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## Resource Allocation Change Management Practice and Performance of Kenya Revenue Authority in Nairobi City County, Kenya

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### Abstract

**Purpose:** Kenya Revenue Authority is mandated to gather revenue in place of Kenyan government. The revenue to be collected is normally set as a target by the National Treasury. Over the time, the authority has continuously missed hitting the revenue collection target. As a result, the authority has endeavored to implement changes with the aim of improving and enhancing revenue collection. The current study aimed at establishing how resource allocation change management practice influenced performance of Kenya Revenue Authority in Nairobi City County, Kenya. The study was guided by Resource-Based View Theory.

**Methodology:** The study employed a descriptive research design and targeted 470 Kenya Revenue Authority employees working at Customs and Border Control Department in Nairobi City County. A stratified random sampling approach was applied in selecting a sample of 141 respondents derived from top level, middle level, and lower level of management. The study utilized a 5-Point Likert scale questionnaire containing close ended question to gather primary data. Inferential as well as descriptive statistics were utilized to analyze the gathered data. Prior data collection, the study conducted a pilot study on 13 randomly selected respondents to assess the level of validity and reliability of the questionnaire.

**Findings:** The descriptive statistics results revealed that all respondents on average were in agreement with statements on resource allocation change management practice. The correlation analysis results established that resource allocation change management practice positively and significantly correlates with performance of Kenya Revenue Authority. The study further established that resource allocation change management practice positively and significantly influence performance of KRA in Nairobi City County. This is shown by beta value of 0.538 and significant values of 0.000. The results bears the implications that increasing the resource allocation change management practice with one unit results to increase in the performance levels of KRA with 0.538 units. The study findings led to conclusions that resource allocation change management practice positively and significantly influences the performance of Kenya Revenue Authority in Nairobi City County.

**Unique contribution to theory, policy and practice:** The study recommended the management Kenya Revenue Authority to enhance the resource allocation practices since the practices bears a positive and significant influence on performance.

**Keywords:** *Resource Allocation, Change Management Practice, and Performance of Kenya Revenue Authority*

## Background of the Study

In the prevailing rapidly changing and dynamic operational environment, achievement of formulated goals within an organization is tied on the organizational capability of developing personal skills, performance, experience, and knowledge (Maali, Hurtado & Sullivan, 2020). Organizations seeking to maintain and improve their levels of performance ought to adopt and implement change management practices that enables them fit and survive in the changing operational environment. Jiao, Koo and Cui (2013) opine that the prevailing environment dictates that implementing organizational changes need to be considered and given high priority for achievement of long-term performance. Turkey is witnessing consistent results from the implementation of change management practices within the Turkish Revenue Administration and its associated institutions (Cetin, 2015). According to Aydin, Nyadera, and Onder (2017), the majority of Turkish Revenue Administration change management practices were put in place as a result of legal mandates with the goal of improving citizens' levels of service delivery. Especially in the areas of tax administration and collection, the application of change management practices has increased service delivery. In France, high performance of French Ministry of Economy and Finance in administering taxes is associated with change management activities implementation characterized with involvement of citizens in form of public participations during formulation of policies. In the change process, citizens are engaged in the areas of policy formulation and process of decision making which strengthens their inclusivity levels in adhering to remitting taxes as prescribed (Jeong & Shin, 2017).

In Egyptian Tax Authority, change management practice is characterized with existence of leaders with change-oriented mindset. Leaders in the authority supports and embraces changes by providing attention consistently to change practices which lays employees' foundation to adopt and embrace changes. Organization leaders according to Revenio and Jalagat (2016) acts as change champions by leading and motivating other employees in embracing changes. Change oriented leaders according to Wadood, Gharleghi and Samadi (2016) makes effective and influential decisions which comprises of aligning priorities with leadership in the organization and maintaining a continuous and direct organizational communication with stakeholders. In Kenya, organizations in public and private sectors have endeavored in adopting change management practices aiming at fitting in the dynamic operational environment. The driving force to adopt change management practices in the public sectors has been occasioned by the desire of the firms of aligning their operations with the government needs and regulations. Organizations such as Kenya Bureau of Standards implemented change management practices with a view of improving its levels of delivery of services to the general public. The practices as highlighted by Owuor (2015) comprised of departmental collaborations enhancements, appointing managers internally as well as emphasizing on routine group meetings. In public institutions, the demands from institutional employees, stakeholders and government change progressively in respect to changes in the environment of operation, thus calling for realignment of the institution's operations to the change in order to achieve set goals. Kovach and Hora (2013) highlights that an organization that is in a position of managing turbulent environment and maintaining and improving its performance is one

that bears the capability of embracing change in its operational environment. This is related with the management capability of the organization of stimulating debates on the right strategy, allowing them to generate range of alternative strategies and evaluate collectively the feasibility of the alternatives.

### **Organizational Performance**

Kairu and Rugami (2017) define performance as the means through which an organization spell out its strategies and plans to realize its objectives and goals within scheduled timeline while utilizing available organizations resources. In public institutions and entities, performance measures can be viewed from the aspects of service deliveries and public/customer satisfaction on what the entities is mandated to handle. In Kenya Revenue Authority (KRA), performance can be assessed by the service quality rendered to the public and the technologies adopted for enhancing the levels of effectiveness and efficiencies. Akinyi and Okumu (2016) notes that high quality remittances of services contributes to satisfactions on the side of the customer. Additionally, Masinde and Nzuki (2021) posits that performance in KRA can be viewed from the agency's ability of meeting its key goals in collecting revenues from the public and providing advisories to other agencies of the government. In areas of revenue collections, the authority has instituted change management practices its operations which ensures compliance with taxes especially amongst business people. Gatama (2021) assessed performance of KRA through performance indicators such as tax filling, tax payment and tax administration.

The authority has invested in technologies in areas of cargo monitoring such as Regional Electronic Cargo Tracking System (RECTS) which provides a real time basis location of transit goods through information relays from the ground to the monitoring center. Additionally, RECTS is associated with benefits to both the authority and stakeholders (Dongo, Rono, & Nuwagaba, 2020). To the stakeholders such as the transporters, there is enhanced productivity and efficiency culminating to benefits of cost reduction. Additionally, the technology helps in improving service quality and reliability usually perceived as market share growth and customer retention tools. With the technology implementation, KRA has witnessed increased effectiveness and efficiencies in its operational performances. Additionally, the system has managed to reduce dumping of goods and theft which have resulted to conduct of legitimate business practices. This culminates into increased revenue collection by the authority (Nyongesa, 2018). This study measured KRA performance using revenue collected aspects and customer satisfaction in service delivery. The measure was used since the main core business of the authority is to collect revenue in form of taxes in place of the government as well as facilitate taxpayers through delivering tax related services in an efficient manner.

### **Statement of the Problem**

Kenya Revenue Authority is mandated to gather revenue in place of Kenyan government. The revenue to be collected is normally set as a target by the National Treasury. Over the time, the authority has continuously missed hitting the revenue collection target. As a result, the authority has endeavored to implement changes with the aim of improving and enhancing revenue collection.

However, in terms of revenue collection, Kenya Revenue Authority has recorded tremendous improvement in declared figures. In financial year 2017/18, the authority recorded a revenue collection growth rate of 5.1% by collecting Kenya Shillings 1.34 trillion against a collection target of Kenya Shillings 1.453 trillion. In financial year 2018/19, the authority further recorded a revenue collection growth rate of 11.3% to a new figure of Kenya Shillings 1.580 trillion but missed the set collection target of Kenya Shillings 1.605 trillion while in 2019/20, the authority reached a new figure of Kenya Shillings 1.607 trillion. The only year the authority has managed to attain the set collection target was financial year 2021/2022 where the collection reached Kenya Shillings 2.031 trillion. The lack of available research on recent reforms and organizational performance of Kenya Revenue Authority made this study necessary due to the increased interest in how the management of these reforms affects Kenya Revenue Authority performance. Maali *et al.*, (2020) focused on change management activities necessary for adoption and successful implementation of new technologies in the construction industry in United States of America. The study was in the United States of America context and revolved a different sector. This is a contextual knowledge gap. A study by Lovely, *et al.*, (2020) focused on establishing effects of change management practices on organizational productivity. This study was executed in a different state and concentrated on a dissimilar concept thus presenting contextual as well as conceptual knowledge gaps. Rotich and Deya (2021) investigated how change management strategies affect hotel performance in Kenya. This was done in a different environment and with a different concept. Koitie (2015) investigated how change management strategic approaches influence the functioning of Kenya's constitutional commission. A cross-sectional research approach was utilized in the study. This is a methodological flaw. Njoki (2021) conducted research on the association between strategic competencies and Kenya Revenue Authority performance. The examination revealed a conceptual knowledge gap. This study aimed to bridge information gaps by determining the influence of resource allocation on the performance of the Kenya Revenue Authority in Nairobi County, Kenya.

### **Objective of the Study**

To investigate the influence of resource allocation change management practice on performance of Kenya Revenue Authority in Nairobi City County, Kenya

### **Theoretical Review**

#### **Resource-Based View Theory**

E. Penrose first put forth the RBV theory in the 1950s, but it was subsequently refined by a number of academics in the 1980s and 1990s, including Jay Barney, Birger Wernerfelt, and Michael Porter. The concept suggests that internal resources within an organization, which are highly valued, unique, difficult to imitate, and unparalleled, serve as a foundation for sustained advantages in competition and consequently lead to performance improvement. According to the notion, a firm's resource profile determines its performance, and the key to achieving superior performance is to own and use unique resources that are challenging to replicate (Barney, 1991). Having a few key resources and properly deploying them in their intended markets gives corporations a long-term

competitive advantage. Colbert (2004) suggests that distinctive features of a company can give rise to important resources that are difficult to replicate, thus influencing the differences in performance among competitors. The RBV investigates and interprets internal organizational resources with the goal of achieving sustainable competitive advantages (Madhani, 2009). It places a strong emphasis on resources and capabilities. Resources can be considered as inputs that support the operations of businesses. Businesses make strategic decisions based on their internal resources and competencies when they compete in their business environment externally. According to RBV, a company's resources won't all be used strategically. Competitive advantage (the inability of competing firms to gain resources from other firms) may only exist in situations where resources are heterogeneous (different resources are employed by diverse organizations) and immobile (resources are not moving).

Wernerfelt (1984) observed that competitive advantage of an enterprise and improved performance stem essentially from its distinctive, invaluable, challenging-to-replicate, and irreplaceable resources and capabilities. A company's performance is fundamentally shaped by its distinctive resources and skills. According to Barney, Ketchen, and Wright (2011), a company acquires a competitive edge not only through acquisitions but also through the development, fusion, and efficient use of its organizational, human, and physical resources in ways that provide distinctive value that rivals find challenging to imitate. The internal resources of the company are its competitive edge. The theory is utilized to pinpoint the strategic assets a company possesses. It centers on the notion that a firm's competitive edge stems from its capacity to effectively utilize a diverse array of beneficial resources. The firm's resources may be able to help it maintain above-average returns if Barney (2009)'s conditions are satisfied. According to the argument, allocating enough resources to modify management practices is necessary in order to give the firm a stronger competitive advantage. The availability of resources including people, money, and technology serves as the foundation for success in places where changes are being implemented. The theory anchors the resource allocation variable of the study.

### **Lewin's Change Management Model**

The model, which Kurt Lewin proposed in the 1950s, is a popular strategy to oversee change in organizations. Three stages make up this model: unfreezing, altering, and refreezing. This framework can be used to undertake improvements in tax administration in the setting of revenue authorities. The first stage of the model, unfreezing, entails coming up with awareness about changes need. In the context of revenue authorities, this could mean identifying the challenges that the organization is facing, such as a decrease in revenue collection or an increase in tax evasion. It is essential to communicate the urgency for change to all stakeholders, including staff, taxpayers, and the government. By doing so, everyone understands the need for change and the reasons behind it (Hussain *et al.*, 2018). The second stage of the model, changing, involves implementing the change. This could involve changes to tax policies, the introduction of new technologies, or changes to the organizational structure (Esa *et al.*, 2017). To guarantee successful implementation, it is crucial to include all stakeholders in the transformation process and to give them the required

assistance and training. This guarantees that everybody is aware of the changes taking place and how they affect their work. Reinforcing the modification in order to make it irreversible is the last stage of the framework, known as refreezing. This can entail providing continuous training and support, changing rules and processes, and assessing the efficacy of the change in the setting of revenue authorities. It is crucial to make certain that the change is ingrained in the culture and operational practices of the firm. The revenue authority is going to be better able to handle upcoming difficulties as a result, and the improvement is going to continue over the long run. Lewin's Change Management Model provides a structured approach to managing change in revenue authorities. By following this model, revenue authorities can implement changes effectively, including all stakeholders, and ensuring that the changes become embedded in the organization's culture. This enables revenue authorities to adapt to changing circumstances and meet their objectives.

### **The Balanced Scorecard Model**

The model was put forward by Robert S. and David P. in 1990. Organizations utilize the model to track and oversee their performance from several viewpoints (Akbarzadeh, 2012). By using a set of balanced metrics or key performance indicators (KPIs) that reflect various aspects of their operations, revenue authorities can evaluate their progress and make informed decisions. To develop a balanced scorecard for revenue authorities, different perspectives can be used. The financial perspective, for instance, focuses on measuring financial performance, including revenue growth, cost reduction, and profitability. Revenue generated, tax compliance rate, cost of collection, and revenue per employee are some of the KPIs that can be used to assess the financial perspective. On the other side, the customer viewpoint focuses on evaluating the extent to which the revenue authority satisfies the needs of its clients, including taxpayers and enterprises. Consumer satisfaction scores, the amount of time it takes to answer taxpayer questions, and taxpayer complains can all be utilized as KPIs to gauge the perspective of the consumer. Another viewpoint that can be utilized to assess revenue authority performance following adjustments is the perspective on internal processes. This viewpoint focuses on evaluating the efficacy and efficiency of internal systems, including those for tax collecting, auditing, and compliance monitoring. KPIs such as the percentage of audits completed on time, the number of compliance checks conducted, and the time taken to process tax returns can be used to assess the internal processes perspective (Hamied & Elbagoury, 2022). The assessment of the revenue authority's capacity for innovation, improvement, and learning is the main goal of the learning and growth perspective. This viewpoint tracks the success of training initiatives, the degree of worker happiness, and the adoption of new technologies. KPIs such as employee turnover rate, training hours per employee, and the percentage of staff that receives regular performance reviews can be used to assess the learning and growth perspective. By using different perspectives, such as customer, financial, internal processes, and growth and learning, revenue authorities can identify areas that need improvement and make informed decisions to enhance their overall-performance.

### **Empirical Literature Review**

## Resource Allocation and Performance

To find out how a firm's strategic resources affect performance, Hussain and Waheed (2019) studied companies listed on the Pakistani Stock Exchange. In terms of stock markets, operational costs, and financial performance, the study aimed to precisely investigate how intellectual capital influences stock financial performance. The research used secondary information collected between 2005 and 2014. The research found that financial intelligence positively and significantly influences the operational and financial performance of the firm analyzed. However, the study solely relied on existing data, while the current research collected primary data, highlighting a methodological gap.

Omollo, Christopher, and Onyango (2017) investigated how resource allocation influences the performance of Kenyan sugar firms, with a particular focus on South Nyanza Sugar Company Limited. The study employed a descriptive research approach, with 994-employees as the target population. Purposive and stratified-random-sampling procedures were utilized to construct a sample of 329 employees. Questionnaires were the major means of collecting data. The gathered data was statistically and qualitatively evaluated, and the results were outlined in graphs and tables. The research revealed that how resources are allocated and utilized efficiently greatly influences the sugar industry's performance. However, the study's narrow focus on a specific Sugar Company leaves a gap in understanding the broader context.

In order to understand how efficient resource management affects project implementation in the Kenyan telecoms sector, Ochieng (2014) conducted study. The study was specifically designed to ascertain how time, money, and human resources affect project implementation. The study focused on project teams as the primary subject of analysis, employing a descriptive survey research method and specifically examining four GSM businesses located in Kenya. Data was gathered via structured-questionnaires, which then hand delivered and emailed to the intended respondents. Inferential as well as descriptive were applied to the acquired data analysis. The results showed that efficient resource management in telecommunications organizations—including the use of money, people, technology, and time—has a big impact on how projects are carried out. However, the study's attention was on project implementation, whereas the current study's notion was organizational performance, creating a conceptual knowledge gap.

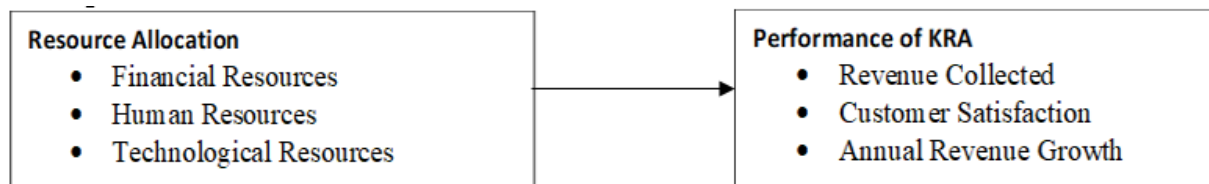
Abdi (2020) investigated how resource management techniques influence the effectiveness of road projects, specifically within Wajir County. Employing a descriptive survey approach, the study engaged a total of 193 project stakeholders, including the project management committee, 47 project managers, 5-county officials from the County –Transport and-Infrastructure-Department, and 141 other individuals. In addition to the 47 significant road projects the county administration undertook in the sub counties of Wajir North, Wajir East, and Wajir South, these people were involved in all county-wide projects from 2013-2017. Stratified-random sampling was utilized to choose the sample. Initially, data were collected via semi-structured questionnaires. Descriptive and inferential statistics were applied to analyze quantitative data using the SPSS. A multiple linear regression model revealed a connection between resource management practices and the



effectiveness of road enhancements in Wajir County. Specifically, resource planning, allocation, scheduling, and monitoring were identified as key factors positively influencing project outcomes. While the present study was centered on change management techniques and performance, the previous study was on resource management methods and project performance. Thus a conceptual gap exists.

Masya, Wamitu, and Weru (2022) examined how resource allocation affects the execution of strategy with a focus on Kenyan commercial banks. This research utilized a descriptive research approach to investigate target population of 253 personnel spanning across various management levels in 14 commercial banks within Machakos Sub County. The selection process involved a combination of census and sampling methods, specifically employing stratified-simple random sampling techniques to choose 30% of personnel from medium and low-level management positions in each bank. Primary data collection was conducted through questionnaires, and the gathered quantitative data underwent analysis using both descriptive and inferential statistics via the SPSS software. The study found that resource allocation has a big impact on how Machakos Sub County commercial bank branches carry out strategy. However, the study's concentration was on the application of the strategy, but the current study focused is on organization performance, creating a conceptual gap.

### Conceptual Framework



**Independent Variable**

**Dependent Variable**

**Figure 1 Conceptual Framework**

### Research Methodology

#### Research Design

The research employed descriptive research approach. The approach according to Kothari (2013) aimed to provide explanations for data important to the existence and occurrence of distinct events. The chosen approach was deemed crucial as it accurately represented the real-life scenario and ensured that the researcher had no impact on the variables. This approach facilitated the collection of both descriptive and numerical data, which could then be utilized to ascertain correlations and coefficients among the variables under investigation, thus laying the groundwork for addressing the research inquiries.

#### Target Population

The current study focused on 470 KRA personnel who work in Customs and Border Control Department in KRA Headquarters in Nairobi. Top management (chief managers, and managers),

middle management (assistant managers and supervisors, and lower management levels (officers) were divided into three groups from the workforce. All employees are impacted by changes, but the degree of impact varies from upper to lower management levels, which is why the three categories were included. The target population is described in Table 1.

**Table 1: Target Population**

Target Population	Population	Percentage
Top Management Role	56	11.9%
Middle Management Role	112	23.8%
Lower Management Role	302	64.3%
<b>Total</b>	<b>470</b>	<b>100%</b>

### Sample Size and Sampling Technique

The research employed a stratified random sampling method. The approach was used to ensure the population was represented appropriately and to improve the usefulness of the findings. The study's target participants were chosen from three levels of management: upper, middle, and lower management. Each stratum yielded a random sample. Mugenda and Mugenda (2013) asserted that appropriate sample size is 30% of the overall population. According to table 2, it is implied that the sample consisted of 141 respondents, or thirty percent of each stratum. Purposive sampling was employed in selecting the sample population.

**Table 2: Sample Size**

Target Population	Population	Sample
Top Management Role	56	17
Middle Management Role	112	33
Lower Management Role	302	91
<b>Total</b>	<b>470</b>	<b>141</b>

### Data Collection Instrument

The research employed primary data collection methods, utilizing a five-point Likert scale questionnaire comprised of closed-ended questions. Participants were requested to provide ratings of their responses on a scale from 1 to 5, where 5 represented "strongly agree," 4 signified "agree," 3 indicated "neutral," 2 reflected "disagree," and 1 represented "strongly disagree." Two sections made up the questionnaire for the current study; one included the demographics of the respondents, and the other the study's variable comprising of resource allocation, and organizational

performance. The questionnaire's division ensured that the information collected from respondents was convenient and accurate (Vogt, 2010).

### Data Analysis and Presentation

Once the data collection phase wrapped up, it underwent scrutiny to ensure consistency, precision, and entirety. Subsequently, it was gathered, structured, encoded, and arranged systematically before undergoing final scrutiny. Descriptive and inferential statistical methods were employed for data analysis. Descriptive statistics encompassed measures like standard deviation and means, while inferential statistics involved techniques such as regression and correlation. Figures and tables were utilized to summarize and show the study's findings. The study adopted the following multivariate model:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where;

$Y$  = Performance of KRA

$X_1$  = Resource Allocation

$\varepsilon$  = Error term

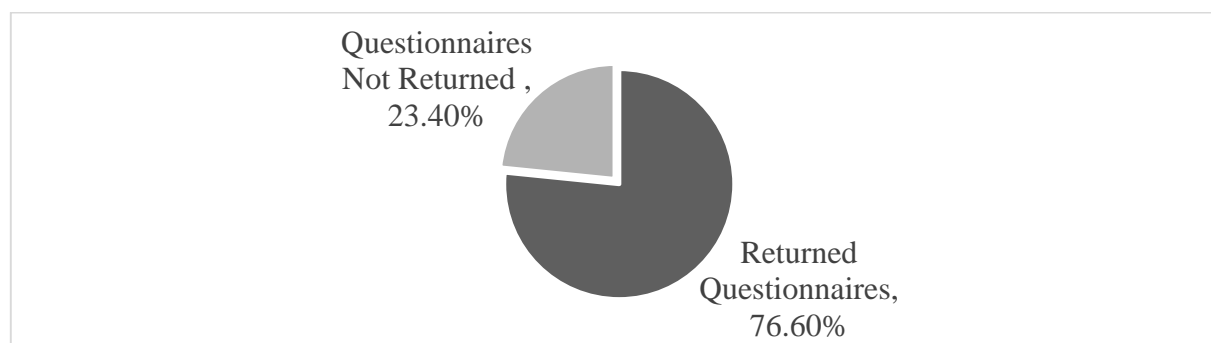
$\beta_0$  = Regression constant or intercept,

$\beta_1$  = unknown coefficients of independent variable.

## Results

### Response Rate

The study issued 141 questionnaires to target respondents of the study comprising of top management (chief managers, and managers), middle management (assistant managers and supervisors, and lower management levels (officers). Figure 2 shows the response rate.



**Figure 2: Response Rate**

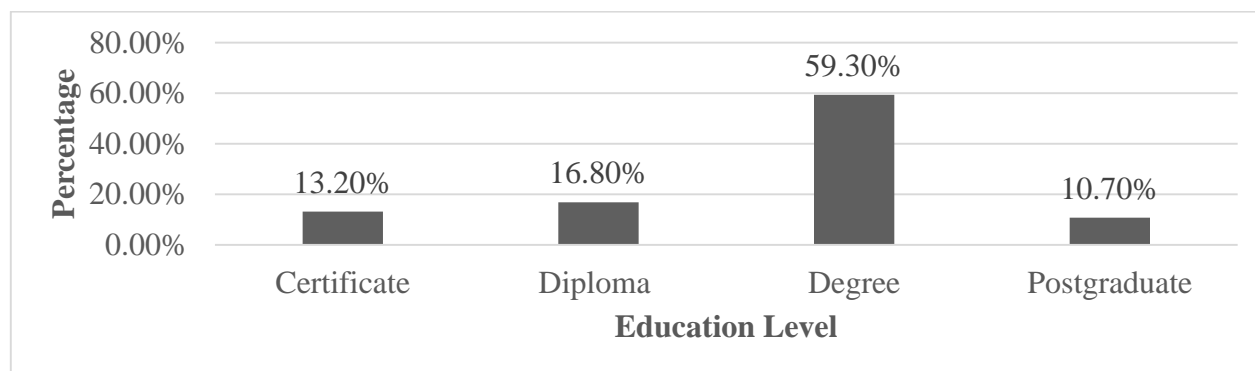
The study obtained a response rate of 76.6%, totaling 108 fully completed questionnaires. This rate met the criteria of being considered sufficient and suitable. It aligned with Cooper and Schindler's (2011) suggestion that a response rate of 70% or higher is commendable for analysis purposes.

Employing a drop and pick data collection method provided respondents with ample chances to engage with the questionnaire, facilitating the attainment of a high response rate.

### Demographic Characteristics Results

#### Respondents Highest Level of Education

The research aimed to evaluate the educational attainment of the participants included in the study. This was to provide insights into the educational background of the respondents, which was crucial in understanding how well they understood the contents of the questionnaire. Figure 3 outlines the results.

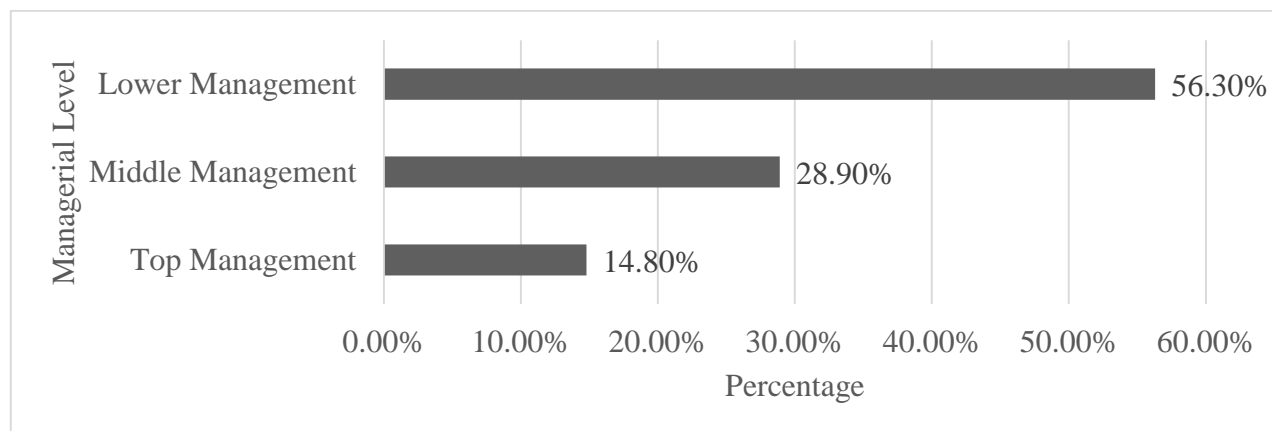


**Figure 3: Respondents Highest Education Level**

According to the results presented in figure 3, certificate holders accounted for 13.2%, diploma holders were 16.8%, and degree holders were 59.3% while postgraduates accounted for 10.7%. The findings indicate that most participants held degrees, suggesting they were highly educated and capable of comprehending and responding to the questionnaire's contents effectively.

#### Respondents' Position

The study also sought to evaluate the positions held by respondents. This was occasioned by the fact that different positions within an organization offers unique perspectives on change management practices and their impact on performance. Figure 4 outlines the results.

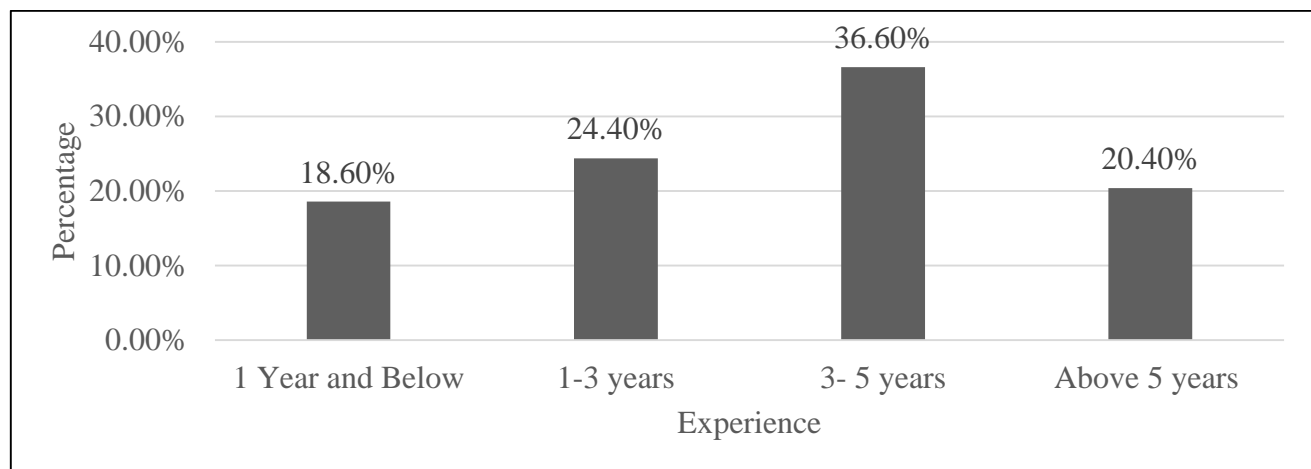


**Figure 4: Respondents' Positions**

The outcomes outlined by figure 4 shows that respondents in lower management were 56.3%, middle management were 28.9% while top management were 14.8%. The findings indicated that most of the participants held positions in lower management. This implied that a significant proportion of those surveyed were probably frontline employees or supervisors actively involved in the daily operations of the KRA.

### Respondents Experience

The research additionally sought to assess respondents' level of expertise. This was to offer a deeper understanding of the practical implications of these practices on employees, operations, and overall performance. Figure 5 outlines the results.



**Figure 5: Respondents Experience**

The outcomes outlined in figure 5 shows that respondents with experience of 1 year and below were 18.6%, between 1 and 3 years were 24.4%, between 3 and 5 years were 36.6% while those with experience of above 5 years accounted for 20.4%. The findings showed that majority of the participants had more than three years of experience, suggesting that they had been with the organization for a significant period, allowing them to observe change management initiatives and their impact on performance over time.

### Descriptive Statistics

The research utilized descriptive statistics to portray how responses to various questionnaire items were distributed across different variables. Both the means and standard deviations were employed to present these descriptive statistics. Participants were requested to rate their agreement level with the items via a scale from 1 to 5, where 1 represented "strongly disagree," 2 meant "disagree," 3 indicated "neutral," 4 stood for "agree," and 5 denoted "strongly agree". For each of the responses, the researcher assessed the mean replies and corresponding standard deviations. Based on mean responses, and standard deviations, conclusions were drawn. A mean closer to 5 insinuated a higher agreement level among respondents regarding the statement. A mean closer to 1 insinuated a lower agreement level among respondents regarding the statement while a mean value from 2.6 to 3.4 insinuated a neutral or moderate agreement level from respondents. The standard deviation gauges

how much responses diverge from the mean. A lower std.dev suggested that responses are tightly grouped near the mean, whereas a higher standard deviation implied greater variability in responses. This implied that a smaller standard deviation suggested that responses were more consistent, indicating a higher level of agreement among respondents while a larger standard deviation suggested that responses were more scattered, indicating greater variability in perceptions among respondents.

### Resource Allocation

**Table 3: Descriptive statistics on Resource Allocation**

Resource Allocation	Mean	Std. Dev
The authority allocates sufficient financial resources to the change process	3.921	0.706
There is adequate utilization of the allocated financial resources in the change process	3.833	0.905
The authority has adequate human capacity to implement changes	3.817	0.596
The available human capacity is equipped with the right skills to implement changes	3.618	0.777
The authority has set up appropriate technology for change implementation process	3.782	0.684
There are trained personnel with technological knowledge to facilitate change implementation process	3.767	0.722
<b>Average</b>	<b>3.79</b>	<b>0.732</b>

According to the outcomes outlined in table 3, the overall mean for resource allocation in the change management process on organizational performance of KRA was 3.79. This bore the implication that the respondents agreed with the items on resource allocation and its effect on organizational performance. The overall standard deviation was 0.732 with a range between 0.596 and 0.905. The results showed slightly low variations in the responses of the statements from the mean. Furthermore, the data indicated that the respondents were in agreement with the following statements: the authority had sufficient human capacity for implementing changes (mean=3.817); the available human capacity were equipped with the right skills to implement changes (mean=3.618); and the authority allocated sufficient financial resources to the change process (mean=3.921). The outcomes also showed that respondents were in agreement with the claims that the authority had installed the necessary technology for the change implementation process (mean=3.782) and that the process was facilitated by trained individuals who were technologically savvy (mean=3.767).

The outcomes corroborate those of Omollo, Christopher, and Onyango (2017), who showed that performance was greatly impacted by resource allocation and optimal utilization. The fact that participants agreed on the authority's allocation of sufficient financial resources and their adequate utilization in the change process suggested a positive foundation for successful organizational

transformations. Additionally, the perceived adequacy of human capacity and skills for implementing changes, along with the presence of appropriate technology and trained personnel, further strengthened the organization's preparedness for change initiatives. These findings collectively implied that the organization has a solid infrastructure in place, both in terms of financial backing, and human and technological resources, which boded well for effective change management practices. This, in turn, suggested a positive influence of resource allocation strategies and organizational performance, highlighting the potential for successful and smoothly executed change processes within the organization. However, Balogun and Hailey (2014) asserted that resource allocation during organizational change can have negative impacts if not managed effectively. One instance is when resources are allocated unevenly, leading to resentment and decreased morale among employees. If certain departments receive more resources than others during a change process, it can create feelings of unfairness and hinder collaboration among teams. This acts as a hindrance to effective implementation of the intended change process.

### **Performance of Kenya Revenue Authority**

The study further sought to establish the performance statuses of KRA in areas of Revenue Collected, Customer Satisfaction, and Annual Revenue Growth. Table 4 outlines the results.

**Table 4: Descriptive Statistics on Performance of KRA**

<b>Performance of KRA</b>	<b>Mean</b>	<b>Std. Dev</b>
Revenue Collected	3.876	0.841
Customer Satisfaction	3.712	0.941
Annual Revenue Growth	3.652	1.035
<b>Average</b>	<b>3.747</b>	<b>0.939</b>

According to the results presented in table 4, all respondents agreed with the aspects of performance of KRA in areas of revenue collected, customer satisfaction, and annual revenue growth as shown by means of 3.876, 3.712 and 3.652 respectively. The agreement among respondents implied that the organization had been successful in communicating, implementing, and embedding changes without causing disruptions or negative effects on key performance metrics. It implied that the change initiatives had been well-received and accepted by both internal and external stakeholders, contributing to the positive performance outcomes. Additionally, the results underscored the importance of customer-centric change strategies, indicating that the organization had successfully aligned its practices with the evolving needs and expectations of its clientele. This alignment is crucial for sustained success, as satisfied customers were more likely to engage positively with the organization, fostering loyalty and repeat business. The results further bore the implications that a well-managed change process that had positively influenced organizational performance. It suggested that KRA had been able to balance the demands of change with maintaining and even improving key performance indicators, showcasing effective change management practices that contributed to the overall success of the organization.

### Correlation Results

Correlation examined how closely and in what direction the variables are related in a study. Table 5 provided an outline of the correlation analysis findings.

**Table 5: Correlation Analysis**

		Resource Allocation	Performance of KRA
<b>Resource Allocation</b>	Pearson Correlation	1	
	Sig.(2-tailed)		
<b>Performance of KRA</b>	Pearson Correlation	.516**	1
	Sig. (2-tailed)	0.000	
	N	108	108

The findings also demonstrated a strong and positive correlation between resource allocation and KRA performance. A correlation value of 0.516 and a significant value of  $0.000 < 0.05$  demonstrated this. The results implied that enhancing resource allocation in the change management process resulted to enhanced performance of KRA. The results were consistent with Masya, Wamitu, and Weru (2022) who found that resource allocation has a big impact on strategy implementation amongst organizations. Balogun and Hailey (2014) however pointed that if resource allocation is unevenly done where certain departments receive more resources than others during a change process, it creates feelings of unfairness and hinder collaboration among teams which acts as a hindrance to effective implementation of the intended change process thus affecting general performance.

### Regression Coefficients

The study incorporated the regression coefficient outcomes to demonstrate how changes in the independent variable can impact the variation observed in the dependent variable. The regression results are outlined in table 6.

**Table 6: Model Coefficients**

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
(Constant)	0.284	0.633		0.4487	0.022
Resource Allocation	0.538	0.108	0.462	4.9815	0.000

Dependent Variable: Performance of KRA

The optimal model of the study becomes:

$$\text{Performance of KRA} = 0.284 + 0.538 (\text{Resource Allocation})$$



The model coefficient results indicated that resource allocation had a positive significant influence on KRA performance, as as evidenced by the beta value of 0.538 and significant value of 0.000. The findings suggested that raising resource allocation practices by one unit in the change management process raises KRA performance levels by 0.538 units. The results are tallied with those of Omollo, Christopher, and Onyango (2017), who showed that efficient use and distribution of resources had a significant impact on a company's performance. According to Monnot (2016), a company cannot successfully implement changes unless it has access to critical resources like financial, human, and technological resources.

### **Conclusion**

The study's results indicated how resources are allocated during the change management process has a positive and significant impact on the performance of the Kenya Revenue Authority (KRA) in Nairobi City County. Effective resource allocation involves providing sufficient financial resources for the change process and ensuring they are used appropriately, having a capable workforce with the necessary skills for implementing changes, and utilizing suitable technology alongside knowledgeable personnel to facilitate the process. These practices collectively enhance the authority's performance.

### **Recommendations**

The study provided recommendations to the management of KRA to enhance resource allocation during change management process since the process bore a positive significant influence on performance of KRA. Kenya Revenue Authority can achieve this by undertaking resource allocation practices such as dedicating enough financial resources to the change process with adequate utilization of the allocated financial resources in the change process, having adequate human capacity to implement changes equipped with the right skills to implement changes, putting up appropriate technology for implementation change process with employees endowed with technological knowledge to enhance implementation change process.

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