

Journal of  
**Entrepreneurship and  
Project Management**  
(JEPM)



**CARI**  
**Journals**

# **DETERMINANTS OF SUCCESSFUL IMPLEMENTATION OF INTEGRATED TAX PROJECTS OF KENYA REVENUE AUTHORITY, KENYA**

**<sup>1\*</sup>Lucas Otieno Migot**

College of Human Resource and Development, Jomo Kenyatta University of Agriculture and  
Technology

P. O. Box 62000, 00200 Nairobi, Kenya

Corresponding Author email: [lmigot@gmail.com](mailto:lmigot@gmail.com)

**<sup>2\*</sup>Dr. Samson Nyanga'u Paul**

College of Human Resource and Development, Jomo Kenyatta University of Agriculture and  
Technology

P. O. Box 62000, 00200 Nairobi, Kenya

## **Abstract**

**Purpose:** The current study sought to establish the determinants of successful implementation of integrated tax projects of Kenya Revenue Authority, Kenya.

**Methodology:** A descriptive design was adopted. The target population was 353 project managers, assistant project managers and supervisors of the four integrated tax projects at Kenya Revenue Authority. A sample size of 187 was determined through Yamane formula and stratified. Data analysis was quantitatively analyzed using the statistical package for social scientists (SPSS V20) for both descriptive and inferential statistics.

**Results:** The study findings showed that stakeholder participation, project control, project planning and resource management positively influence implementation of the integrated tax projects significantly.

**Recommendations:** Based on the findings, the study recommends the need for KRA to improve project-planning practices, improve resource management practices. This can be done by having adequate financial resources for each project, availability of adequate material to support project activities, having sound technical expertise for every project having knowledgeable personnel who understands the technical requirements of the project and using relevant technology for each project. The study also recommends a need for KRA to improve its project control practices. This can be done by incorporating policy, procedures and standards of implementation, having quality assurance policies and standards, having quality auditing, and specifications, using control charts and analysis and applying budget and budgetary controls when managing projects. Lastly, the study recommends a need for KRA to improve its stakeholder participation practices.

This can be realized through increasing the stakeholder's participation in the design of the project plan, identification of the scope and benefits of the project, implementation of the project and project monitoring and evaluation.

**Keywords:** *Project Planning, Resource Management, Project Control, Stakeholder Participation, and Successful Implementation of Integrated Tax Projects.*

## INTRODUCTION

### Background of the Study

According to Hodgkin, (2013), the current business world is very competitive and attaining the most out of the existing resources is necessary for all business organization. Many organizations around the globe have adopted a positive approach of system systems modernization and operations, which has made the organization to be more efficient and effective in their operations. This has made the revenue agencies in developed and developing nations globally to automate their revenue collection systems (Pastukhov, 2014). Majority of government around the globe have implemented the e-government such as i-tax filing to curb the challenges (Ojha, Sahu & Gupta, 2011). According to Hjertholm and White, (2013), the businesses that have automated their revenue collection systems gain maximum benefits, they argue that the use of system automation improves development and maintenance activities hence efficiency and effectiveness in delivery and predictable quality. The revenue system modernization helps to improve the tax administration organization to collect more returns by incurring less cost. According USAID (2015) study, one-third of GDP in rich countries who have adopted iTax system have shown an increase in their GDP.

According to WHO, (2015) report, the adoption of iTax system in to income countries like Colombia, Jamaica Bolivia, Spain and Uruguay has been challenging promoting radical tax reforms. The Sub Saharan countries which have not adopted the system collect low taxes ranging from 15% to 17% of GDP. According to Economic Survey, (2015) report, the continued implementation and operationalization of the iTax system in Kenya was anticipated to boost revenue harvest by expanding of the tax base, reduce compliance cost and improve revenue administration. Further, it was also anticipated that i-Tax implementation would help to minimize the interaction between the taxpayers and KRA staffs hence reducing integrity issues. It has also allowed for reach ability among taxpayers in terms of time saving, easy access even at the comfort of their homes and offices and where there is internet connectivity. The system also captures a wider geographical coverage and classes of taxpayers (Mwangi, 2013). Furthermore, Ivanyna and Von Haldenwang, (2015) argue that low tax compliance and tax administration are among major issues affecting the implementation of i-tax in developing nation such as Kenya. Pastukhov, (2014) argued that the tax filling system is still unseen by the public despite its availability. According to Wreh, (2013), it is essential to comprehend the acceptance by the users of the electronic tax-filing systems and recognize some of the influences that can affect the decision to use or not use the electronic tax-filing systems. The concern is significant in that the response can aid the government in planning and promoting the new forms of electronic taxfiling systems in the near future.

### Global Perspective of Implementation of Integrated Tax Projects

The tax situation is fluctuating quickly globally, the changing trends in tax collection amongst the tax collection agencies in the world have been challenged to adopt an updated and open tax administration system. According to Lai, (2010), to attain superior tax administrative and compliance efficacy, many organizations have adopted electronic tax filing. In India, study by Ojha *et al.*, (2011) assessed how antecedents young Indian professionals acted towards paperless

or online filing of tax returns with the purpose of improving compliance. It was established that successful implementation of integrated projects improved tax performance.

Furthermore, various factors such as perceived ease of use and ease of use played a role in successful implementation of i-tax projects. This means that for integrated tax systems can only work if the systems are easy to use, accessible and innovative enough (Ojha *et al.*, 2011).

### **Regional Perspective of Implementation of Integrated Tax Projects**

In Nigeria, Ayodeji (2014) studied the influence of e-tax systems on Tax Administration, the study findings revealed that e-tax system has a significant role revenue collection as it increases the total revenue collection of the country by improving tax compliance efficiency thus increasing country's economic activities and productivity. Ayodeji (2014) also recommended that the Nigerian government should come up with essential laws and regulations to eliminate import taxes on information technology hardware such as computers. Damali and Shukla (2016) examined how project implementation factors influence the success of community based projects in Rwanda and observed that the Rwandese government has worked very hard in taking on the lead in successful implementation of its projects. Rwanda has registered great success stories in implementation of Government projects. This successful implementation has been attributed, to the good governance and leadership that does not tolerate corruption and mandates that all Rwandans including; leading government officials are held accountable to their citizens. Performance contracts are made by all ministries down to all local leaders at cell level, and then an evaluation followed at a bi-annual meeting headed by the president of Rwanda each year (Versailles, 2012). The introduction of i-tax and Automated System for Customs Data by the Tanzania Revenue Authority resulted in enhanced tax performance in the country. The systems enabled the authority to closely monitor the data on taxpayers, provide efficient services and effectively undertake roles thus improving tax performance in the long run (Tanzania Revenue Authority, 2010). The government of Rwanda has ensured that all its citizens are enlightened about vision 2020 and clearly understand the vision and its objectives and hence facilitating ownership of the vision. This clear understanding of the vision 2020 by Rwandan citizens, has greatly contributed to successful implementation of the government projects (Damali & Shukla, 2016).

### **Local Perspective of Implementation of Integrated Tax Projects**

In Kenya, tax is the source of finance to government budgets. According to Karingi, (2015), 82.7% of total government revenue between the year 2005 and 2015 was generated from tax revenue, the revenue was adequate to fund all the public expenditure without remedy to unnecessary public sector borrowing. KRA has adopted the electronic tax system to collect the revenue with a goal to enhance revenue collection and tax efficiency. The revenue collection at Kenya Revenue Authority has improved rapidly since the adoption of new systems (Atika 2012). According to Atika, (2012), the improved revenue collection and deliberate tax compliance by taxpayers in the country can be attributed to the centralized Information and Computer Technology department at Kenya Revenue Authority. Efforts have been put in by KRA to implement I-tax project as shown in its corporate strategy, but it has faced setbacks. This guides this study to find out why there has been a low success rate.



### **Integrated Tax Projects at Kenya Revenue Authority**

Pastukhov, (2014) defines integrated tax projects as those tax related projects which use system computes to account for state revenue by storing all appropriate data allowing for monitoring and controlling all tax transactions. Ngigi, (2015), argued that i-tax helps to manage the tax revenue collection. The projects simplifies and quickens tax compliance and ensures secure exercise, thus cutting tax compliance costs in logistics. According to Carter, Tyrrel and Howsam, (2011), revenue administration automation is positively related to cost of tax administration automation and efficacy of revenue collection, it has a similar effect on tax clearance time. Without a strategy, the management has no roadmap to guide the organization towards desired performance levels (Musa, 2013). There is a big correlation between the iTax and revenue collection rate. It is a statutory requirement for all profit making business firms to pay tax. Most businesses qualify to return various types of taxes, which must be filed each month. The integrated tax projects have become an obligatory platform for all taxpayers for tax returns (Franco & Boume, 2013). Tax return and filling has become mandatory for all taxpayers who were previously oblivious to the fact that only established corporations comply (Ngujiri, 2012). Kenya generates at least 70% of its annual expenditure through taxes. Previously, KRA used the ITMS established in 2009-2013 after which i-Tax was developed. ITMS had only three modules namely registration, filing and payments. The average of total tax contribution to GDP for 2015 was 86.4% (Kenya Data & Statistics, 2015).

The main initiatives aimed to achieve; modernizing and integrating IT systems and tools, implementing IT standards and procedures in accordance with IT best practices, implementing IT and information security programmes, developing disaster recovery and business continuity plans, re-engineer business processes to provide efficient services and, achieving and maintaining ISO 9001/2000 certification (Hodgkin, 2013). According to the KRA Revenue Performance Report 2014 to 2015 financial year, Authority collected Kshs.982.4 billion compared to Kshs. 988.9 billion collected in 2013 to 2014 fiscal year which represented a revenue decrease of Kshs. -6.5 billion or 0.7% (KRA, 2015). Other integrated tax projects are the samba system project and the automated customs management systems.

The KRA Simba system introduced in the year 2004 is an application that helps in smoothly shipping and clearing goods out or into the Kenya Ports. The system has been helping clear cargo at the ports without holding up those in the queue waiting for same services (KRA, 2018). The Automated Customs Management Systems replaced the Simba system in the year 2018. This system consolidates all the existing customs systems into one modern, robust and more efficient system built on the latest technology with capability of seamlessly interfacing with other internal and external systems as need arises.

### **Statement of the Problem**

The Kenya Revenue Authority implemented tax projects to improve the revenue collection, administration, to decrease costs of tax compliance as well as improving tax compliance. In the years 2009-2013, the tax projects realized Kshs 1.8 Billion. The first roll out of the Tax projects was in September 2013 and to date, the projects have realized over Kshs 4 billion in cumulative Value Added Tax flagged off since 2013 (RoK, 2016). Despite the importance of the integrated tax projects, there are still major challenges facing the revenue collection process (RoK, 2016). Kenya Institute of Public Policy Research and Analysis (2015) report indicated that developing

countries record as little as 40% of their tax potential, and for Kenya Revenue Authority the report indicate that tax compliance levels and tax collections have remained low and they are always below the KRA set targets. Kenya National Bureau of Statistics (2016) report indicated late filling in up to ninety percent of all fillings and indicating a success rate of only 33% of the i-tax projects at KRA. Despite all these reforms, there is still a major concern by the treasury as noted in the 2016/17 budget speech that tax reforms are still not generating revenue to their potential capacity. The International Monetary Fund (2016) observed that implementation of tax reforms could increase Kenya Revenue Authority's revenue by an estimated Sh40 billion and removal of exemptions will make tax collection less complicated. This study therefore sought to focus on establishing the factors that determine successful implementation of integrated tax management system project at the Kenya Revenue Authority.

### **Research Objectives**

- i. To determine the influence of project planning on successful implementation of integrated tax system project at the Kenya Revenue Authority
- ii. To examine the influence of resource management on successful implementation of integrated tax system project at the Kenya Revenue Authority
- iii. To find out the influence of project control on successful implementation of integrated tax system project at the Kenya Revenue Authority
- iv. To establish the influence of stakeholder participation on successful implementation of integrated tax system project at the Kenya Revenue Authority

## **LITERATURE REVIEW**

### **Theoretical Review:**

#### **Stakeholder Theory**

Friedman, (1984), developed the stakeholders' theory. In an organization, the theory is used as a strategic approach, mostly several stakeholders are considered as opposed to only shareholders. All the shareholders in a firm are involved in decision-making process and mainly focus on value making for these groups, which have a stake in the firm (Freeman, 1984). The theory assumes that the organization managers fulfill the stakeholder's management role. According to Freeman and Parmar, (1984), the management acts as agents' stakeholder by ensuring that the firm continues to survive and also safeguarding the long term risks of each group. The interest of the stakeholders is advanced by the managers of a business (Harrison, & Wicks, 2013; Sloan, 2009). It can be argued that there are a number of stakeholders which play a significant role in implementation of a company's program. They are both primary and secondary. Some of the primary stakeholders range from shareholders, employees and the customers while some of the external ones are the NGOs, financing agencies and the government. The theory therefore links stakeholder involvement to successful implementation of tax administration projects and can therefore be linked with stakeholder participation variable of the study.

**Resource Based View Theory**

Barney (1991) postulated the theory. The theory is seen as action strategy that position the organization as a base for a multi-business firm, the theory stresses the organization's capability to exploit the possible synergies between resources with an aim of producing higher performance (Barney 1991). According to Truijens, (2013), in firm's production process manager's talent, equipment, skills of individual employees, patents, finance, capital and equipment are viewed as input resources. Firm resources can either be tangible or intangible. The competitive advantages of a firm can be formed by synergistic combination individual resources since the individual resources may not yield to a competitive advantage. According to Almarri and Gardiner, (2014), RBT is project management theory that scrutinizes how resources in a firm can lead to competitive advantage. The theory is of importance as it helps in understanding how available resources can be utilized, how to select suppliers, on how to review contracts and accomplish and how to implement project successfully by highlighting the project needs. The theory is relevant to the study in indicating how resource management is crucial to implementation of programs.

**Program Theory**

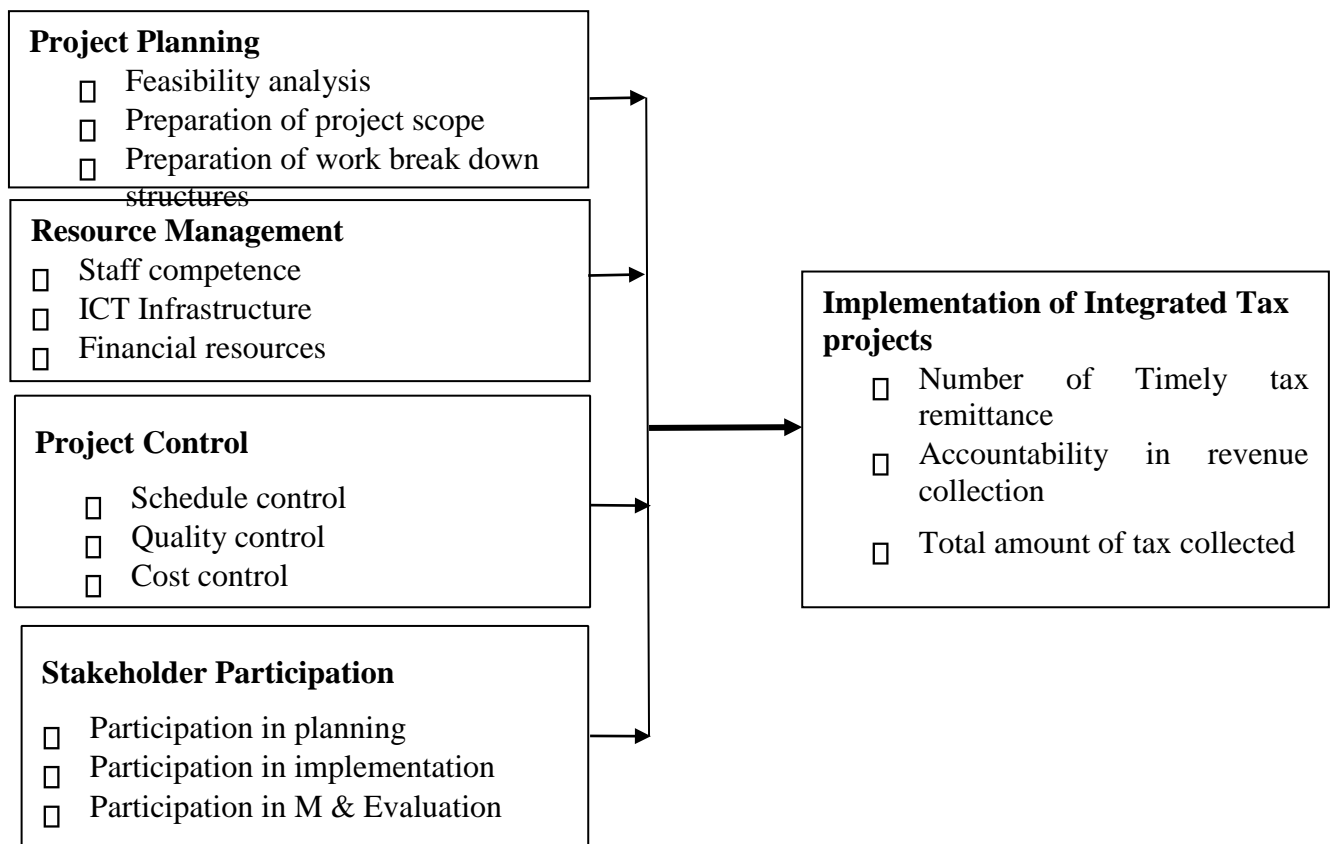
The function of a program theory proposed by Weiss (1997) is to establish the hypothetical awareness of the project. According to Sedani and Sechrest, (1999), the theory comprise of reports that are useful in describing a particular program, explaining why, how, and under what conditions its impacts occur. The program theory is useful in designing the outcomes of a program. The success of the project depends mainly on the order of planning stages. The theory is of importance when deciding why a program is succeeding and where program requires improvement focus (Prosavac & Carey 1997). According to Rogers, (2000), three constituents, namely program inputs, intended outputs and the appliances by which the intended outcomes are achieved, demonstrate the program theory. A detailed description of the implementation program process comprises of the information of important steps, linkages and phases of expected transformation process. Sedani and Sechrest, (1999) argue that the intended output of a project should be clearly indicated in terms of time, quality and costs. According to Funnell, (2000), the intended output can be broken down into immediate, intermediate, and long-term impacts. Sedani & Sechrest, (1999) argued that the implementation issues such as supplies, materials, and skills required carrying out the program services in detail. This theory is important for the study as it underlines the various links, steps, and phases of the project as well as some implementation issues and can therefore be linked with project planning and project control variables of the study.

**The Unified Theory of Acceptance and Use of Technology**

The theory was developed by Venkatesh, Morris, Davis and Davis, (2003) in the year 2003. In this study, it can provide a link between adoption of technology and success in adoption of electronic tax systems. Shaupp et al., (2010) argue that numerous behavior facets such as facilitation conditions, effort expectancy, social influence and performance expectancy, affect the adoption of electronic systems. The prospects by end users of readiness and quality of infrastructure such as internet helps to form the performance expectancy predicted in the model (Holguín-Veras & Preziosi 2011). Lai (2017) argued that there are five factors, namely, perceived usefulness, the ability of the system to fit into the requirements of the job, the relative advantage that will be

gained from using the system, the expected outcomes that will accrue from the use of the system and the extrinsic motivation associated with the use of the technology that determines its usage. The theory is relevant to this study as it helps to guide the framework to develop and implement the electronic tax system such as i-tax. The theory argues that electronic tax systems can help the tax authorities to attain better revenue collections, are easy to use, less costly to the users and systems that complement the existing tax system without essentially generating extra procedures. Consequently, the tax authority is also required to make sure that there is backup infrastructure in place such as internet connectivity in order to make compliance with tax laws easy and fast.



**Conceptual Framework****Independent variables****Dependent variable****Project Planning**

Proper project planning ensures that a project is finished on time and in the highest quality (Chandra, 2010). There is therefore a need to have a strategic plan that details all the activities in a project from the work breakdown to all the project cycles. Furthermore, there is a need for feasibility analysis, a breakdown of the work scope and goals and objectives to be achieved (Kerzner, & Kerzner, 2017). Hyer and Brown (2010) on the other hand indicates that during project planning, there is a need for definition of the scope, identification of purpose, definition of user needs, time planning, allocation of costs as well as responsibility planning and allocation. It is a continuous process that ensures that key timelines are met to achieve success (Dvir et al., 2003).

According to Thomas, et al., (2008), unfortunate project plan or projects that starts down the on a wrong path always leads to can project failures, this infers that the initial wrong strategic framework planning of the project process always results to wreckage the projects. Drazkiewicz, Challies and Newig, (2015) argued that proper scope of project duration is another regularly recognized part of successful implementation of the projects.

## Resource Management

According to Amade, Ogbonna and Kaduru, (2010), sufficient resource availability facilitates the success of the projects. Most projects fail because of funds inadequacy and short term funding. Another resource is the human resource whereby sound technical expertise as well as competent employees are required. Lack of these according to Kaduru, *et al*, (2010) affects success rate. Ajam, (2013) on the other hand argues that there is a need to have competent employees to oversee the overall running of the project from planning to evaluation. Many organizations fetch in resources for involvements to drive the projects without notifying their corresponding human resources, this results to failure of the organizations commitment to the projects. There is a need for a right project team since when there is lack of collaboration among the project team members as well as indiscipline cases; it affects project performance (John, Mbabazize, & Euginia, 2017). The World Bank (2009) report indicates that finances and capital resources forms the epicenter of success or failure of any project in the world; be it infrastructural, educational, and religious or charity project. The finances give rise to projects quality through accessing qualified personnel, relevant technology, proper materials and winning the community support. Owing to the fact of limited financial resources, the relevance of human, financial and infrastructural resources in relation to hiring expertise, financial viability of projects and financial management skills will be considered.

## Project Control

William (2014) posit that project control helps track project cost, time and quality. Project control refers to the actions taken by the project team leadership in ensuring that the project is carried out as per the specification (time, cost and quality). The aim is to ensure that the construction project plan is successfully implemented and any difficulties experienced during implementation are appropriately addressed (Doyle, Hughes & Glaister, 2009). Project controls entails progressive management of the project throughout its life cycle so as to ensure that the project is completed within its timeline and budget while conforming to the established requirements and specifications (Kondo, 2015). Project control also includes planning, organizing, directing and controlling activities in addition to motivating what are usually the most expensive resources on the project. Project control is essentially about managing a project from its conception to its completion through various stages of a project life cycle (Wyplosz, 2005). According to Gordon and Li (2009), project control helps determine what has happened and to forecast what may happen in the future if earlier performance is anticipated to go on or if there are no alterations in the control of a project. One of the most challenging and vital characteristic of project control is in estimating productivity.

Project forecast in project control refers to the prediction of the final cost and schedule outcomes on a project while the work is still ongoing. So, predicting project outcomes based on the information available need special skilled & experienced managers (Abiola & Asiweh (2012). Building firms such as in the UK regularly source for expatriates in the construction industry in the United States so as to ensure their project planning and control is efficient, ((John, Mbabazize, & Euginia, 2017). Also the project control division, engineers, managers are the medium of communication between the project manager and other corporate managers such as finance, legal, human resources and directors. So the role of the control team, managers is crucial and sensitive involving human relationship.

### **Stakeholder Participation**

According to Snyder, (2009), stakeholder participation is defined as a process by which the organization allows individual who can affect or influence the organization decisions to the implementation of its decisions. Warner, (2016) defined a stakeholder as an individual that is directly involved in the project or an individual whose interests are most likely to be affected by the project. Every organization aims to create value for its stakeholders.

To do so, there is a need to involve the stakeholders in decision and value making. They should be involved in planning and other stages of project management. Harris, Croot, Thompson and Springett, (2016) argue that when the organizations involve the stakeholders in decision-making is likely to create more value for shareholders and other financiers. There are two types of stakeholders, namely the external stakeholders and internal stakeholders (Heagney, 2016; Bourne, 2016).

### **Implementation of Tax Administration projects**

ITMS are complex systems, which can link tax administration and real time processes to enhance success in tax management (Klaus *et al.*, 2000). They have high improvement capacity and use IT extensively thus enhancing tax performance (Markus & Tanis, 2000). According to Canzer (2003), ITMS implementation process involves mobilization of systems, adjusting the present systems, communicating with stakeholders and incorporation of work. The whole implementation process involves strategizing on how the implemented components will be suitable to the business needs of the organization. According to Kipkemai (2015), i-tax is efficiently used to manage data hence improving the revenue collection and accountability in the fiscal administration at KRA. According to (Oeta, 2017), i-tax is a system computes and accounts for state revenue, it stores all appropriate data, that is credit and debit data in separate data base and it also helps in monitoring and controlling all tax transaction. Ngigi, (2015), indicated that i-tax enhances.

### **Empirical Review:**

#### **Project Planning**

A study by Ocharo and Kimutai (2018) established how project planning influenced performance of projects in power sector. Adopting primary data, correlation and regression analysis, the study results indicated that despite existence of plans, implementation of the plans was not good thus affecting performance of projects. There was lack of follow-ups, evaluation and feedback. Martin, Furumo and Pearson (2004) conducted a study to assess the effectiveness of project planning on software processes project performance. The study main objective was to determine the process factors and their relationship to success of the project. The study used descriptive research design. The study used primary data only. The collected data was analyzed using SPSS. The study results revealed that planning was a leading predictor of meeting targets and quality.

#### **Resource Management**

John *et al.*, (2017) conducted a study to establish the role of project resource availability on project success in banking industry in Rwanda. Using descriptive research design, questionnaires to collect data and inferential analysis, it was established that project success is affected positively by

availability of resources. Mwanajuma, and Ngugi (2014) conducted an assessment of the determinants of factors that affect the completion of Water Projects in Kenya. Both descriptive survey and case study design were used. Employing regression analysis, it was established that completion of water projects at the Ministry of Water and Irrigation was significantly influenced by organizational structure. A study by Omolo (2015) sought to establish factors influencing the implementation of project management in public funded projects. Both qualitative and quantitative data was used and it was found that stakeholders' involvement enhanced success rate of project implementation. Furthermore, resource mobilization also affected project implementation to a great extent.

### **Project Control**

Musyoka (2012) sought to establish the impact of application of project risk control measures on the success of Kenya Airports Authority capital projects. The study targeted 44 projects between the years 2009-2012. The study used questionnaires to collect primary data. The study used descriptive statistics to analyze the data. The results of the study showed that project risk control measures have been extensively used. The study established that project risk control has a positive association with project success. When applied continuously, project risk control practices increase the chances of project success. Githenya and Ngugi (2014) conducted a study to investigate the determinants of implementation of housing projects in Kenya. The study used descriptive research design. Data was collected using questionnaires for project managers. The target population for the study consisted of project managers implementing housing project in Nairobi. Project managers were randomly selected. Primary data was collected using structured questionnaires.

The results of the study indicated that planning, project control and project management competency positively and significantly influence the implementation of housing projects. The correlation findings indicated that project control has a strong positive and significant correlation with effective implementation of housing projects in Kenya.

### **Stakeholder Participation**

Scottish Parliament (2002) conducted a study on early stakeholder's involvement in strategic decision-making processes and how it boosts the suitability and possibility of outcomes. The study used a descriptive research design. The study used primary data. The data was collected by use of questionnaires. The study findings revealed that the stakeholders' involvement in designing and implementation stages significantly reduces the likelihood of noticeably thus enhancing organizational performance. Tan *et al.*, (2005) examined the influence of stakeholder management mainly stakeholders' identification on e-governance. Using regression analysis and quantitative data, the study established that when involved, stakeholders provide important insights, which enhance the performance of e-government strategies. Similarly, Luk (2009) study examined the effect of stakeholders on the success and failure of e-government service. The study results indicated that the relationship between leadership and stakeholders and the success of e-stamping service was significant.

## RESEARCH METHODOLOGY

The study adopted a descriptive research design and targeted four integrated tax projects at KRA including the Simba system project, automated customs management systems, iTax and ITMS. The unit of observation comprised of 353 respondents comprising of project managers, assistant project managers and supervisors of the four Projects. The study used Yamane formula to sample 187 respondents. The study used questionnaires with open and close ended questions to collect captured through a 5-point likert scale. Inferential and descriptive statistics was used to analyse data. Results of the analysis were presented by use of tables and figures. Inferential statistics was used to establish the association between independent variables and dependent variable. The study used the following regression model:

$$e$$

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 +$$

Where Y = Implementation of Tax Administration projects,  $X_1$  = Project Planning,  $X_2$  = Resource Management,  $X_3$  = Project Control,  $X_4$  = Stakeholder Participation,  $e$ =Error term and  $\alpha$ = constant and  $\beta$  =coefficient of independent variables.

## RESULTS

The study administered 187 questionnaires where 147 questionnaires were filled and returned. This represented a response rate of 80%. This response rate is satisfactory given the argument by Khalid, Abdullah and Kumar, (2012) that a response rate above 50% is satisfactory to be used in generalizing study findings.

### Descriptive statistics and Analysis:

#### Project Planning

The respondents were asked to rate likert scale questions on project planning and based on the findings presented in Table 1, there was an agreement that proper project feasibility analysis is conducted (Mean = 4.94), there is preparation of project scope (Mean = 4.24), there is effective formulation of work break down (Mean = 4.12), there is proper project purpose identification (Mean = 4.13) and the scope of the project is clearly defined (Mean = 4.20). There is also better time and cost allocation to a project (Mean = 3.52) however there was neither agreement nor disagreement on whether there is preparation of clearly defined user needs (Mean = 3.17). On average, it was agreed that there is practicing of project planning practices at KRA such as feasibility analysis, preparation of project scope and preparation of work break down structures to enhance the success of implementation of tax integrated projects (Mean = 4.04). The variation in the responses was also very small meaning that the respondents literally spoke the same mind (Standard Deviation = 0.90). The findings are consistent with Martin, Furumo and Pearson (2004) findings which revealed that planning was a leading predictor of meeting targets and quality.



**Table 1: Descriptive Statistics on Project Planning**

Statement	Mean	Standard Deviation
Proper project feasibility analysis is conducted	4.94	0.24
There is preparation of project scope	4.24	0.81
There is effective formulation of work break down	4.12	0.93
There is proper project purpose identification	4.13	0.94
The scope of the project is clearly defined	4.20	0.89
There is preparation of clearly defined user needs	3.17	1.21
There is better time and cost allocation to a projects	3.52	1.29
<b>Average</b>	<b>4.04</b>	<b>0.90</b>

**Resource Management**

The respondents were asked to rate likert scale questions on resource management and based on the findings presented in Table 2, it was argued that adequate financial resources are availed to each project (Mean = 3.91), there is availability of adequate material to support project activities (Mean = 4.24), sound technical expertise is provided for every project (Mean = 4.07), the personnel driving the project are knowledgeable of the technical requirements of the project (Mean = 4.13) and relevant technology is availed and adopted for each project (Mean = 4.16).

The respondents were indifferent on the statement whether competent, committed, and adequate project team members (staff) are availed for each project (Mean = 3.46). On average, it was agreed that there is effective resource management at KRA through hiring of competent staff, having better ICT Infrastructure and timely disbursement of financial resources (Mean = 4.00). The variation in the responses was also very small meaning that the respondents literally spoke the same mind (Standard Deviation = 1.11). The findings are consistent with Mwanajuma, and Ngugi (2014) who indicated that completion of projects was dependent on the resource management.

**Table 2: Descriptive Statistics on Resource Management**

Statements	Mean	Std Dev
Adequate financial resources are availed to each project	3.91	1.37
There is availability of adequate material to support project activities	4.24	0.88
Sound technical expertise is provided for every project	4.07	0.98
Competent, committed, and adequate project team members (staff) are availed for each project	3.46	1.52
The personnel driving the project are knowledgeable of the technical requirements of the project	4.13	0.98
Relevant technology is availed and adopted for each project	4.16	0.92
<b>Average</b>	<b>4.00</b>	<b>1.11</b>

### Project Control

The respondents were asked to rate likert scale questions on project control and based on the findings presented in Table 3, it was established that the projects incorporate policy, Procedures & Standards of implementation (Mean = 4.14), quality assurance policies and Standards are highly emphasized (Mean = 4.12), quality auditing, and specifications are done (Mean = 3.90), there is use of control charts & analysis (Mean = 3.93) and budget and budgetary controls are applied (Mean = 3.82). The findings also indicated that at KRA, cost monitoring system are set up to ensure costs are within budget (Mean = 4.27), quantitative and qualitative risk analysis is conducted (Mean = 3.64) and the respondents neither agreed nor disagreed that construction schedule are available (Mean = 3.47). On average, the respondents agreed that there is effective project control achieved through practices such as schedule control, quality control and cost control (Average Mean = 3.91). The standard deviation of 1.10 also indicated that there was a small variation in the responses on project control among the respondents. The findings are consistent with Githenya and Ngugi (2014) who indicated that planning, project control and project management competency positively and significantly influences the implementation of housing projects.

**Table 3: Descriptive Statistics on Project Control**

Statement	Mean	Std Dev
The projects incorporates policy, Procedures & Standards of implementation	4.14	0.91
Quality assurance policies and Standards are highly emphasized	4.12	0.96
Quality auditing, and specifications are done	3.90	1.00
There is use of control charts & analysis	3.93	1.02
Budget and budgetary controls are applied	3.82	1.32
Cost monitoring system are set up to ensure costs are within budget	4.27	1.07
Construction Schedule are available	3.47	1.17
Quantitative and qualitative risk analysis is conducted	3.64	1.33
<b>Average</b>	<b>3.91</b>	<b>1.10</b>

### Stakeholder Participation

The respondents were asked to rate likert scale questions on stakeholder participation and based on the findings presented in Table 4, the findings indicated that stakeholders participate in the design of the project plan (Mean = 4.16), stakeholders are involved in identification of the scope and benefits of the project (Mean = 4.16), there is stakeholder participation during implementation

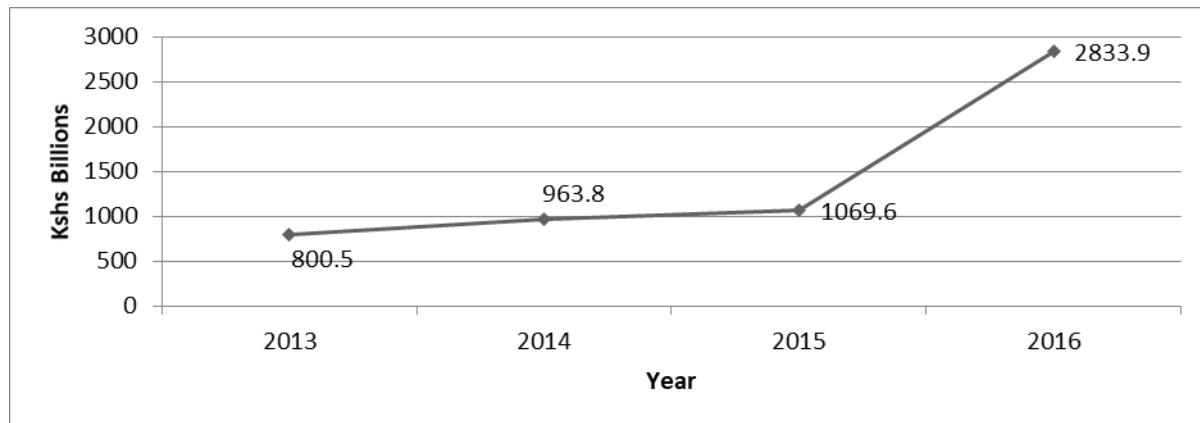
of the project (Mean = 4.56), there is stakeholder participation during project monitoring and evaluation (Mean = 4.41) and that the varied levels of interest of specific stakeholders are incorporated (Mean = 4.35). On average, the study findings indicated that there is stakeholder involvement in project design, planning, implementation and monitoring and evaluation to enhance its success rate (Average Mean = 4.33). The standard deviation of 0.75 also indicated that there was a small variation in the responses on stakeholder participation among the respondents. This is consistent with Luk (2009) who indicated that the relationship between leadership and stakeholders and the success of projects was significant.

**Table 4: Descriptive Statistics on Stakeholder Participation**

Statement	Mean	Std Dev
Stakeholders participate in the design of the project plan.	4.16	0.93
Stakeholders are involved in identification of the scope and benefits of the project.	4.16	0.89
There is stakeholder participation during implementation of the project	4.56	0.50
There is stakeholder participation during project monitoring and evaluation	4.41	0.63
The varied levels of interest of specific stakeholders are incorporated	4.35	0.82
<b>Average</b>	<b>4.33</b>	<b>0.75</b>

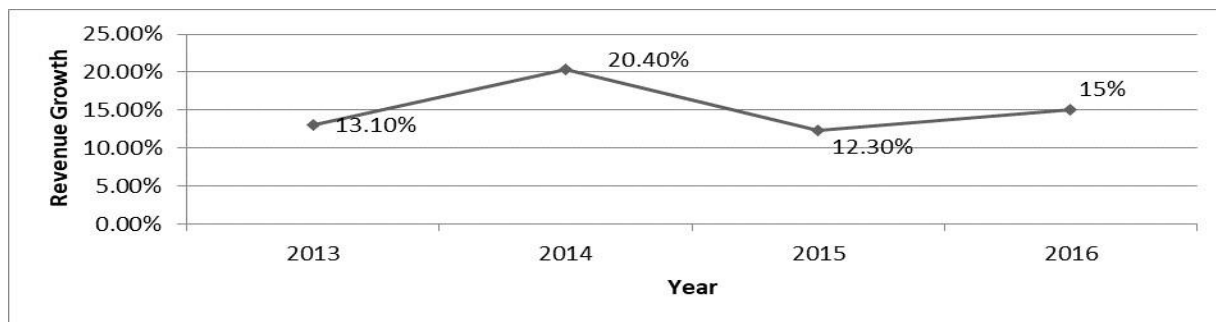
### Implementation of Integrated Tax Projects

The study sought to establish the amount of total tax revenue collected from KRA. Collecting the information from the KRA sixth corporate plan, trends were established as indicated in Figure 1. The results show that there has been an increase in tax revenue although the increase has been unsteady.



**Figure 1: Total Tax Revenue Collected by KRA**

The study also established the trends in revenue growth over the same period and trends were established as shown in Figure 2. Similar to total revenue growth, the trends for revenue growth reveal unsteady increasing and decreasing trends. The revenue growth was the lowest in the year 2013 before increasing to 20.4% in the year 2014 and since then, it decreased to 15% in the year 2016.



**Figure 2: Trends in Revenue Growth**

### Correlation Analysis

To establish the correlation between the study variables, the study used Pearson correlation analysis. A value which is negative means that a negative relationship exists between the variables while a positive value reflects positive relationships between the variables. The findings presented in Table 5 indicate the correlation analysis. The study findings indicate that project planning has a positive and significant influence on implementation of integrated tax projects at KRA ( $r = 0.631$ ,  $\text{Sig} = 0.000$ ,  $< 0.05$ ). This implies that an increase in project planning practices, leads to a significant increase in implementation of integrated tax projects at KRA. The findings are consistent with Ocharo and Kimutai (2018) who established that project planning influenced performance of projects in power sector positively. It was also established that resource management has a positive and significant influence on implementation of integrated tax projects at KRA ( $r = 0.461$ ,  $\text{Sig} = 0.000$ ,  $< 0.05$ ). This implies that an increase in resource management practices, leads to a significant increase in implementation of integrated tax projects at KRA. The findings are consistent with John et al., (2017) who established that project success is affected

positively by availability of resources. The correlation results also showed that project control has a positive and significant influence on implementation of integrated tax projects at KRA ( $r = 0.540$ ,  $\text{Sig} = 0.000$ ,  $< 0.05$ ). This implies that an increase in project control practices, leads to a significant increase in implementation of integrated tax projects at KRA. The findings agree with the findings of a study by Musyoka (2012) which established that project risk control has a positive association with project success. Lastly, it was shown that stakeholder participation has a positive and significant influence on implementation of integrated tax projects at KRA ( $r = 0.664$ ,  $\text{Sig} = 0.000$ ,  $< 0.05$ ). This implies that an increase in stakeholder participation, leads to a significant increase in implementation of integrated tax projects at KRA. The findings are consistent with that of Scottish Parliament (2002) which revealed that the stakeholders' involvement in designing and implementation stages significantly reduces the likelihood of noticeably thus enhancing organizational performance.

**Table 5: Correlation Analysis**

		Project planning	Resource management	Project control	Stakeholder participation	Implementation
Project planning	Pearson Correlation	1				
	Sig. (2-tailed)					
Resource management	Pearson Correlation	.224**	1			
	Sig. (2-tailed)	0.006				
Project control	Pearson Correlation	.173*	0.044	1		
	Sig. (2-tailed)	0.037	0.6			
Stakeholder participation	Pearson Correlation	.291**	0.137	.420**	1	
	Sig. (2-tailed)	0.000	0.097	0.000		
Implementation	Pearson Correlation	.631**	.461**	.540**	.664**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	147	147	147	147	147

\* Correlation is significant at the 0.05 level (2-tailed).

### Regression Analysis

A regression model was used to establish the change in implementation of integrated tax projects as a result of the change in any of the four variables investigated, that is project control, stakeholder participation, project planning and resource management. Three tables were established, the model summary, the ANOVA table and the regression coefficients. The coefficient of determination also



called the R-square shows the percentage of the change in the dependent variable (implementation of integrated tax projects) attributed to the independent variables (project control, stakeholder participation, project planning and resource management).

The findings in Table 6 indicate that the R-square was 0.808.

This shows that up to 80.8% of variation in implementation of integrated tax projects is attributed to project control, stakeholder participation, project planning and resource management. The remaining percentage of 19.2% is attributed to other factors other than the four and that opens up an avenue for other studies to exploit.

**Table 6: Model Summary**

<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
0.899	0.808	0.802	0.1841
Predictors: (Constant), Stakeholder participation, Resource Management, Project planning, Project Control			

The ANOVA results are used to establish the model fitness or significance. A significant F value shows that the model was significant and that any other random sample from the same target population would still significantly predict Implementation of Integrated Tax Projects. The findings in Table 7 indicates that the model linking the four variables to Implementation of Integrated Tax Projects was significant at 5% level of significance (Sig = 0.000, < 0.05). The model was hence good enough to be used to make recommendations.

**Table 7 ANOVA**

	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
Regression	20.191	4	5.048	149.011	.000
Residual	4.81	142	0.034		
Total	25.001	146			

Dependent Variable: Implementation of Integrated Tax Projects

Predictors: (Constant), Stakeholder participation, Resource Management, Project planning, Project Control

The regression findings indicated that project planning has a positive and significant influence on Implementation of Integrated Tax Projects at KRA (Beta = 0.328, Sig = 0.000, < 0.05). This implies that a unit increase in project planning leads to a 0.328-unit increase in Implementation of Integrated Tax Projects at KRA.

The findings are consistent with the findings of a study by Martin, Furumo and Pearson (2004) which revealed that project planning was a leading predictor of meeting targets and quality.

On the other hand, the regression findings also indicated that resource management has a positive and significant influence on Implementation of Integrated Tax Projects at KRA (Beta = 0.186, Sig = 0.000, < 0.05). This implies that a unit increase in resource management leads to a 0.186 unit increase in Implementation of Integrated Tax Projects at KRA. The findings are consistent with Omolo (2015) who argued that successful implementation of projects is dependent on availability and management of resources. The findings also indicated that project control also has a positive and significant influence on Implementation of Integrated Tax Projects at KRA (Beta = 0.195, Sig = 0.000, < 0.05). This implies that a unit increase in project control leads to a 0.195 unit increase in Implementation of Integrated Tax Projects at KRA. The findings are consistent with Githenya and Ngugi (2014) who indicated that planning, project control and project management competency positively and significantly influences the implementation of housing projects. Lastly, it was established that stakeholder participation has a positive and significant influence on Implementation of Integrated Tax Projects at KRA (Beta = 0.409, Sig = 0.000, < 0.05). This implies that a unit increase in stakeholder participation leads to a 0.409 unit increase in Implementation of Integrated Tax Projects at KRA. The findings are consistent with Tan *et al.*, (2005) who established that when involved, stakeholders provide important insights, which enhance the performance of projects.

**Table 8: Model Coefficients**

Variable	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	0.228	0.196		1.161	0.248
Project Planning	0.328	0.032	0.401	10.196	0.000
Resource Management	0.186	0.023	0.306	8.064	0.000
Project Control	0.195	0.027	0.298	7.336	0.000
Stakeholder Participation	0.409	0.045	0.381	9.068	0.000
Dependent Variable: Implementation of Integrated Tax Projects					

The optimal Regression Model therefore becomes:

Implementation of Integrated Tax Projects = 0.228 + 0.328 (Project Planning) + 0.409 (Stakeholder Participation) + 0.186 (Resource Management) + 0.195 (Project Control)

## **CONCLUSION AND RECOMMENDATIONS**

### **Conclusion**

The study findings led to the conclusion that an increase in project planning practices such as conducting proper project feasibility analysis, having effective formulation of work break down, proper project purpose identification, clearly defining the scope of the project and better time and cost allocation to a project leads to an increase in the implementation of integrated tax projects at KRA. The study also concluded that an increase in resource management practices such as having adequate financial resources for each project, availability of adequate material to support project activities, having sound technical expertise for every project having knowledgeable personnel who understands the technical requirements of the project and using relevant technology for each project leads to an increase in the implementation of integrated tax projects at KRA.

Another conclusion based on the study findings is that increasing project control practices such as incorporating policy, procedures and standards of implementation, having quality assurance policies and standards, having quality auditing, and specifications, using control charts and analysis and applying budget and budgetary controls when managing projects leads to an increase in the implementation of integrated tax projects at KRA. The study also concluded that when stakeholders participate in the design of the project plan, identification of the scope and benefits of the project, implementation of the project and project monitoring and evaluation leads to an increase in the implementation of integrated tax projects at KRA.

### **Recommendations**

This section presents the recommendations of the study based on the findings and conclusions of the study. The section has been presented per objective of the study. The study recommendations are directed to KRA indicating what and how various policies should be implemented.

Based on the findings that project planning has a positive influence on implementation of integrated tax projects at KRA, the study recommends a need for KRA to improve project planning practices. This can be done by conducting proper project feasibility analysis, having effective formulation of work break down, proper project purpose identification, clearly defining the scope of the project and better time and cost allocation to a project.

Based on the findings that resource management has a positive influence on implementation of integrated tax projects at KRA, the study recommends a need for KRA to improve resource management practices. This can be done by having adequate financial resources for each project, availability of adequate material to support project activities, having sound technical expertise for every project having knowledgeable personnel who understands the technical requirements of the project and using relevant technology for each project.

Since the study findings indicated that project control has a positive influence on implementation of integrated tax projects at KRA, the study recommends a need for KRA to improve its project control practices. This can be done by incorporating policy, procedures and standards of implementation, having quality assurance policies and standards, having quality auditing, and specifications, using control charts and analysis and applying budget and budgetary controls when managing projects. Since the study findings indicated that stakeholder participation has a positive influence on implementation of integrated tax projects at KRA, the study recommends a need for KRA to improve its stakeholder participation practices. This can be done by increasing the stakeholder's participation in the design of the project plan, identification of the scope and benefits of the project, implementation of the project and project monitoring and evaluation.

### ACKNOWLEDGEMENT

Thanks to the almighty God without whose blessing this study would not have been possible. I would also like to express my sincere gratitude and thanks to my supervisor, Dr. Samson Nyanga'u Paul for guidance during my master's program, for the time devoted to guide me throughout the proposal development. I also extend my gratitude to my family, specifically my wife and children who have been patient with me during my absence while doing course work. I also convey my sincere gratitude to my brothers and sisters, for their best wishes, prayers and support. Thanks to my friends and colleagues for sharing knowledge and valuable assistance during my study.

### REFERENCES

- Abiola, J., & Asiwah, M. (2012). Impact of tax administration on government revenue in a developing economy-a case study of Nigeria. *International Journal of Business and Social Science*, 3(8),45-56
- Almarri, K., & Gardiner, P. (2014). Application of resource-based view to project management research: supporters and opponents. *Procedia-Social and Behavioral Sciences*, 119(7), 437-445.
- Amade, B., Ogbonna, A. C., & Kaduru, C. C. (2010). Determinants of successful project management in Nigeria. *International Journal of Management Sciences and business Research*, 1(6), 90-95
- Bourne, L. (2016). *Stakeholder relationship management: a maturity model for organisational implementation*. Routledge.
- Brown, K. A., & Hyer, N. L. (2010). *Managing projects: a team-based approach*. McGraw-Hill.
- Drazkiewicz, A., Challies, E., & Newig, J. (2015). Public participation and local environmental planning: Testing factors influencing decision quality and implementation in four case studies from Germany. *Land Use Policy*, 46(5), 211-222.
- Dvir, D., Raz, T., & Shenhar, A. J. (2003). An empirical analysis of the relationship between project planning and project success. *International journal of project management*, 21(2), 89-95.

- Githenya, M. S., & Ngugi, K. (2014). Assessment of the determinants of implementation of housing projects in Kenya. *European journal of business management*, 1(11), 230-253.
- Harris, J., Croot, L., Thompson, J., & Springett, J. (2016). How stakeholder participation can contribute to systematic reviews of complex interventions. *J Epidemiol Community Health*, 70(2), 207-214.
- Harrison, J. S., & Wicks, A. C. (2013). Stakeholder theory, value, and firm performance. *Business ethics quarterly*, 23(1), 97-124.
- Heagney, J. (2016). *Fundamentals of project management*. Amacom.
- Hodgkin J. (2013). The core competence of the corporation. *Harvard Business Review* May/June, pp. 79-91.
- Holguín-Veras, J., & Preziosi, M. (2011). Behavioral investigation on the factors that determine adoption of an electronic toll collection system: Passenger car users. *Transportation Research Part C: Emerging Technologies*, 19(3), 498-509.
- John, M. P., Mbabazize, M., & Euginia, N. (2017). Role of project resource availability on project success in banking industry in Rwanda: A case of KCB ATM MIS project. *European Journal of Business and Social Sciences*, 6(2), 90-98.
- Kenya Institute for Public Policy Research and Analysis (KIPPRA). (2015). *Kenya's Economic report 2014*.
- Kerzner, H., & Kerzner, H. R. (2017). *Project management: a systems approach to planning, scheduling, and controlling*. John Wiley & Sons.
- Kipkemoi, C. W. (2015). iTax System and Service Delivery by Kenya revenue Authority, Nairobi Stations. *Unpublished master's thesis, University of Nairobi, Nairobi, Kenya*.
- Kondo, E. M. (2015). The effect of revenue enhancement strategies on financial performance of Kenya revenue authority. *Unpublished MSc project, University of Nairobi, Kenya*.
- Luk, S. C. Y. (2009). The impact of leadership and stakeholders on the success/failure of e-government service: Using the case study of e-stamping service in Hong Kong. *Government Information Quarterly*, 26(4), 594-604.
- Martin, N., Furumo, K., & Pearson, J. (2004). Project management in IS: Fit matters. *AMCIS 2004 Proceedings*, 111.
- Mugenda, O. M., & Mugenda, A. G. (2008). Research methodology. *Qualitative and Quantitative Methods*.
- Muriithi, M. K., & Moyi, E. D. (2003). Tax reforms and revenue mobilization in Kenya.



- Musyoka, B. S. (2012). *Project risk management practices and success of capital projects in Kenya* (Doctoral dissertation, School of Business, University of Nairobi).
- Mwanajuma, M. B., & Ngugi, K. (2014). Determinants of Completion of Water Projects In Kenya A Case of Ministry of Water And Irrigation. *International Journal of Social Sciences and Entrepreneurship*, 3(1), 165-187.
- Mwangi, G. (2013). *Rural poverty, decentralization and development*. Business school: Nanjing Normal University
- Ocharo, R. N., & Kimutai, G. (2018). Project management practices and implementation of power projects in Kenya. *International Academic Journal of Information Sciences and Project Management*, 3(1), 28-46.
- Oeta, A. N., Ooko, J., & Omoro, D. N. (2017). Itax and revenue collection by Kenya Revenue Authority in western region, Kenya.
- Ojha, A. Sahu, G.P. & Gupta, M.P. (2011) "Antecedents of paperless income tax filing by young professionals in India: an exploratory study", *Transforming Government: People, Process and Policy*, 3(1), 65 – 90
- Omolo, E. J. (2015). Factors influencing implementation of project management in publicfunded projects in Kenya–the case of Kenya pipeline company, Nairobi County.
- Pastukhov, O. (2014). Ukraine: Electronic filing of tax returns. *Digital Evidence and Electronic Signature Law Review*, 7(0) 323-338.
- Republic of Kenya (2016). *iTax case study*, Government Printers
- Steinmo, S. (2003). The evolution of policy ideas: tax policy in the 20th century. *The British Journal of Politics and International Relations*, 5(2), 206-236.
- Sutrisna, M. (2009). Research methodology in doctoral research: understanding the meaning of conducting qualitative research. In *Proceedings of the Association of Researchers in Construction Management (ARCOM) Doctoral Workshop held in Liverpool John Moores University. Conducted by ARCOM Liverpool, UK: ARCOM*.
- Tan, C. W., Pan, S. L., & Lim, E. T. (2005). Managing stakeholder interests in e-government implementation: Lessons learned from a Singapore e-government project. *Journal of Global Information Management (JGIM)*, 13(1), 31-53.
- Venkatesh, V., Morris, M. G., Davis, G. B., & Davis, F. D. (2003). User acceptance of information technology: Toward a unified view. *MIS quarterly*, 425-478.

- Warner, J. (2016). The beauty of the beast: Multi-stakeholder participation for integrated catchment management. In *Multi-stakeholder platforms for integrated water management* (pp. 17-36). Routledge.
- WHO. (2015). *Millennium Development Goals (MDGs)*. [online]. Available at [http://www.who.int/topics/millennium\\_development\\_goals](http://www.who.int/topics/millennium_development_goals).
- Wreh, D. N. (2013). Increasing Tax Payers Compliance in Filing Annual Income Tax Returns in Liberia. *SSRN Electronic Journal of Taxation*, 7(6),23-34
- Wyplosz, C. (2005). Fiscal policy: institutions versus rules. *National Institute Economic Review*, 191(1), 64-78.
- Yamane, T. (1967). Elementary sampling theory. *Journal of elementary Research*, 6(7),23-45