vary significantly with the residuals), the data was considered to observe Homoscedasticity rule i.e variance is homogeneous, whereas in situations where the residuals varied with the independent variables significantly, i.e there was a heteroscedasticity situation.

3.9.3 Multi-Collinearity Test

The test involves the determination as to whether the independent variables vary as other independent variables vary, a situation referred to as multi-collinearity (Harris, 2019). The study applied both the use of value inflation factor (VIF) as well as correlation analysis to establish that independent variables were indeed independent. The value inflation factor is a score range that runs between 1 and 10; scores below 1 and above 10 indicate that there is the presence of multi-collinearity, and the variables should be dropped. The study also applied Pearson correlation analysis to determine whether there is multicollinearity. The Spearman rank score above 0.7 indicates that an independent variable versus another independent variable is highly correlated, which

means the two variables lack independence and therefore one needs to be dropped (Guthrie, 2010).

Another way of determining independence is treating one of the independent variables as the dependent variable and doing a regression analysis against the other independent variables which is repeated by using a different independent variable as dependent and regressing it against the other three independent variables to find out if there is a significant relationship or otherwise if a significant relationship is not revealed the independent variables were considered to be independent as such.

3.9.4 Linearity Tests

Linearity tests are conducted to determine whether the variables in the study have a relationship, which is supposed to be linear in the Case of a multi-linear regression model (Guthrie, 2010). A scatter matrix plot with a line of best fit was used to make observations as to whether the variables were linearly related.

3.9.5 Normality Test

Data in the study is considered a sample taken from a population with normally distributed data (Bai & Chen, 2003). The data should neither be negatively nor positively skewed, otherwise, it is considered biased data, which is not representative of the entire population. To determine normality, the study applied the Shapiro-Wilk Test. The study considered the data of the sample to be normally distributed if the p-value was greater than 0.05.

3.10 Ethical Considerations

Ethics in research refers to how research is conducted according to guidelines and principles of research, such as ethical considerations (Gordon et al., 2011). The study

observed five major ethical areas: No harm to respondents, voluntary participation, confidentiality, protection of intellectual property, and anonymity (Sobočan et al., 2019). The researcher ensured that there was no physical or psychological harm to the respondent, which, if it must be there, had to be very minimal. The researcher also voluntarily recruited respondents by getting consent which involved explaining the purpose of the research to the respondents, possibly giving a NACOSTI letter and research authorization letter, and also explaining to respondents of possible risks of participating in the study so that the respondents were free to participate or not as well as dropping out of exercise voluntarily. The researcher also observed intellectual property rights by acknowledging all the research materials and works cited in the research. The researcher also ensured the confidentiality of the respondents by using research data obtained from the respondents only for academic purposes. Finally, on anonymous, there was no personal information linking respondents in any way to the research conducted.

CHAPTER FOUR: RESULTS AND DISCUSSION

4.1 Introduction

Chapter four presented the discussions and the results. The results were presented based on the four research objectives; to establish the influence of resource allocation on the performance of the Kenya Revenue Authority, to determine the influence of strategic leadership on the performance of the KRA, assess influence of strategy communication on KRA's performance, and finally to determine the influence of human resource development KRA's performance. This chapter presented demographic statistics, descriptive statistics, diagnostic tests, and inferential analysis.

4.1.1 Response Rate

132 participants were targeted in this study, whereby data was collected from 117 participants who represented an 88.64% response rate. The responses were used in coming up with this research project.

Table 4.1

Response Rate

Response	Frequency	Percentage
No responded	15	11.36%
Responded	117	88.64%
Total	132	100.00%

Source: Researcher (2025)

4.2 Reliability and Validity Statistics

4.2.1 Reliability Statistics

Reliability tests on the questionnaire were carried out through Cronbach's alpha tests. Results were presented in Table 4.2, which indicated that resource allocation with four

indicators had a Cronbach score of 0.789, and strategic leadership revealed a Cronbach score of 0.761 with four indicators. Further, strategic communication revealed a Cronbach score of 0.786 with four indicators, while human resource development revealed a Cronbach score of 0.772. Lastly, performance had a Cronbach score of 0.825 with four indicators. A Cronbach alpha score above 0.7 is an indication that the variable is reliable for actual data analysis (Rose & Johnson, 2020).

Table 4.2

Reliability Statistics

Variable name	Cronbach's Alpha	N of Items	Decision
Resources Allocation	.789	4	Reliable
Strategic Leadership	.761	4	Reliable
Strategic Communication	.786	4	Reliable
Human Resources Development	.772	4	Reliable
Performance of KRA	.825	4	Reliable

Source: Researcher (2025)

4.2.2 Validity Statistics

The study also carried out construct validity through KMO and Bartlett's tests, revealing a KMO score of 0.780 and a p-value of 0.001, showing adequacy and validity for further analysis. In addition, the p-value obtained was less than 0.05 for all the variables, implying that the constructs for all the variables were valid for further analysis. A KMO score of above 0.7 indicates factor analysis adequacy or actual data analysis, whereas a Bartlett score of a p-value below 0.05 indicates that factors can be generated from the variables in the factor analysis (Miyazaki et al., 2018).

Table 4.3***KMO and Bartlett's Test***

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.780
Bartlett's Test of Sphericity	Approx. Chi-Square	213.440
	df	10
	Sig.	.000

Source: Researcher (2025)

4.3 Demographic Statistics

The researchers conducted a demographic analysis to ascertain the descriptive statistics of the individuals involved in the study. This analysis included details such as the age, gender, and educational background of the respondents.

4.3.1 Gender of the Respondents

Results presented in Table 4.4 revealed that the majority of the respondents were male, as is shown by 70.9% compared to 29.1%. The results also indicated that organizations have started engaging women roles as leaders in the organizations where they play critical roles in strategic implementation. The findings suggest that the Kenya Revenue Authority is dominated by male workers, however, the proportion on the two third proportion in gender representation at the workplace is gaining momentum.

Table 4.4***Gender and Age of the Participants***

Gender	Frequency	Percent
Male	83	70.9
Female	34	29.1
Total	117	100.0

Source: Researcher (2025)

4.3.2 Age of the Respondents

The study aimed to establish the age of respondents who were classified into different categories. Results presented in Table 4.5 indicated that the majority had ages between 41 and 50 years, 55.6%, followed by those with ages between 31 and 40 years, 13.7% had ages above 50 years, whereas only 11.1% of the participants were below 30 years. Results suggested that employees of the Kenya Revenue Authority are adults who are assigned different duties in the institution.

Table 4.5***Age of The Participants***

Age	Frequency	Percent
Below 30 years	13	11.1
Between 31 and 40 years	23	19.7
Between 41 and 50 years	65	55.6
Above 50 years	16	13.7
Total	117	100.0

Source: Researcher (2025)

4.3.3 Education Level of Participants

The study aimed to establish the respondents' level of education at the time of data collection. Findings as presented in Table 4.6 revealed that most respondents were Master's degree holders, representing 55.6%, followed by 30.8% of the participants with a bachelor's degree, whereas only 13.7% of the participants had a postgraduate degree in academic qualification. The results suggested that respondents were academically qualified and could understand and effectively participate in the study. Findings also suggested that employees from the Kenya Revenue Authority are academically qualified to serve in different roles.

Table 4.6***Education Level Age of the Participants***

Academic Qualification	Frequency	Percent
Bachelor Degree	36	30.8
Master Degree	65	55.6
Postgraduate Degree	16	13.7
Total	117	100.0

Source: Researcher (2025)

4.4 Descriptive Statistics

Frequencies, percentages, standard deviation, and the mean for the four variables were determined in a descriptive analysis. Findings were presented on mean, frequency, percentage, and standard deviation by employing a Likert scale, where a scale of 1 to 5 was used.

4.4.1 Descriptive Statistics on Resource Allocation

The study determined the respondents' attitudes towards the statements on resource allocation, which was carried out by rating responses on a Likert scale of between 1 and 5, with a scale of 5 strongly agreeing and a scale of 1 strongly disagreeing. Results are presented in Table 4.7.

Table 4.7

Descriptive Statistics on Resource Allocation

Statement on Resource Allocation	SD	D	N	A	SA	Mean	Standard Deviation
We have allocated enough staff for strategy implementation	0	9 (7.7%)	2 (1.7%)	87 (74.4%)	19 (16.2%)	3.99	0.701
We have allocated enough financial resources for strategy implementation	0	3 (2.6%)	15 (12.8%)	71 (60.7%)	28 (23.9%)	4.06	0.686
Our staff are adequately involved in strategy implementation	1 (.9%)	3 (2.6%)	1 (.9%)	78 (66.7%)	34 (29.1%)	4.21	0.664
We have allocated ICT equipment and other machines for strategy implementation	0	4 (3.4%)	12 (10.3%)	54 (46.2%)	47 (40.2%)	4.23	0.770

Source: Researcher (2025)

Table 4.7 indicated that participants agreed with the statement that their institution has enough staff for the implementation of strategies, with 3.99 as the mean. Further, respondents agreed that their institution allocates enough financial resources implementation of strategies shown by the 4.06 mean. Findings from the study also showed respondents' inclination towards their staff's involvement with a mean of 4.21. Nonetheless, participants agreed to have enough allocated resources for strategy implementation in their institution, as indicated by a mean score of 3.72.

In agreement with this is a study that assessed the impact of resource allocation on the performance of manufacturing firms listed on the Jakarta Stock Exchange (Ibrahim et al., 2012). Their investigation disclosed a noteworthy and positive correlation between the allocation of resources and the overall performance of these manufacturing firms.

The respondents were also asked how they approached resource allocation when implementing strategic initiatives in their organization.

Respondents revealed that effective resource allocation was a critical aspect of implementing strategic initiatives to enhance organizational performance. Respondents established that allocation should be dynamic, responding to the evolving nature of their organization's environment and needs. Collaborative decision-making involved key stakeholders within the organization, ensuring that diverse perspectives were considered. Furthermore, a transparent communication strategy was paramount to convey the rationale behind resource allocation decisions and garner support from employees. Continuous monitoring and feedback mechanisms should be established to assess the effectiveness of resource allocation in achieving strategic goals, allowing for

timely adjustments as needed. This comprehensive approach to resource allocation contributed significantly to the successful implementation of strategic initiatives, fostering improved performance within the Kenya Revenue Authority.

Further, the respondents were asked about the factors or considerations they undertook to ensure effective resource allocation.

Respondents agreed that effective resource allocation was a critical component in the success of any organization, and for the Kenya Revenue Authority (KRA), strategic implementation played a critical role in shaping its performance. To ensure optimal resource allocation, several factors and considerations need to be taken into account. Firstly, respondents agreed that a thorough understanding of the organization's goals and objectives was essential, aligning resources with the strategic direction to enhance overall efficiency. Secondly, a careful assessment of the external environment, including economic trends, technological advancements, and regulatory changes, was crucial for anticipating challenges and opportunities. Additionally, consideration of internal capabilities and capacity ensured that resources were allocated in a manner that leveraged existing strengths and addressed weaknesses. Moreover, stakeholder engagement and collaboration were vital for gaining insights and ensuring that resource allocation aligned with the expectations and needs of various stakeholders. Lastly, a continuous monitoring and evaluation process allowed for adjustments in resource allocation strategies based on performance metrics and changing circumstances. By integrating these factors, the KRA could enhance its strategic implementation, leading

to more effective resource allocation and ultimately improving organizational performance.

A survey examining how resource allocation affects the performance of commercial banks in Kenya echoed similar findings (Njagi, 2014). Their study affirmed a substantial role of allocation of resources on commercial banks within the Kenyan context. In essence, both studies substantiate the idea that resource allocation is vital in determining the success of firms, whether in manufacturing or banking sectors, underscoring its significance in enhancing overall performance.

4.4.2 Descriptive Statistics on Strategic Leadership

The study carried out descriptive statistics to determine the level at which respondents agreed with the statements on Strategic leadership, where the researcher ranked the responses on a Likert scale of 1 to 5, with a scale of 1 strongly disagreeing and a scale of 5 strongly agreeing. Results are presented in Table 4.8.

Table 4.8***Descriptive Statistics on Strategic Leadership***

Statement on Strategic Leadership	SD	D	N	A	SA	Mean	Standard Deviation
Our organizational leaders have emphasized the Exploitation of core competencies	0	2 (1.7%)	4 (3.4%)	72 (61.5%)	39 (33.3%)	4.26	0.607
Our leaders play a crucial role in the determination of a strategic direction	0	2 (1.7%)	4 (3.4%)	74 (63.2%)	37 (31.6%)	4.25	0.600
Our leaders play crucial roles in emphasizing ethical practices	0	4 (3.4%)	15 (12.8%)	32 (27.4%)	66 (56.4%)	4.37	0.837
Our leadership emphasizes the development of social capital, such as networks	0	2 (1.7%)	2 (1.7%)	86 (73.5%)	27 (23.1%)	4.18	0.535

Source: Researcher (2025)

Results from Table 4.8 indicate that participants agreed that their organizational leaders emphasized the exploitation of core competencies in their organization, indicated by a mean of 4.26. Findings also revealed that respondents agreed that their leaders played a crucial role in determining a strategic direction in their organization shown by a 4.25 mean. It is therefore evident from the findings that participants agreed that their leaders played crucial functions in emphasizing ethical practices in their institutions, with a mean of 4.37. Finally, results indicated that respondents agreed that their leadership emphasized the development of social capital, such as networks, shown by the mean of 4.18.

Similar sentiments were brought forward on the fact that strategic leadership effectively impacted implementing strategies among the South African financial mail top 200. The study revealed that among the challenges in strategy, implementation included misalignment of culture and the organization's goals, the lack of appropriate strategic leadership, the inadequacy of information systems, and misallocation of resources in the organization, poor formulation of strategies, and lack of strategic controls. The study also revealed some of the strategic leadership functions that were crucial in strategy implementation including the exploitation of core competencies, the determination of strategic direction, emphasizing ethical practices, the development of social and human capital, having balanced organizational controls, and the sustaining of the organizational culture (Jooste & Fourie, 2009).

Respondents were asked what some of the ways were through which strategic leadership had influenced the execution of strategic initiatives within their organization.

The respondents revealed that strategic leadership had played a pivotal role in shaping the execution of strategic initiatives within the Kenya Revenue Authority (KRA), profoundly influencing organizational performance. They established that the leadership's clear vision and adept decision-making had provided a roadmap for the effective implementation of strategic initiatives aimed at enhancing tax collection and overall revenue generation. Through strategic foresight, the leadership identified key focus areas, aligning them with the goals and objectives. This alignment ensured that resources were optimally deployed, fostering a culture of efficiency and accountability. Additionally, strategic leaders within the organization had demonstrated effective

communication and change management skills, ensuring that the workforce was well-informed and engaged throughout the implementation process. By fostering a culture of adaptability and innovation, strategic leadership empowered the organization to navigate dynamic external environments, making the organization more resilient and responsive to emerging challenges. Consequently, strategic leadership affects the execution of strategic initiatives and has been a driving force behind the positive performance outcomes witnessed at the Kenya Revenue Authority.

Besides, participants were asked what some of the necessary skills or knowledge were for strategic leaders to effectively guide and inspire teams in implementing strategic plans.

Respondents revealed that effective strategic leaders guiding the implementation of plans at their organization possessed a multifaceted skill set and knowledge base. They revealed that a profound understanding of the organization's overall goals was crucial, enabling leaders to align strategies with the agency's overarching objectives. Proficiency in strategic thinking and planning was essential for crafting viable, adaptable strategies that could navigate the dynamic tax landscape. Strong communication skills were imperative to articulate the strategic vision, ensuring clear comprehension and buy-in from team members. Additionally, leaders should foster a collaborative and inclusive team culture, promoting innovation and resilience in the face of challenges. The ability to inspire and motivate teams through effective leadership and interpersonal skills was crucial, fostering a shared commitment to the strategic objectives lastly, a keen awareness of the external environment, regulatory changes, and

technological advancements was vital to anticipate and respond proactively to shifts in the tax landscape, enhancing the overall performance of the Kenya Revenue Authority. The innovative strategy and motivation for innovation among high-tech manufacturers in Taiwan significantly influenced the execution of innovative activities. The impetus behind innovation implementation had a noteworthy impact on the extent of these activities. Internally generated innovation had a statistically significant influence, surpassing the impact of externally sourced or outsourced innovation, finding a consistency with the present study (Chung et al., 2008). Utilization of balanced scorecards by the Bureau of Standards to enhance performance aligned with the outcomes of this study. Employees at KEBS effectively employed the balanced scorecard for implementing both financial and non-financial strategies. The importance of clear and specific strategies emerged as a common thread, as did the notion that balanced scorecards contributed to the clarity of mission, vision, and objectives, thereby facilitating the strategy implementation process (Mwakithi, 2017).

4.4.3 Descriptive statistics on Strategy communication

Descriptive statistics to examine agreement on practices in areas of strategy communication in their organization were undertaken. Results were presented in Table 4.9 on a Likert scale ranging between 1 and 5, with a scale of 1 strongly disagreeing and a scale of 5 strongly agreeing.

Table 4.9***Descriptive statistics on Strategy communication***

Statement on Strategy Communication	SD	D	N	A	SA	Mean	Standard Deviation
Our organization communicates frequently	0	3 (2.6%)	5 (4.3%)	88 (75.2%)	21 (17.9%)	4.09	0.566
Our organization has several channels for communicating strategy	0	4 (3.4%)	5 (4.3%)	79 (67.5%)	29 (24.8%)	4.14	0.642
Information flows in two ways (from top to bottom and also bottom to top)	1 (.9%)	5 (4.3%)	11 (9.4%)	57 (48.7%)	43 (36.8%)	4.16	0.830
We get feedback on the strategies being implemented from our stakeholders	0	8 (6.8%)	11 (9.4%)	81 (69.2%)	17 (14.5%)	3.85	0.916

Source: Researcher (2025)

Findings as presented in the table above indicated that respondents agreed with the statement that their organization communicates frequently, shown by a 4.09 mean, and respondents also agreed with the statement that their organization had several channels for communicating strategy, represented by a 4.14 mean. Results from the findings indicate that respondents agreed to have information flowing in two ways (from top to bottom and also bottom to top), shown by a 4.16 mean. Respondents finally agreed that they get feedback on the strategies being implemented from their stakeholders shown by a 3.85 mean.

A study conducted to investigate the factors influencing the corporate social responsibility implementation strategies within the automotive sector had similar views (Engert & Baumgartner, 2016). Their research identified key determinants for effective

strategy execution, including corporate structure, culture, management, skills, communication, and employee motivation. The study played a pivotal role in showcasing how organizations can align various elements to streamline the process of strategy implementation.

Respondents were asked what some of methods and channels they used were to effectively communicate strategy progress to employees at all levels.

Respondents revealed that effective communication of strategy progress to employees at all levels was crucial for organizational success. Utilizing various methods and channels enhanced this communication process. Regular town hall meetings provided a platform for senior leadership to transparently discuss strategic goals, milestones achieved, and challenges faced. Additionally, the use of internal newsletters, emails, and intranet platforms disseminated updates and key information to employees across the organization. Interactive workshops and training sessions further engaged employees, ensuring a clear understanding of their roles in the strategic implementation process. Leveraging digital communication tools, such as webinars and online forums, could facilitate real-time discussions and feedback. Furthermore, incorporating visual aids, such as dashboards and progress charts, could simplify complex information and make it more accessible to employees at all levels.

Further, respondents were asked what some of the ways were that they used to ensure strategy communication was clear and well understood by all the stakeholders.

Participants established that to ensure clear and effective communication of strategy, their organization employed comprehensive documentation, leveraging visual aids, and conducted regular interactive sessions. They revealed that detailed strategy documents

articulated objectives, action plans, and key performance indicators, providing stakeholders with a structured understanding of the strategic implementation. Additionally, they established that visual aids such as charts and infographics enhanced comprehension, while regular interactive sessions, including workshops and town hall meetings, facilitated direct communication and addressed any queries, fostering a shared understanding among all stakeholders.

Respondents were also asked to provide feedback on whether there were any challenges that their organization had faced in effectively communicating strategy, and what ways they overcame them.

Respondents agreed that they faced challenges in effectively communicating strategy. They stated that effective communication of strategy was often hindered by issues such as misalignment between leadership and staff, insufficient transparency, and a lack of clarity in conveying the strategic vision. To overcome these challenges, they noted that their organization prioritized regular and transparent communication channels, ensuring that leadership clearly articulated strategic objectives, the rationale behind them, and the expected impact on organizational performance. Additionally, fostering a culture of open dialogue and feedback allowed better alignment between various stakeholders, fostering a shared understanding and commitment to the strategic direction. Utilizing diverse communication mediums, such as town hall meetings, newsletters, and interactive workshops, further enhanced the dissemination and understanding of strategic goals, ultimately contributing to successful implementation and improved organizational performance.

Building on this, scholars have endorsed these findings in their investigation focusing on how the implementation of strategies affects the performance of the Tana River County government. Their research highlighted positive and significant relationships among independent variables such as organizational culture, structure, communication, and resource allocation (Hantiro, 2020).

4.4.4 Descriptive Statistics Human Resource Development

The study also established agreement with the statement on human resource development practices and KRA's performance. Authority, to carry out the task, a Likert scale ranging between 1 and 5 was used to range the perceptions of respondents, which were presented in Table 4.10.

Table 4.10***Descriptive Statistics Human Resource Development***

Statement on Human Resource Development	SD	D	N	A	SA	Mean	Standard Deviation
Our organization recruits staff for strategy implementation	2 (1.7%)	5 (4.3%)	8 (6.8%)	71 (60.7%)	31 (26.5%)	4.06	0.813
We give compensation to our staff involved in strategy implementation	0	2 (1.7%)	5 (4.3%)	62 (53.0%)	48 (41.0%)	4.33	0.643
We have placed staff in positions where they serve best in strategy implementation	0	3 (2.6%)	5 (4.3%)	58 (49.6%)	51 (43.6%)	4.34	0.684
We conduct employee training and development to implement the strategy more effectively and efficiently	0	2 (1.7%)	4 (3.4%)	43 (36.8%)	68 (58.1%)	4.51	0.651

Source: Researcher (2025)

Findings, as presented in Table 4.10, indicated that respondents' agreement with the statements that their organization recruited staff for implementation of strategies represented a mean of 4.06. Also, findings indicated that respondents agreed to have given compensation to their staff who were involved in strategy implementation shown by a 4.33 mean. Respondents agreed with the statements that they had placed staff in positions where they serve best in strategy implementation in their organization shown by a mean of 4.34. Findings also indicated that respondents agreed to the statement that

they conduct employee training and development to implement strategy more effectively and efficiently in their organization shown by a 4.51 mean.

Respondents were also asked to provide feedback on some of the strategies in their organization used to develop the skills, knowledge, and capabilities of employees to enable the successful execution of the overall organization's strategy.

Respondents revealed that skill development and knowledge enhancement among employees were achieved through a multifaceted approach. This included regular training programs tailored to the evolving business environment, fostering a culture of continuous learning through online platforms and workshops, and implementing mentorship programs to transfer institutional knowledge. They established that by strategically aligning these initiatives with the organization's overall strategy, their organization aimed to equip its workforce with the necessary capabilities to successfully execute its mandate and enhance overall performance.

Besides, respondents were asked how their organization ensured that human resources development efforts aligned with the overall strategic direction of the organization.

Respondents established that in ensuring alignment between human resources development efforts and the overall strategic direction of the organization, their organization employed a comprehensive strategic planning process that involved collaboration between HR professionals and key stakeholders. This collaborative approach ensured that HR initiatives were directly informed by the organization's strategic goals, fostering a cohesive and synchronized development strategy. Additionally, they revealed that regular performance assessments and feedback loops

were established to measure the effectiveness of HR development programs in contributing to the overarching objectives of their organization.

In a study to understand knowledge management and the implementation of strategies at the Islamic boarding school in Malang, aligned with this study's findings. The study revealed that knowledge management has a positive influence on strategy implementation. Successful strategy implementation led to better performance of the Islamic Schools (Rofiaty, 2019).

4.4.5 Descriptive Statistics on Performance of KRA

The main objective of this research was to check respondents' agreement with the statements on organizational performance. Using a Likert scale of between 1 and 5, with 1 implying that they strongly disagreed, whereas 5 meant that they strongly agreed, the respondents' perception towards the statement was determined, and the findings were presented in Table 4.11.

Table 4.11***Descriptive Statistics on Organizational Performance***

Statement on Organizational Performance	SD	D	N	A	SA	Mean	Standard Deviation
Our customers have given us positive feedback on customer satisfaction	0	3 (2.6%)	3 (2.6%)	66 (56.4%)	45 (38.5%)	4.31	0.649
We have increased the amount of tax revenues collected in the past five years	1 (.9%)	4 (3.4%)	13 (11.1%)	45 (38.5%)	54 (46.2%)	4.26	0.853
We have increased the number of employees	0	4 (3.4%)	9 (7.7%)	31 (26.5%)	73 (62.4%)	4.48	0.783
We have allocated more PINs to taxpayers	1 (.9%)	8 (6.8%)	2 (1.7%)	37 (31.6%)	69 (59.0%)	4.41	0.892

Source: Researcher (2025)

The findings showed agreement on customer satisfaction, indicated by a mean of 4.31.

Findings also show that respondents agreed to having a tax revenues increment as shown by a 4.26 mean. The findings further revealed that respondents agreed that they had increased the number of employees shown by a 4.48 mean. Findings also revealed respondents' agreement on an increment of PINs to taxpayers, with a mean of 4.41.

Kotler (2021) agreed with the current study's findings, noting that the effective execution of strategy plays a crucial role in shaping the performance of the Kenya Bureau of Standards (KEBS). The investigation identified key determinants impacting KEBS' strategies, encompassing organizational structure, information technology, leadership styles, communication, and organizational culture. Notably, these factors exhibited a favorable and noteworthy impact on organizational outcomes, such as

enhanced employee retention, an upswing in ISO certifications, expanded market coverage, and heightened employee performance.

Respondents were also asked to provide feedback on how they would describe the overall performance of the Kenya Revenue Authority (KRA) through revenue collection and tax compliance.

They revealed that the Kenya Revenue Authority (KRA) demonstrated commendable performance in revenue collection, showcasing a consistent and upward trajectory in meeting fiscal targets. Their strategic implementation notably enhanced tax compliance through innovative measures, fostering a more efficient and transparent tax administration system. This positive correlation between strategic implementation and improved performance underscored the KRA's effectiveness in achieving its revenue and compliance objectives.

Besides, participants were also asked to provide feedback on whether their organization faced any challenges in achieving its performance targets, and if so, how the organization was trying to address its challenges regarding performance.

Respondents agreed that their organization had encountered challenges in meeting its performance targets. These challenges may have included evolving economic conditions, changes in tax regulations, and operational complexities. To address these issues, KRA has implemented strategic initiatives such as enhancing technological capabilities, conducting regular performance assessments, and fostering collaboration with stakeholders to adapt to the dynamic circumstances and improve overall organizational performance. Concurrently, Alhaddad (2019) concurs with the notion

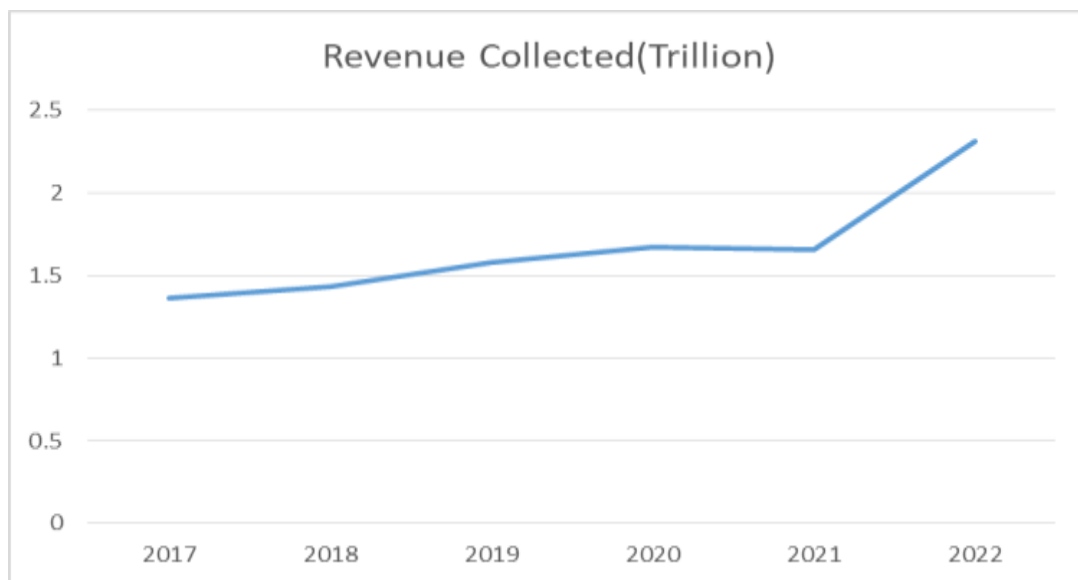
that a positive and substantial correlation exists between strategic practices and organizational performance.

4.4.6 Statistics on Performance of KRA

The study sought to determine the performance of KRA through the amount of revenue collected and the number of PIN registered for different years. Results are shown in Figure 4.1 and Figure 4.2.

Figure 4.1

Revenue Collected in Different Years

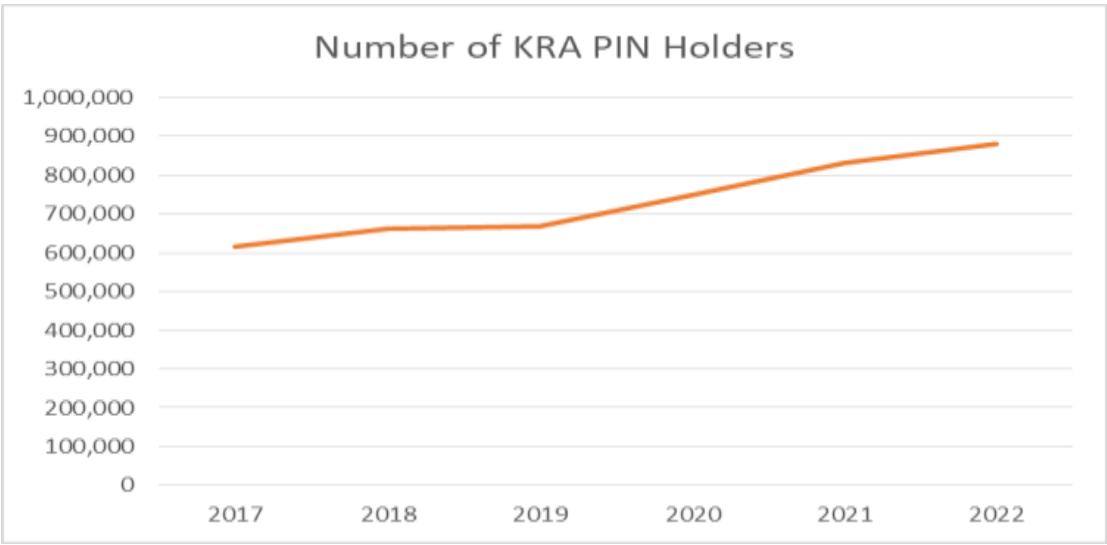


From Figure 4.1, it is evident that the performance of the Kenya Revenue Authority (KRA) has exhibited a generally positive trend over the years from 2017 to 2022. The revenue collected by KRA has shown a consistent increase during this period, reflecting a steady growth in its financial performance. Starting at 1.365 trillion in 2017, the revenue collected has progressively risen to 2.31 trillion in 2022. This consistent upward trajectory suggests that KRA has been effective in its revenue generation efforts and has managed to adapt to economic changes or challenges over the years. The

notable surge in revenue in 2022 indicates a significant boost in performance, possibly attributed to improved tax administration, increased compliance, or other strategic measures implemented by the authority. Overall, the financial data underscored KRA's efficacy in fulfilling its mandate to collect revenue for the government, showcasing a positive trajectory in its performance over the years.

Figure 4.2

Number of KRA PIN Holders in Different Years



The performance of the Kenya Revenue Authority (KRA) was assessed through the steady growth in the number of KRA PIN holders over the years. From 615,733 in 2017, 663,811 in 2018, 669,745 in 2019, 747,161 in 2020, and 831,416 in 2021, reaching 881,416 by the end of 2022. This upward trend indicates a positive trajectory in the engagement and compliance of individuals and entities with the tax system. The notable growth from 2017 to 2022, with a substantial increase of over 265,000 PIN holders, suggests that the KRA has been successful in expanding its reach, encouraging more taxpayers to participate in the formal economy. The increasing number of KRA

PIN holders reflects the effectiveness of the authority's initiatives in promoting tax compliance and revenue collection, which is crucial for sustaining government services and economic development. Overall, the data suggests a commendable performance by the KRA in terms of expanding its taxpayer base over the years.

4.5 Diagnostic Tests

Before the actual regression analysis, the study conducted diagnostic tests to ascertain whether the multi-linear regression model assumptions, including normality, linearity, homoscedasticity, and non-autocorrelation, had been attained.

4.5.1 Auto-Correlation

The study conducted an autocorrelation test with the use of the Durbin-Watson test to determine whether there is serial autocorrelation of the residuals. The Durbin-Watson scale runs between 0 and 4, where values between 1.5 and 2.5 suggest there is no autocorrelation, however, a value above 2.5 is an indication of the presence of negative autocorrelation. Values below 1.5 mean there is positive autocorrelation and can result in poor accuracy of the model in predicting the relationships between variables. Results are presented in Table 4.12.

Table 4.12

Auto-correlation

Model	Durbin-Watson
1	2.111

Source: Researcher (2025)

A score of 2.111, as indicated in the table, shows that the data did not have a problem with serial autocorrelation.

4.5.2 Heteroscedasticity Test

Heteroscedasticity was conducted to ascertain that there was no significant change in the residuals as a result of the change in the independent variable. Breusch-Pagan tests were conducted to ascertain whether there was a violation of the uniform change of the residuals across the independent variables by doing a regression analysis where the residual was taken as the dependent variable to test whether there is a relationship between residuals and the independent variables, a situation which is referred to as heteroscedasticity.

Table 4.13

Heteroscedasticity Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.001	.378		2.646	.009
Resource Allocation	.073	.102	.094	.716	.475
Strategic leadership	.116	.085	.160	1.363	.176
Strategy communication	.025	.116	.034	.218	.828
Human resource development	.037	.077	.052	.487	.627

a. Dependent Variable: Residuals

Source: Researcher (2025)

Findings as shown in Table 4.13 revealed a p-value of 0.475, > 0.05 between resource allocation and squared residual, which suggested that there was no problem of heteroscedasticity. Strategic leadership and squared residuals revealed a p-value of $0.176 > 0.05$, which implied that there was no problem with heteroscedasticity. Besides, Strategic communication and residuals revealed a p-value of $.828 > 0.05$, which revealed that there was no significant relationship between the residuals and independent variables, therefore confirming that there was no problem of heteroscedasticity. Human

resource development and residuals revealed a p-value of $0.401 > 0.05$, which suggested that there was no problem of heteroscedasticity.

4.5.3 Tests of Normality

Normality tests were also conducted using both Kolmogorov-Smirnov and Shapiro-Wilk tests, and the findings are presented in Table 4.14.

Table 4.14

Tests of Normality

	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Resource Allocation	.209	117	0.745	.931	117	0.728
Strategic leadership	.189	117	0.382	.793	117	0.397
Strategy communication	.157	117	0.191	.935	117	0.186
Human resource development	.176	117	0.502	.863	117	0.563
Organizational performance	.180	117	0.502	.858	117	0.517

a. Lilliefors Significance Correction

Source: Researcher (2025)

Findings from the table revealed that Resource allocation had a p-value of 0.728, Strategic leadership had a p-value of 0.397, Strategy communication had a p-value of 0.186, and Human resource development had a p-value of 0.563. Organizational performance had a p-value of 0.517. The variables had a p-value above 0.05, indicating a normally distributed population of data.

4.5.4 Multi-Collinearity Statistics

Multi-collinearity tests were carried out to ascertain the independence of the independent variables. Multi-collinearity was tested through the value inflation factor (VIF) scale, which runs between 1 and 10, with values above 5 indicating the likelihood of multi-collinearity, whereas values below 5 indicate a lack of multi-collinearity. The findings are presented in Table 4.15.

Table 4.15***Multi-Collinearity Statistics***

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Resource Allocation	.494	2.025
Strategic leadership	.615	1.626
Strategy communication	.356	2.805
Human resource development	.743	1.346

Source: Researcher (2025)

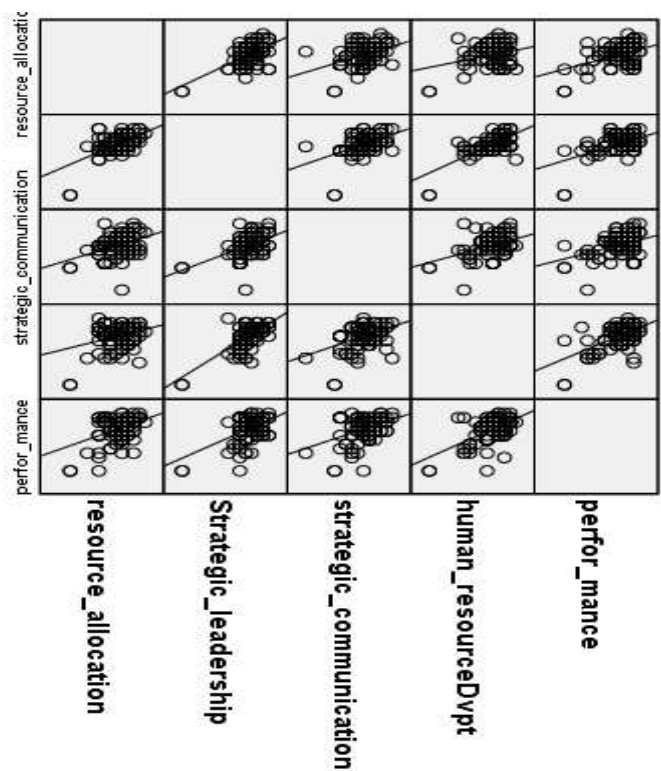
Results revealed Resource allocation had a score of 2.025, Strategic leadership had a score of 1.626, Strategic communication had a score of 2.805, whereas Human resource development had a score of 1.346. From the analysis, therefore, it was determined that the independent variables in the study did not have a problem of multicollinearity because the scores for VIF were all less than 5; hence, all the independent variables were fit for multiple linear regression analysis.

4.5.5 Linearity Tests

The research determined the presence of linearity through a scatter plot. The line of best fit revealed that there was a linear pattern between the independent and dependent variables, confirming the linearity requirement as shown in Figure 4.1.

Figure 4.3

Linearity matrix



Source: Researcher (2025)

4.6 Inferential Analysis

The study conducted an inferential analysis to establish the relationship that strategic implementation had on the performance of the Kenya Revenue Authority. The analysis involved testing of hypothesis between variables in the study. The study conducted both simple (shown between each independent variable against the dependent variable) and multiple regression analyses.

4.6.1 Correlation Analysis

To test for independence, a correlation analysis test is conducted with both *p-values* at 0.05 and Pearson Correlation (*r*) values used to evaluate the strength and direction of the linear relationship between two variables. The findings are presented in Table 4.16.

Table 4.16***Correlation Matrix***

		Resource Allocation	Strategic leadership	Strategy communication	Human resource development	Organizational performance
Resource Allocation	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	117				
Strategic leadership	Pearson Correlation	.581**	1			
	Sig. (2-tailed)	.000				
	N	117	117			
Strategy communication	Pearson Correlation	.392**	.468**	1		
	Sig. (2-tailed)	.000	.000			
	N	117	117	117		
Human resource development	Pearson Correlation	.289**	.690**	.394**	1	
	Sig. (2-tailed)	.002	.000	.000		
	N	117	117	117	117	
Organizational performance	Pearson Correlation	.398**	.475**	.379**	.561**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	117	117	117	117	117

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Researcher (2025)

Findings from the table revealed that Resource allocation and strategic leadership had an $r=0.581 < 0.8$ associated with a p-value of $.001 < 0.01$, indicating a positive and

significant relationship. Resource allocation and strategic communication had a positive and significant relationship ($r = 0.392 < 0.8$, $p\text{-value} = 0.001 < 0.01$). Resource allocation and Human resource development had a positive and significant relationship ($r = 0.289 < 0.8$, $p\text{-value} = 0.001 < 0.01$). Resource allocation and organizational performance revealed a positive and significant relationship ($r = 0.398 < 0.8$, $p\text{-value} = 0.001 < 0.01$).

Strategic leadership and strategic communication had a positive and significant relationship ($r = 0.468 < 0.8$, $p\text{-value} = 0.001 < 0.01$). Strategic leadership and Human resource development indicated a positive and significant relationship ($r = 0.690 < 0.8$, $p\text{-value} = 0.001 < 0.01$). Strategic leadership and organizational performance revealed a positive and significant relationship ($r = 0.475 < 0.8$, $p\text{-value} = 0.001 < 0.01$). Strategic communication and human resource development had a positive and significant relationship ($r = 0.394 < 0.8$, $p\text{-value} = 0.001 < 0.01$). Strategic communication and organizational performance had a positive and significant relationship ($r = 0.379 < 0.8$, $p\text{-value} = 0.001 < 0.01$). Human resource development and organizational performance had a positive and significant relationship ($r = 0.561 < 0.8$, $p\text{-value} = 0.001 < 0.01$). The study, therefore, established that multi-collinearity did not exist in the independent variables because their Pearson correlation scores were all less than 0.8.

4.6.2 Regression Analysis

4.6.2.1 Influence of Resource Allocation on Performance of KRA

A linear regression analysis between the strength and direction of the relationship of the two variables was carried out in the form: $Y = \alpha + \beta_1 X_1 + \varepsilon$ where Y was organizational performance, β_1 was the coefficient for resource allocation and the X_1 was resource

allocation as the independent variable, and finally, ε was the error term. Findings are presented in Table 4.17.

Table 4.17

Resource Allocation and Performance of KRA

Model Summary							
Model	R	R Square	Adjusted R Square		Std. Error of the Estimate		
1	.398 ^a	.158	.151		.49339		
ANOVA ^a							
Model		Sum of Squares		df	Mean Square	F	Sig.
1	Regression	5.254		1	5.254	21.582	.000 ^b
	Residual	27.995		115	.243		
	Total	33.249		116			
Coefficients							
		Unstandardized Coefficients		Standardized Coefficients			
Model		B	Std. Error	Beta		t	Sig.
1	(Constant)	2.433	.404			6.021	.000
	Resource Allocation	.459	.099	.398		4.646	.000

a. Dependent Variable: Performance of KRA

b. Predictors: (Constant), Resource Allocation

Source: Researcher (2025)

Results of the study indicated an R-square of 0.158 which indicated that 15.8% of changes in performance are a result of resource allocation, while other variables not included in the model explain 84.2% of the changes in performance of KRA, an F-ratio of 21.582 with a p-value of $0.001 < 0.05$ was obtained which implied that the simple regression model was fit for to predict performance of Kenya Revenue Authority. Besides a $\beta=0.459$, $t=4.646$, which was associated with a p-value of $0.001 < 0.05$, was obtained, implying a significant relationship between the resource allocation performance of the Kenya Revenue Authority. The simple regression model can also be written as follows: $Y = 2.433 + 0.459X_1 + \varepsilon$.

Similarly, to support the findings, resource allocation affected the performance of manufacturing firms listed on the Jakarta Stock Exchange (Ibrahim et al., 2012). The findings of the study revealed that resource allocation had a statistically significant effect on the performance of the manufacturing firms.

4.6.2.2 Influence of strategic leadership on the performance of KRA

A simple linear regression analysis was also conducted between Strategic leadership and Performance to establish the nature of their relationship, a simple linear regression model in the form: of $Y = \alpha + \beta_2 X_2 + \epsilon$ with y being the performance of Kenya Revenue Authority, whereas β_2 was the regression coefficient of Strategic leadership while x_2 was Strategic leadership, and ϵ the error term Findings were presented in table 4.18.

Table 4.18

Strategic leadership and Performance of KRA

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.475 ^a	.225	.218	.47331		
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.487	1	7.487	33.419	.000 ^b
	Residual	25.763	115	.224		
	Total	33.249	116			
Coefficients						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.828	.429		4.256	.000
	Strategic Leadership	.573	.099	.475	5.781	.000

a. Dependent Variable: Performance of KRA

b. Predictors: (Constant), Strategic Leadership

Source: Researcher (2025)

The findings of the study given under the summary show an R-square of 0.225, indicating that a 22.5% change in performance was explained by Strategic leadership, with other variables not included in the model explaining a 77.5% variation in the performance. Under the ANOVA, results presented indicated an F-ratio of 33.419 associated with a p-value of $0.001 < 0.05$, implying that the model was fit in predicting the performance of the Kenya Revenue Authority. Results presented further indicated a $\beta = 0.573$, $t = 5.781$, which was associated with a p-value of $0.001 < 0.05$, which implied that strategic leadership positively and significantly affected the performance of the Kenya Revenue Authority. The model can also be written in the form: $Y = 1.828 + 0.573X_2 + \epsilon$.

Similar sentiments were given in a study to assess the role played by strategic leadership in performance agreed with this study's findings. The study revealed that among the challenges in strategy, implementation included misalignment of culture and the organization's goals, the lack of appropriate strategic leadership, the inadequacy of information systems, and misallocation of resources in the organization, poor formulation of strategies, and lack of strategic controls. Among the drivers identified were: resource allocation, strategic leadership, organizational culture, training and development, information systems, as well as performance management systems (Jooste & Fourie, 2009).

4.6.2.3 Influence of Strategy Communication On the Performance of KRA

A simple regression analysis was conducted between the Strategy communication and Performance, with a simple linear regression model in the form: $Y = \alpha + \beta_3 X_3 + \epsilon$, with Y representing the performance of Kenya Revenue Authority, β_3 representing the

coefficients for strategic communication, X_3 being strategic communication as a variable, and ε as the error. The results are presented in Table 4.19.

Table 4.19

Strategy Communication and Performance of KRA

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.379 ^a	.143	.136	.49768		
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.765	1	4.765	19.240	.000 ^b
	Residual	28.484	115	.248		
	Total	33.249	116			
Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.546	.402		6.336	.000
	Strategy communication	.434	.099	.379	4.386	.000

a. Dependent Variable: Performance of KRA

b. Predictors: (Constant), Strategy communication

Source: Researcher (2025)

Results show a 0.143 R-square, implying that a change of 14.3% in the performance of the Kenya Revenue Authority is explained by strategic communication; other variables not included in the model explained 85.7% of the changes in performance. Under the NOVA statistics, findings indicated an F-ratio of 19.240 associated with a p-value of $0.001 < 0.05$, implying that the simple regression model was a good fit in predicting the performance of the Kenya Revenue Authority. Besides, findings indicated a $\beta = 0.434$, with a $t = 4.386$, was associated with a p-value of $0.001 < 0.05$, which implied that strategic communication had a positive relationship with the performance of the Kenya Revenue Authority. The regression model becomes $Y = 2.546 + 0.434X_3 + \varepsilon$.

In agreement with the study findings was a study conducted on how strategic communication affects organizational effectiveness at KEBS (Muendo, 2016). The research aimed to establish whether effective communication enhances company efficiency and productivity and how it might be successfully implemented. According to the research, effective communication does enhance company efficiency. The researcher concluded that there continue to be deficiencies in our understanding of how strategic communication affects organizational effectiveness. To optimize the efficiency of strategic communication, it is also advised that firms establish an environment of communication and cooperation.

4.6.2.4 Influence of Human Resource Development on the Performance of KRA

A simple regression model was also conducted between human resource development and Performance. The study model was as follows: $Y = \alpha + \beta_1 X_4 + \varepsilon$, with Y being the performance of the Kenya Revenue Authority, β_1 the regression coefficient of Human resource development, X_4 the Human resource development variable, and ε the error term. Results are presented in Table 4.20.

Table 4.20***Human Resource Development and Performance***

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.561 ^a	.315	.309	.44507		
ANOVA ^a						
Model	Sum of Squares		df	Mean Square	F	Sig.
1 Regression	10.469		1	10.469	52.853	.000 ^b
Residual	22.780		115	.198		
Total	33.249		116			
Coefficients						
Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	1.269	.419			3.033	.003
Human Resource Development	.698	.096	.561		7.270	.000

a. Dependent Variable: Performance of KRA

b. Predictors: (Constant), Human Resource Development

Source: Researcher (2025)

Results revealed a 0.315 R-square, implying that a 31.5% change in performance is explained by Human Resource Development, with other variables not included in the model explaining a 68.5% change in performance. Further, the results of the analysis of variance indicated an F-ratio of 52.853 associated with a p-value of $0.001 < 0.05$, which implied that the model was fit to predict the performance of the Kenya Revenue Authority. Regression analysis further revealed a $\beta=0.698$, $t=7.270$ associated with a p-value of 0.001, implying that Human resource development had a significant and positive relationship with the performance of the Kenya Revenue Authority. The regression model becomes $Y = 1.269 + 0.698X_4 + \epsilon$.

CHAPTER FIVE: SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

The chapter presents a summary of the key findings by comparing the results with the previous study's findings. The chapter also presents conclusions and suggestions for further study.

5.2 Summary of Findings

5.2.1 Resource Allocation and Performance of KRA

It is evident from the study that their institution had allocated enough staff for strategy implementation, their institution allocates enough resources for strategy implementation, staff from their institution were adequately involved in strategy implementation, and finally, their institution had allocated ICT equipment and other machines for strategy implementation. Overall, results confirmed that resource allocation was actively pursued in the Kenya Revenue Authority. Further, the study found that resource allocation significantly and positively had a relationship with the performance of KRA, with a p-value of $0.001 < 0.05$.

5.2.2 Strategic Leadership and Performance of KRA

This study established that respondents agreed that their leaders clearly outlined the vision and mission of the company in a visionary way, also findings showed that respondents agreed that their leaders strategically enhanced their organization's navigation through the changing landscape. Their leaders were emulated in ethical conduct. Results finally revealed that respondents agreed that their leaders were good decision-makers during strategy implementation. From a p-value of $0.001 < 0.5$, it was

also evident that resource allocation influenced the performance of KRA in a positive and significant way.

5.2.3 Strategy Communication and Performance of KRA

The study established a high level of agreement among the respondents on strategy communication, which indicated that respondents agreed that their organization communicated frequently, and respondents also agreed that their organization had several channels for communicating strategy. Results from the findings indicated that respondents agreed to have information flowing in two ways (from top to bottom and from bottom to top). Respondents finally agreed that they got feedback on the strategies being implemented by their stakeholders. The study established a significant and positive relationship between strategic communication and the performance of KRA, with a p-value of $0.001 < 0.05$.

5.2.4 Human Resource Development and Performance of KRA

The study established that respondents strongly affirmed their organizations' commitment to recruiting staff specifically for strategy implementation, which suggests a proactive approach in aligning human resources with strategic objectives. Furthermore, the findings revealed a consistent emphasis on recognizing and rewarding the efforts of staff involved in strategy implementation for compensation. The results also underscored the strategic placement of personnel, with respondents expressing a high level of agreement regarding the positioning of staff in roles where they can contribute most effectively to strategy execution. Notably, the commitment to employee development emerged as a key theme, as respondents strongly concurred with the assertion that their organizations prioritized training and development initiatives to

enhance the effectiveness and efficiency of strategy implementation. These findings collectively suggest a strategic and holistic approach to human resource management, emphasizing the crucial role of personnel in the successful execution of organizational strategies. Therefore, the study established that Human resource development positively and significantly affected the performance of KRA with a p-value of $0.001 < 0.05$.

5.3 Conclusions of the Study

5.3.1 Resource Allocation and Performance of KRA

The study concluded that Resource allocation was positively and significantly related to the performance of KRA, hence rejecting the hypothesis that resource allocation is not significantly related to the organizational performance of KRA. Conclusions have been supported by scholars (Ibrahim et al., 2012). The scholars noted positive and significant relationships between resource allocation and organizational performance. The scholars similarly concluded that performance management systems were important in the individual as well as organizational effectiveness in serving the needs of the organization.

The study supports the theory of constraints, which explains how organizations can allocate their resources effectively to achieve organizational goals. Most of the problems in organizations are due to poor links that lead to a shortage of resources. The theory of constraints helps expose the weak links in the organization's departments, such as IT, human resources, material handling, and procurement. The theory helps organizations identify a single leverage point that can be utilized to fix the whole system. The theory also enables the organization's leadership to create strategic models that reduce the wastage of resources and improve its competitiveness in the market.

5.3.2 Strategic Leadership and Performance of KRA

The study concluded that Strategic leadership was positively and significantly related to organizational performance, accepting the null hypothesis that Strategic leadership does not relate significantly to performance. Lack of Strategy implementation includes misalignment of culture and the organization's goals, the lack of appropriate strategic leadership, the inadequacy of information systems, misallocation of resources in the organization, poor formulation of strategies, and lack of strategic controls. Among the drivers identified were: resource allocation, strategic leadership, organizational culture, training and development, information systems, as well as performance management systems (Jooste & Fourie, 2009).

The findings of the study are in support of the Upper Echelons theory, which helps understand the role of strategic leadership on organizational performance by examining how a CEO's personality traits, age, education level, and experience influence strategic formulation in an organization. The CEO's characteristics manifest in an organization's strategic action, affecting performance. The CEO's decisions on the strategic models used by the firm depend on their characteristics. The organizational performance depends on the CEO's choices; executives' scans make expensive investments that may alter an organization's performance in the industry. Examining the CEO's characteristics helps in understanding their risk-taking levels in the industry. The theory, which helps in understanding the relationship between strategic leadership and performance, offers insights to help KRA overcome the challenges of strategic implementation to achieve its strategic goals.

5.3.3 Strategic Communication and Performance of KRA

This study concluded that strategic communication was positively and significantly related to organizational performance, therefore rejecting the null hypothesis that strategic communication does not have a significant relationship with performance. Researchers who were in support of the conclusions studied the effects on performance from strategic communication and established that they both had a significant and positive effect (Muendo, 2016).

The conclusions of the study are in support of the stewardship theory, which requires managers to act as worthy stewards of the organization by ensuring that they communicate effectively with the employees. In this regard, managers must ensure that the employees understand their role in achieving the organizational goals. This theory explains the role of strategic communication in achieving organizational performance. The stewardship theory helps explain how KRA can use strategic communication to improve its performance. As stewards, managers must be at the forefront of communicating the organizational mission and vision to the employees. Besides, managers should play an active role in motivating employees through empowerment and mentorship programs (Engert & Baumgartner, 2016).

5.3.4 Human Resource Development and Performance of KRA

The study concluded that human resource development had a positive but significant relationship with performance, hence rejecting the hypothesis that human resource development does not have a significant effect on KRA performance. In support of the conclusions, research within Islamic Schools revealed that successful strategy implementation led to better performance (Rofiaty, 2019). The conclusions of the study

are in support of the contingency theory, which explains the impacts of leadership on strategic human resource development. The theory states that a leader should motivate employees to keep up with the organization's different situations. This theory shows that human resource managers must ensure that an organization keeps up with the external environment. In this regard, a manager must ensure that the human resources are well-trained to adapt to the change in the external environment (Hadiyanti et al., 2024). This theory ensures that KRA can adopt a human development model that aligns with the organization's specific needs.

5.4 Recommendations

The current study presented policy recommendations and suggestions for further research guided by the conclusions of the study and major findings. The study also recommended future studies that were guided by the identified gaps in the study; conceptual, methodological, and empirical gaps were presented.

5.4.1 Recommendations on Research Findings

5.4.1.1 Resource Allocation

The study recommends that the Kenya Revenue Authority (KRA) should be proactive in allocating sufficient staff, financial resources, and technological equipment for effective strategy implementation. To further enhance organizational performance, it is recommended that KRA continue its robust approach to resource allocation, ensuring that staffing levels remain adequate, financial resources are consistently allocated, and ICT equipment and machinery are updated and maintained. Additionally, the institution should consider periodic reviews of its resource allocation strategies to adapt to

evolving needs and challenges. This approach contributes to sustained organizational effectiveness and reinforces KRA's position as a leading revenue authority in Kenya.

5.4.1.2 Strategic Leadership

The study recommends that leaders continue to communicate the vision and mission of the organization in a visionary manner. Additionally, leaders should focus on strategic initiatives to navigate the changing business landscape, demonstrating adaptability and forward-thinking. Ethical conduct should be emphasized as a core value, encouraging leaders to serve as ethical role models for their teams. Decision-making during strategy implementation should be a priority, ensuring that leaders are equipped to make informed and effective choices. Furthermore, recognizing the significant positive impact of strategic leadership on Key Result Areas (KRAs), it is advisable to invest in robust strategic leadership strategies that align with organizational goals. By implementing these policy recommendations, the company can strengthen its strategic leadership, fostering a culture of innovation, adaptability, and ethical behavior for sustained success in a dynamic business environment.

5.4.1.3 Strategic Communication

The study recommends that the Kenya Revenue Authority should prioritize and continue fostering a culture of frequent and diverse communication channels. Encouraging two-way communication, both top-down and bottom-up, will ensure a comprehensive flow of information within the organization. Moreover, the study recommends that the organization should recognize the importance of stakeholder feedback on implemented strategies. To strengthen this positive relationship between strategic communication and KRA performance, leaders should actively seek and value

input from all levels of the organization and external stakeholders. As a policy recommendation, KRA should institutionalize practices that support open and transparent communication, ensuring that information flows seamlessly across all levels and functions. Additionally, KRA should prioritize mechanisms for collecting and incorporating feedback, creating a dynamic and responsive strategic environment that ultimately contributes to improved organizational performance.

5.4.1.4 Human Resource Development

The study recommended that organizations adopt a comprehensive approach that places a strong emphasis on human resource development. To align human resources with strategic objectives, organizations should proactively recruit staff with the specific intent of boosting strategy implementation. Recognizing and rewarding the efforts of personnel engaged in strategy execution should be a fundamental component of compensation policies. Additionally, the strategic placement of personnel in roles that align with their strengths and contribute most effectively to strategy execution is paramount. Organizations should prioritize employee development through robust training initiatives, acknowledging their crucial role in enhancing the efficiency and effectiveness of strategy implementation. This holistic approach to human resource management, as evidenced by the study's positive correlation between human resource development and Key Result Area (KRA) performance, underscores the critical role of personnel in successful organizational strategy execution. As such, organizations are encouraged to integrate these insights into their strategic leadership policies, fostering a culture that values and invests in the continual development and alignment of their workforce with overarching strategic goals.

5.4.2 Recommendations for Further Research

The current study's variables could only explain 82.5% of the variations in the performance, and other variables related to strategic implementation that were not included in the study accounted for only 17.5% of performance variations. Therefore, additional variables that could have a direct or indirect effect on the relationship between the study variables (mediating or moderating variables) should be included in the model to improve the prediction of the performance of KRA.

Another study should be duplicated outside Kenya, say in the Tanzania Revenue Authority or Uganda Revenue Authority, to determine whether the findings are congruent or divergent, which would help in the generalization of findings and theory development.

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APPENDICES

Appendix I: Introduction Letter

My Name is Irene Nyakio, a Masters student at Kenya Methodist University. I am pursuing a degree in Strategic Management. To fulfill the requirements of the degree, I am required to write a Thesis on the *Influence of Strategy Implementation on the performance of the Kenya Revenue Authority*. I have chosen you to participate in this study by giving your insight into the above-given topic by filling out a questionnaire. Your participation is voluntary, and you may choose to participate or withdraw at any given stage. I will treat the information given in confidence and also promise not to use your personal information while writing my thesis. There are no right or wrong answers, and therefore I request you to be honest. After completing the exercise, you can call the number below so that I may pick up your questionnaire. You may also use the same for clarification on the matter that is not clear to you.

Disclaimer: This Questionnaire is ONLY meant for the person it is addressed to; no other person should have the privilege of filling out the questionnaire other than the authorized person with the address.

Yours faithfully,

Irene Nyakio

Consent is given

Yes []

No []

If No, why.....

Appendix II: Questionnaire

Instructions: Please tick appropriately

Section I: Demographic Information

1. Gender

Male ☐ Female ☐

2. Age

Below 30 years ☐ Between 31 and 40 years ☐

Between 41 and 50 years ☐ above 50 years ☐

3. Level of Education

Bachelor's Degree ☐

Masters Degree ☐

Postgraduate Degree ☐

Section II: Resource Allocation

4. Please indicate the extent to which the following Resource allocation practices are carried out in strategy implementation using a Likert scale, where: 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= strongly Agree.

Statement on Resource Allocation	1	2	3	4	5
We have allocated enough staff for strategy implementation.	☐	☐	☐	☐	☐
We have allocated enough financial resources for strategy implementation.	☐	☐	☐	☐	☐
Our staff are adequately involved in strategy implementation.	☐	☐	☐	☐	☐
We have allocated ICT equipment and other machines for strategy implementation.	☐	☐	☐	☐	☐

5. How do you approach resource allocation when implementing strategic initiatives in your organization?.....

.....

6. What factors or considerations do you take into account to ensure effective resource allocation?.....

.....

Section III: Strategic Leadership

7. Please indicate the extent to which the following Strategic Leadership practices are carried out in strategy implementation using a Likert scale, where: 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= strongly Agree.

Statement on Strategic Leadership	1	2	3	4	5
Our organizational leaders have emphasized the Exploitation of core competencies.					
Our leaders play a crucial role in the determination of a strategic direction.					
Our leaders play crucial roles in emphasizing ethical practices.					
Our leadership emphasizes the development of social capital, such as networks.					

8. What are some of the ways through which strategic leadership has influenced the execution of strategic initiatives within your organization?.....

.....

.....

.....

9. What are some of the necessary skills or knowledge for strategic leaders to effectively guide and inspire teams in implementing strategic plans?

.....

.....

Section IV: Strategy Communication

10. Please indicate the extent to which the following organizational structure practices are carried out in strategy implementation using a Likert scale, where: 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= strongly Agree.

Statement on Communication	1	2	3	4	5
Our organization communicates frequently.					
Our organization has several channels for communicating strategy.					
Information flows in two ways (from top to bottom and also bottom to top)					
We get feedback on the strategies being implemented from our stakeholders.					

11. What are some of the methods and channels used to effectively communicate strategy progress to employees at all levels?.....

.....

12. What are some of the ways that you use to ensure strategy communication is clear and understood by all stakeholders?

.....

.....

13. Are there any challenges that your organization has faced in effectively communicating strategy, and what are the ways you overcame them?

.....

.....

Section V: Human Resources Development

14. Please indicate the extent to which the following human resources development practices are carried out in strategy implementation using a Likert scale, where: 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= strongly Agree.

Statement on Human Resources Development	1	2	3	4	5
Our organization recruits staff for strategy implementation.					
We give compensation to our staff involved in strategy implementation.					
We have placed staff in positions where they serve best in strategy implementation.					
We conduct employee training and development to implement the strategy more effectively and efficiently.					

15. What are some of the strategies in your organization used to develop the skills, knowledge, and capabilities of employees to enable the successful execution of the overall organization strategy?

.....

.....

16. How does your organization ensure that human resources development efforts align with the overall strategic direction of the organization?

.....

.....

Section VI: Performance of KRA

17. Please indicate the extent to which the following performance of KRA has improved using a Likert scale, where: 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= strongly Agree.

Statement on Human Resources Development	1	2	3	4	5
Our customers have given us positive feedback on customer satisfaction.					
We have increased the amount of tax revenues collected in the past five years.					
We have increased the number of employees.					
We have allocated more PINs to taxpayers.					

18. How would you describe the overall performance of the Kenya Revenue Authority (KRA) through revenue collection and tax compliance?

.....

.....

20. Has the organization faced any challenges in achieving its performance targets? If so, how is the organization trying to address its challenges regarding performance?

.....

.....

21 Performance Schedule

Performance	2017	2018	2019	2020	2021	2022
Revenue Collected						
Number of KRA PIN Holders						

Appendix III: Introduction Letter from KeMU



KENYA METHODIST UNIVERSITY

P. O. Box 267 Meru - 60200, Kenya

Fax: 254-64-30162

Tel: 254-064-30301/31229/30367/31171

Email: deanrd@kemu.ac.ke

DIRECTORATE OF POSTGRADUATE STUDIES

Our Ref: KeMU/NACOSTI/BUS/14/2024

April 9, 2024

Commission Secretary

National Commission for Science, Technology and Innovations

P.O. Box 30623-00100

NAIROBI

Dear Sir/Madam,

RE: IRENE NYAKIO NG'ANG'A (REG. NO. BUS-3-2821-3/2021)

This is to confirm that the above named is a bona fide student of Kenya Methodist University, in the Department of Business Administration, undertaking a Master's Degree in Business Administration. She is conducting research on: "Strategy Implementation and Performance of Kenya Revenue Authority".

We confirm that her research proposal has been defended and approved by the University.

In this regard, we are requesting your office to issue a research license to enable her collect data.

Any assistance accorded to her will be highly appreciated.



COB, Business Administration
Postgraduate Coordinator - BA
Supervisors

Appendix IV: NACOSTI License

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 492716	Date of Issue: 17/April/2024
RESEARCH LICENSE	
	
This is to Certify that Miss. IRENE NYAKIO NG'ANG'A of Kenya Methodist University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: STRATEGY IMPLEMENTATION AND PERFORMANCE OF KENYA REVENUE AUTHORITY for the period ending on: 17/April/2025.	
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