INFLUENCE OF BUSINESS PROCESS RE-ENGINEERING ON PERFORMANCE: A CASE OF KENYA REVENUE AUTHORITY IN KENYA

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DECLARATION

This research project report is my original work and has not been presented for a degree in any other university.

Signature..... Date.....

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L50/62563/2013

This research project report has been submitted for examinations with my approval as the university supervisor.

Signed..... Date.....

Prof Harriet Kidombo

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DEDICATION

I would like to dedicate my work to my family and especially my dear wife, your support is overwhelming, thank you.

To my boys Heyden and Keron, you are my source of inspiration. May God bless you and see you grow to be responsible men. I also recognize the efforts of my able supervisor, Prof. Harriet Kidombo, your guidance is highly appreciated.

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LIST OF ACRONYMS AND ABBREVIATIONS

BPR	Business Process Re-Engineering
KRA	Kenya Revenue Authority
SPSS	Statistical Package for Social Sciences
GRM	Global Reference Model
ADKAR	Awareness, Desire, Knowledge, Ability and Reinforcement
BAP	Business Automation Project
CSF	Critical Success Factors
DRBCP	Disaster Recovery and Business Continuity Plan
ERP	Enterprise Resource Planning
HR	Human Resource
IT	Information Technology
ICT	Information and Communication Technology
PIT	Project Implementation Team
RARMP	Revenue Administration Reform and Modernization Programme

ABSTRACT

The environment of the business is changing frequently and thus it's so imperative for firms to adapt constantly their activities so as to be successful. Kenya Revenue Authority is faced with challenges of continuously improving its operations to meet the needs of its customers in a continuously changing operations environment; that is, applying the technique of reengineering its business processes to meet the core objective of increasing revenue collection at minimal cost. This study intended to establish the influence of business process re-engineering on the organization performance of Kenya Revenue Authority (KRA). The study was guided by the following objectives; to find out the influence of business strategy, organizational structure, organizational process, business information technology and organizational culture on the performance of Kenya Revenue Authority. The study was based on the systems theory. Descriptive research design was adopted in this study. The study target population was the KRA management. According to the KRA (2015), the staff level was about 1,634 employees in different management categories. A sample population of 311 was arrived at by calculating the target population of 1634 with a 95% confidence level and an error of 0.05 using the Nassiuma (2000) formula. The questionnaires were designed using open and closed ended questions. Primary data was collected using self-administered questionnaires by research assistants who were trained first on interviewing skills. The researcher and the research assistants personally administered the questionnaires. The drop and pick method were preferred for questionnaire administration to give respondents enough time to give well thought out responses. The data was analyzed with the aid of Statistical Package for Social Sciences (SPSS version 25). Descriptive statistics such as measures of central tendency and dispersion were considered the most appropriate for closed-ended questions while content analysis was used for open-ended questions where qualitative data was summarized into homogenous themes. Regression analysis was used to explain the influence of BPR on the performance of KRA. The study found that cost-efficiency is essential to modernization of processes and hence improves business performance to a very great extent. The study established that all the decisions made entirely to disseminate to the rest of the organization and responsibility and authority in the organization being vested in employees drive performance of KRA to a very great extent. The study found that operational process has a positive and significant influence on the performance of Kenya Revenue Authority. The study found that the organizational symbols and signs positively influence performance of the organization to a very great extent. The study also found that business information technology has a positive and significant effect on the performance of Kenya Revenue Authority. The study concluded that business strategy (0.882) had the greatest effect on the performance of KRA, followed by organizational culture (0.846), then business information technology (0.812), then operational process (0.799) while organization structure (0.633) had the least effect to the performance of KRA. The study recommends that it is important for an organization to undertake an analysis of the current situation for successful BPR implementation. Further, the study recommends that BPR must not ignore business culture and must emphasize constant communication and feedback.

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Business process re-engineering (BPR) is a common tool of management which deals with alteration in the technology and business. Hammer (1990) introduced it first by as a radical processes redesign so as to add key advancements in cost, quality, and services. BPR generates variations in the behavior and culture of the people, processes as well as technology. It doesn't desire to alter or repair the current processes; though, it makes firms to question if process is necessary, and then finds a good method of undertaking the process. BPR assimilates all departments into a complete process that has been developed for fulfilling a particular goal in the business. Executing BPR successfully allows the firms to attain great profits in performance of the business.

Business Process Re-Engineering (BPR) is identified by many terms, such as primary process redesign, new industrial engineering or working smarter. All the terms have the similar concept which focuses on assimilating both business process redesign and installing IT to support the reengineering work. The concept of Business Process Reengineering was first introduced by Hammer (1990) as a radical restructure of processes in order to achieve significant improvements in cost, quality and services (Ozcelik, 2010). Business Process Reengineering began as a private sector technique to help organizations basically rethink how they do their work in order to vividly improve customer service, cut operational costs, and become world-class competitors (Assefa, 2009). The whole of technological, human, and organizational dimensions may be changed in business process re-engineering. Firms today come across a lot of challenges as a result of the ever-evolving rivalry, variation in technology, demand fluctuation, supply chain disruption led by man-made or natural disasters such as high environmental levels of turbulence can derail the operations of the organizations (Becker, Kugeler & Rosemann, 2013).

Globally, Companies reduce organizational layers and eliminate unproductive activities in two key areas which are; to redesign functional organizations into cross- functional teams and to use technology to improve data dissemination and decision making (Rigby, 2015). In USA, businesses are redesigning their functions into cross- functional teams to increase their efficiency in service delivery. This is because they face a lot of challenges as a result of the ever-evolving rivalry, variation in technology, demand fluctuation, supply chain disruption led

by man-made or natural disasters such as high environmental levels of turbulence can derail the operations of the organizations (Mohammad & Elaheh, 2014).

Approximately one quarter of 300 BPR projects in North America failed and the authors speculated industry wide figure at closely 70 percent (Cafasso, 1993a, b; Hammer and Champy, 1993). Specifically, many managers said that the actual BPR project benefits fell short of expectations along the dimensions of customer service, process timeliness, quality, cost reduction, competitiveness, improved technology and revenues (Hayley et al., 1993). With more accumulated experience, however, there is growing realization that Information Technology is a critical BPR enabler but implementing BPR involves complex socio-technical change in an organization. Reengineering is becoming an increasingly popular option for corporations seeking radical process change. Central to the success of reengineering is the coordination of information technology (IT) through the organization.

Regionally, in Tanzania, existing systems weaknesses are brought out by business process reengineering as it tries to streamline as well as re-engineer process and human resources at the level of department so as to increase performance. Business reengineering process is defined as linking the rethinking and redesigning act the way business operates work so as to successfully attain the mission of the firm and reduce the production costs. It is argued by Gouranourimi (2012) that business process reengineering is different from the other change management techniques in that it uses the continuous process improvement techniques and TQM through introducing creativities that emphasis on work processes enhancement. It needs variations done in the firms' structure as well as assessment of the required time for execution and findings. It was revealed by Ensermu and Moorty (2013) that business process re-engineering enhanced improved quality of service, service delivery speed as well as time of the cycle hence leading to enhanced performance of the organization. In Ethiopia, Khuhil (2013) resolved that BPR initiatives implementation have resulted to the enhanced operational public commercial banks performance. The BPR is a veritable organizational survival engine in courier service sector attributed to by high-tech cutoffs, demands of the customer, regulatory conditions which are ever-changing and cumulative uncertainties of the environment.

In Ghana, BPR is the foundation on to which the initiatives aiming to enhance the performance of the firm are executed. The major goal of BPR is ensuring the all processes of the organization are operational. Its main focus is on the whole improvement of the performance but not one performance aspect. It is noted by Wong (2013) that reengineering permits the firm in having

the competition edge over the other firms. The importance of the BPR is aligning human resources, growths as well as expertise with strategic goals and organizational objectives and the outcomes is business processes integration which efficiently work.

Locally in Kenya, before an adoption of the BPR by any firm, there is a need for the determination of if there exist a case of the business in introduction of the alterations. Price Water House Coopers (2007) research revealed that there have been various creativities to public sector reforms on the basis of the delivery by operational performance improvement. World trends reveal worldwide investment, constraints of the budgetary competition as well as increasing the expectations of the customers are key aspects of making the public sector reforms successful. The varying world environment of the business has as well transformed dramatically the operations of the firms in the public sector. It is noted by Odede (2013) that the varying environment of the business have compelled firms in the public sector in redefining the goals, investing in combined delivery of the services' as well as focusing on the service of the customers. He further revealed that common models of the delivery of services needs radical redesigning so as to attain the desired benefits as well as meeting the needs of the clients efficiently and effectively. Moreover, needs of the customers' needs to be considered from the formulation to implementation of a strategy. Business process re-engineering of the public sector is needed for the service delivery enhancement, reduction waste as well as efficiency enhancement via duplication elimination and hence improving the client service experience.

KRA, just like other organizations is faced with challenges of continuously improving its operations to meet the needs of its customers in a continuously changing operations environment; that is, applying the technique of reengineering its business processes to meet the core objective of increasing revenue collection at minimal cost (Temponi, 2006). For instance, according to the KRA Sixth Corporate Plan of 2015/16 - 2017/18, the KRA intends to re-engineer business processes and modernize technology to solve the problems of low and slow systems which over time have caused customer to be unsatisfied. Other challenges that need to be addressed include improving business processes and integrating functions at all levels to facilitate taxpayer service (KRA, 2006).

Abuto (2015) assessed business process re-engineering as an approach to strategic change at Kenya Revenue Authority and found that business process reengineering has been in use at Kenya Revenue Authority as an approach to strategic change and has brought about many benefits to the organization. Magutu, Nyamwange and Kaptoge (2010) examined business

process reengineering for competitive advantage at Wrigley Company and established that Wrigley Company gained competitive advantages by implementing BPRs such as adopting the supply chain concept, Enterprise engaged consultants from Deloitte international and implementation of the global reference model (GRM). Most of the studies on this area of knowledge are based on other contexts other than revenue collection agencies for instance, Eke and Achilike (2014) reviewed BPR in the banking sector while Orogbu, Onyeizugbe and Onuzulike (2015) based their study on automobile organizations. Abuto (2015) who came close to tackling this topic focused on the strategic change aspect of BPR instead of the organization performance aspect. In this view, the proposed study intended to examine the influence of business process engineering on the performance of KRA.

Revenue collection in financial year (FY) 2016/17 reached a new record with sh. 1.365 trillion being collected in comparison with sh. 1.210 trillion collected in FY2015/16, a growth of 13.8%. In comparison with 2011/12 when sh. 707.4 billion was collected, revenue collection has doubled in a span of 5years. FY 2016/17 growth represents an improvement over last year's performance of 12% and compares well with the 5-year average growth trend of 14.3%. It also represents the highest growth over the previous 3-year period 2014/15 to 2016/17. FY 2016/17 performance compares well with prevailing economic indicators including GDP growth of 5.5% and average inflation rate of 8.1%, the latter which mainly affected food items exempt from taxation.

Business Process Reengineering (BPR) not only means change but dramatic change involving obliteration of redundant processes. What constitutes dramatic change is the overhaul of organizational structures, systems of management, responsibilities of employee and performance measurements, incentive systems, skills development, and the use of information technology. Notable BPR was Reform and Modernization Programme administration (RARMP) initiated in 2004/05 whose objective was transforming KRA into a modern wholly integrated and client focused tax administration unit (Ochieng, Wawire, Manyasa, & Thuku, 2014).

1.2 Statement of The Problem

The environment of the business is changing frequently and thus it's so imperative for firms to adapt constantly their activities so as to be successful (Wong, 2013). BPR is all-inclusive in nature and is cross function in the sense that it covers every process that are key to the firm. For survival of the firm in the challenging periods, it is significant for redesigning their

approach in the way the business operates. Nevertheless, BPR may not succeed if they don't essentially offer support or underwrite to the strategic objectives of the organizations, business operation or needs of the management of the firm. This may damage severely its success and survival prospects. Hence BPR proper management is a key managers' challenge. In BPR execution, identification of the critical business processes as well as development of strategies for enhancing such processes. This involves a radical current process.

In KRA, various alterations have been attained due to BPR in licensing, collection of revenue and planning of infrastructure as well as public communication. There has been reduction in corruption as a result of adoption of E-payments which have enhanced the collected revenue by KRA. The interactive website design and development have improved public information dissemination as well as enhanced participation of the public in supporting the operational efficiency in the delivery of services to the citizens. Despite these benefits, KRA is still facing many challenges in delivery of services to the customers which has made their operational performance to be low. There is still overcrowding and long queues at the KRA offices and like any other public sector organization it has been finding ways of corruption eradication while attempting to achieve high customer satisfaction level while striving to meet its mission.

Kenya Revenue Authority is faced with challenges of continuously improving its operations to meet the needs of its customers in a continuously changing operations environment; that is, applying the technique of reengineering its business processes to meet the core objective of increasing revenue collection at minimal cost (Temponi, 2006; Wu, 2003). Thus, Kenya Revenue Authority like other customer-focused organization must ensure that business procedures and practice anticipate the dynamism of customer needs. The challenges that need to be addressed include improving business processes and integrating functions at all levels to facilitate taxpayer service (KRA, 2006). Thus, KRA has undertaken BPR to overcome the challenges faced in a continuously changing operation environment to meet the customer needs and has succeeded to meet its deliverables as stipulated in the taxpayer charter. The barriers to implementing BPR include misunderstanding of the concept, unrealistic objectives, management failure to change, misapplication of the term of BPR, lack of proper strategy, and failing to recognize the importance of people.

Various studies have been conducted on influence of business process re-engineering. For instance, Sarang (2012) explored the Business Process Re-Engineering execution in the Indian Retail Banking Sector and revealed that business process re-engineering in the banking sector

involved the technology change as well as processes of workflow. Odede (2013) revealed that KRA executed initiatives of BPR in its operations that led to turnaround time, reduction of cost, enhanced service to customers, enhanced technology and growth of revenue. Momanyi (2013) revealed that executing BPR in Kenya Petroleum Refineries asset management improved drastically its materials approval process time. Mungai (2015) revealed that BPR assisted UAP in achieving operational process simplification, enhancement in the complaints tracking, operational process simplification resulting to loyalty of customers as well as enhancement in the customer acquisition process and service delivery consistency.

The KRA undertook several BPRs to overcome the challenges faced in a continuously changing operation environment to meet the customer needs and has succeeded to meet its deliverables as stipulated in the taxpayer charter (Odede, 2013). Literature however, has not established whether the BPRs adoption did affect the performance of the KRA. It is against this background that this study sought to answer the question; what is the influence of business process re-engineering on the performance of KRA?

1.3 Purpose of the Study

This study intended to establish the influence of business process re-engineering on the organization performance of Kenya Revenue Authority (KRA).

1.4 Objectives of the Study

The study was guided by the following objectives:

i. To assess the influence of business strategy on the performance of Kenya Revenue Authority.
ii. To establish how organizational structure influences the performance of Kenya Revenue Authority.
iii. To determine the influence of organizational process on the performance of Kenya Revenue Authority.
iv. To determine the influence of business information technology on the performance of Kenya Revenue Authority.
v. To determine the influence of organizational culture on the performance of Kenya Revenue Authority.

1.5 Research Questions

In view of the problem statement, the study addressed the following research questions regarding influence of business process reengineering on the organization performance.

i. How does business strategy influence performance of Kenya Revenue Authority?
ii. How does organizational structure influence performance of Kenya Revenue Authority?
iii. How does organizational process influence performance of Kenya Revenue Authority?
iv. How does business information technology influence performance of Kenya Revenue Authority?
v. How does organizational culture influence performance of Kenya Revenue Authority?

1.6 Significance of the Study

The study provided an insight on the influence of business process re-engineering on the performance of KRA. The study findings were of value to different parties which include: KRA, policy makers, theory, researchers and academicians. To KRA management, the study sought to enlighten KRA on the influence of business process re-engineering on their performance thus enhance adoption efficient business process re-engineering practices. This study was also relevant to organizations that intend to reengineer their business processes. This study provided valuable information for operations strategy implementation and support.

To the policy makers, the findings of the study were useful to Kenyan Government and other policy makers regarding advising and formulating of guidelines towards effective business process re-engineering at KRA to enhance performance. To theory, the research was of significance to the current theory by either backing or challenging it through findings of the research. To other scholars and researchers, the study formed a foundation for future research on the influence of business process re-engineering on the performance of KRA in Kenya.

1.7 Delimitation of the Study

This study limited its scope to the influence of business process re-engineering on the performance of Kenya Revenue Authority (KRA), which would not have necessarily represented the influence of business process re-engineering on the performance of other companies within the country. The study also confined itself to the senior management, middle level management, supervisory level and team leaders across all the departments given the time and resource constraints. The study also narrowed down its scope to the business re-engineered processes and not any other processes.

1.8 Limitations of the Study

Some of the respondents approached were reluctant in giving proprietary information fearing that the information would be used to create a negative image of the KRA. This was countered

by explaining to the respondents, verbally and in writing that the information gathered was intended for academic purpose. Utmost privacy and confidentiality were assured to them.

The study mainly depended on the responses provided by the respondents which meant that the researcher had no control over the accuracy of the information provided. This was however a general problem when dealing with secondary data. The researcher countered the problem by crosschecking between different respondents.

The data collection process was slow because the contact people had busy working schedules. The researcher exercised utmost patience and made extra effort in reminding the contact people on the urgency of data sought. Constant follow-ups were also done so as to acquire sufficient data.

1.9 Assumptions of the study

This study was undertaken on the assumption that the KRA would be willing to avail information on the influence of business process re-engineering that they implemented on their organization's performance. The study further assumed that the information provided by the KRA was accurate and would be a true representation of the business process re-engineering that they implemented.

1.10 Definition of Significant Terms used in the study.

Business Process Re-engineering: Business Process Reengineering is the radical redesign of core business processes to achieve dramatic improvements in productivity, cycle times and quality.

Business process: Business process is an activity or set of activities or collection of linked tasks which find their end in the delivery of a service or product to a client. It is also a set of activities and tasks that one completed will accomplish an organizational goal.

Business strategy: This is defined simply as a firm's high-level plan for reaching specific business objectives. Strategic plans succeed when they lead to business growth, a strong competitive position, and strong financial performance.

Operational process: This is an organized set of activities or tasks that produces a specific service or product. Operational Processes are one of the most important and most frequently used processes in any organization. They define the primary activities of a company.

Organization Performance: Organization performance is the ability of an organization to provide the products and services more effectively and efficiently in comparison to its relevant competitors. It is also the advantage obtained through superior productivity.

Organizational culture: This is defined as the underlying beliefs, assumptions, values and ways of interacting that contribute to the unique social and psychological environment of an organization.

Organizational structure: This is defined as the arrangement of the organization's components and specific relationships between them that are specific to the given system.

Re-engineering: This is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical contemporary modern measures of performance, such as cost, quality, service and speed.

1.11 Organization of the Study

This was organised in five chapters. Chapter one extrapolates the background of the study, the problem statement, study objectives and the research questions. The second chapter gave details on the literature review on business process re-engineering, the theories used in the study, empirical review and the research gaps that exist in the study. The third chapter presents the research methodology. The research design, target population, data collection instruments and procedures were discussed under this chapter. The fourth chapter presents the data analysis of the findings through statistical measures. Chapter five presents the summary of findings, discussions of findings, conclusions and recommendations that were arrived at from the study.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter covers the review of the study related literature with a goal of literature gaps' identification. Theoretical and empirical literature is reviewed through evaluation of the various models and empirical studies on the influence of business process re-engineering on performance of Kenya Revenue Authority. The empirical literature was evaluated to provide new knowledge on the topic followed by the theoretical literature and then the conceptual framework. The study at the end of the chapter gave the knowledge gap and then the summary of the literature review.

2.2 Performance of Kenya Revenue Authority

Organizational performance is defined as the advantage obtained through superior productivity. Bien (2002) define organizational performance as the economic condition of an entity in a given time. It is also defined as the measure of the extent to which the organization has attained set goals. Organizations focus towards resource optimization, costs reduction and quality service or product delivery thus measuring performance will enable them to know how far they are on achieving their goal of for instance resource optimization, costs reduction or product of service quality.

It is important for organizations to measure how they are performing since it is crucial. Measuring organizational performance provides the organization management with the insights of how to improve the organizational processes and people that matter to the organization's existence and find out those processes that are value to the stakeholders and the customers as well. Santo and Brito (2012) opined that organizations also measure their performance to obtain information that will enable the management to improve their operational and financial outcomes. Kaplan and Norton (2016) on the same note suggested that organizational performance measurement enables the organization to identify and improve the various internal functions. Performance measurement enhances the feedback on activities with respect to meeting customer expectations and strategic objectives.

Organizations can measure their performance using different parameters that can be classified as either financial or non-financial. Some measures include; return on investment, return on sale, return on assets and the return on equity. Other measures of organization performance include; profitability measures (given by the organization's revenue earned minus the cost

incurred by the organization to earn revenue), customer satisfaction measures (is given by several measures such as brand loyalty, repeated sales, numbers referrals, positive word or mouth, customer assessment and customer feedback (Angelover & Zekiri, 2011), return on investment measures It (is given by the (organization's net profit /total cost of investment) then multiplies by 100). Return on investment measures the gain an investment as a percentage of the original investment cost incurred. This study involves the measurement of the performance of Kenya Revenue Authority in relation to the business process re-engineering mechanisms adopted. This included the use of dimension such as Return on Asset (ROA) and Return on Equity (ROE) and other aspects such as organization profits. These measures are used since they can easily be measured (Liargovas & Skandalis, 2004). This study examined the relationship of the independent variable with the performance of performance of Kenya Revenue Authority.

2.3 Organizational Strategy and Performance of Kenya Revenue Authority

Strategy involves formulation and implementation of long-term plans to attain the overall business objective (Goksoy, 2011). This means that an organization must evaluate its current status and then put in place the right strategies to enable it to achieve a future desired state. According to Van de Ven and Poole (2002), strategic change is an empirical observation in an organizational entity of variations in shape, quality or state over time after the deliberate introduction of new ways of thinking, acting and operating. Pascale (1990) suggests that in an organization, what was strength yesterday may become the root of weakness today and it is common in many organizations, since, most managers tend to depend on what worked yesterday and refuse to let go of what worked so well in the past. To prevent such situations, businesses must reinvent themselves through a spirit of inquiry and a healthy debate by encouraging the creative process of self-renewal based on constructive thinking (Abuto, 2015). This process of self-renewal or transformation can be achieved best through business process reengineering.

Business Process Reengineering has enabled many failing and even successful organizations to re-invent themselves to achieve performance improvements and position themselves in a better place in their markets. BPR has arisen as a strategy and solution for companies to improve their performances by assuring a higher quality product at lower cost, larger added value and faster response time; elevate their efficiencies and gain a competitive advantage in this everlastingly developing and changing world. According to Thyagarajan and Khatibi

(2004), BPR has a strategic value in managing organizational change, as it includes new vision or strategy: a need to build operational capabilities need to reevaluate strategic options, enter new market or redefine products or services which Browne and O'Sullivan (1995) suggests that it reflects the company's overall strategy. The concept of BPR has enabled companies to improve productivity and relationships with customers and reduce time to launch new products and services in terms of cost quality customer satisfaction and shareholder's value in link with the strategy by identifying the most important processes of the company (Sentanin, Santos & Jabbour, 2008).

According to Abuto (2015), BPR is strategically important because it gives a new direction and hope for the organization's future, it is driven from top: it requires conceptual skills, strategic thinking and constant commitment from top level managers during all stages; from planning to implementation stages. BPR activities will have short and long-term implications for an organization since any process that is to be reengineered will not only have an impact on the function that has direct control over that process, but also other functions that will necessarily support the reengineered process. Management experts defend business process reengineering as a necessary strategy for achieving higher levels of efficiency and effectiveness in knowledge work that has long been achieved in manufacturing (Abuto, 2015). Empirical studies reviewed on the relationship between BPR adoption and improvement of organizational strategies have not critically reviewed the aspects of organizational Strategy.

2.4 Organizational Structure and Performance of Kenya Revenue Authority

BPR aims at assisting the firms in radical restructuring through emphasis on the ground–up business processes design. BPR tries to alter the performance of the work through addressing simultaneously every work aspects which affect productivity, including the activities process, the jobs of the people as well as their system of reward, the structure of the organization and the process performers and managers roles, the system of management and the firms' culture that holds the beliefs and values which affects the behavior and expectations of everyone (Jeston, 2014). The whole process value is evaluated with BPR, rather than elimination of the process steps or tasks. Nevertheless, submitting to production of immediate outcomes pressure, a lot of administrators who have executed BPR have a tendency of ignoring the massive alterations in structure of the firm which results to misuse of middle managers and lower level employees as well as hindrance to the firms' modernization (Grant, 2016). Massive layoffs of middle managers in many cases, may be involved leading to fewer management layers but then

again leaving in place the same structure of the organization essence. In order to reduce tension that come with this, the managers and the lower level hierarchical levels have to be involved in the BPR effort, having the sense of responsibility since BPR is not only done for a better control of the company processes but also to establish a structure to locate the diverse responsibilities within the processes (Seher, 2014).

BPR is viewed as a ground-breaking method that is used in induction of radical alteration in the set-up of an organization. The main objective of the method is achieving an optimum effectiveness and efficiency level. Seher (2014) reviewed the relationship between business process reengineering and organizational structure among Indian Commercial Banks. The study established that there exists a significant relationship between BPR and organization structure. The study also established that the modified organization structure further after implementing BPR was found to be more effective and competitive. Literature reviewed to establish the relationship between BPR adoption and improvement of organizational structure did not adequately cover the area of knowledge.

2.5 Operational Processes and Performance of Kenya Revenue Authority

Fundamentally, BPR aggregates to making radical alterations to more than one operational processes influencing the firm in whole. Operational processes are the processes that involve transforming the input (raw materials, labour, equipment, information and money) into output (service as well as level of customer satisfaction) (Garner, 2012). Operations processes are different for retail, manufacturing and service business, big or small. Garner (2012) suggested that each component of operations process must be managed, measured for efficiency and tested for effectiveness. Re-engineering emphasizes on organization operations processes and how they relate to business objectives thus encouraging full-scale recreation of the processes rather than iterative optimization of sub-processes. According to Guimaraes and Bond (1996), very many processes in operating the business are potential reengineering targets for example: service customer, sales and entry of the order, hyping and debiting, purchasing among others.

Masumi (2013) suggests that implementing BPR successful in operations of the firm may help them to vary their existing practices into processes of innovation by reorganization and elimination of some processes and coming up with ways of innovation in the business. Research have revealed that executing BPR successfully may generate higher satisfaction of the customers as well as the increasing the performance by developing flexibility in the

operations of the business (Masumi, 2013). An operational process can be decomposed into specific activities which can be measured, modeled, and improved. It can also be completely redesigned or eliminated completely (Malhotra, 2004). Re-engineering process classifies, evaluates as well as re-designs of the processes of core business of a firm aiming at achievement of the dramatic enhancements in critical measures of performance like cost, quality, service and speed (Malhotra, 2004).

Re-engineering establishes that operations of the firm are commonly disjointed into sub-processes and tasks which are conducted by various specialized functional areas within the firms. Reengineering also upholds that performance optimization of the sub-processes may lead to various benefits but can't result to dramatic enhancements if the process itself is basically incompetent and out-of-date. As a result of the focus of the re-engineering on operational process re-designing as a whole so as to attain the greatest possible benefits to the firm and their clients (Hammer, 2015). The integration of operational processes to create customer value added output is the main goal of business reengineering. These integrated processes of operations are regarded by a various attribute: high quality output and focus of the customer. The idea of operations process improvement through operational process re-engineering is not adequately researched by literature (Rinaldi, Montanari & Bottani, 2015).

2.6 Business Information Technology and Performance of Kenya Revenue Authority

Information Technology plays a major role in BPR as it provides office automation; it allows the business to be conducted in different locations, provides flexibility in manufacturing, permits quicker delivery to customers and supports rapid and paperless transactions (Orogbu *et al.,* 2015). Thus, Information Technology gives way for efficient and effective change in the manner in which work is performed. According to Al-Mashari (2001), information technology (IT) has historically played an important role in the reengineering concept. This aspect is considered by some as a major enabler for new forms of working and collaborating within an organization and across organizational borders. Over the decades the use of information technology (IT) as a process engineering enabler has become among the key ways of facilitating the efficient firm redesigning (Hammer, 2015).

Information Technology may assist in coming up with alterations initiated by re-engineering, thus it may also be deliberated as a BPR enabler. Information technology may be greatly useful instrument for redesigning the business process as it has a recursive relationship with BPR. Information technology may be thought as a support for the business processes redesigning,

rather than functions of the business or other entities of the organization. Information Technology needs to as well be observed as more than an automating force as it may essentially redesign the operation of the business (Laguna & Marklund, 2018).

The significant reengineering stimulus have been the ongoing generation as well as sophisticated information systems and networks deployment (Grant, 2016). Literature for instance from theorists of BPR and practitioners deliberate IT as being the indispensable reengineering enabler for any effort, even when there exist minority claims, that reengineering may be conducted with no IT engagement. A study by Ringim, Razalli & Hasnan (2011) on the effect of BPR dimensions such as IT management change, redesigning of process, information technology use (IT) and IT competence on organization performance and established that they all are relevant and affect organization performance. However, literature on this area of knowledge was inadequate.

2.7 Organizational Culture and Performance of Kenya Revenue Authority

Culture is defined as a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (Schein, 2004). Organizational culture is one of the elements that have given an emphasis in preparing the organization for radical changes. Organizational culture is an important factor for successful BPR implementation (Grover *et al.*, 1995). Democratic culture in an organization will support cooperation, co-ordination, and empowerment of employees. Democratic culture is characterized by: (1) shared organizational vision and information; (2) open communication; (3) strong leadership style; and (4) employee participation in decision making (Lee, 1995). According to Bradford (2000), these characteristics should increase an organization's chance of successfully implementing a BPR project. Organizational culture is crucial in the adoption of BPR.

Failure factors associated to management systems and culture change consist: communication problems, inadequate change readiness in the firm, challenges associated to culture creation as well as inadequate training and education (Laguna & Marklund, 2018). On the other hand, the success factors consist of self-governing management (administration founded on the principle that every employee deserves equal rights and chances), a collective environment of working in building team work as well as trusting and commitment of top management and BPR

comprehending ability (Huang, Lee, Chiu & Yen, 2015). Masumi (2013) suggests that various ways with an objective of decreasing the change resistance and therefore making the firm be able to adopt change include communications with staff, employees' empowerment, permitting staff to come up decisions and training of the employees.

Griffith (2005) suggested that firms needs to generate the culture of the firm which allows taking risks as well as not punishing staff for poor performance but one which permits the staff to learn from mistakes they made. Edward and Mbohwa (2013) study on BPR revealed that for successful implementation of BPR, administrations require creation of culture which adopts change. Agrawal and Cockburn (2003) on the other hand suggested that for employees to be innovative, there needs to be a culture that is willing to embrace change and take risks. A study by Kumar and Bhatia (2012) on BPR organization culture, best practices and future trends found that organizational culture is a crucial factor in BPR implementation. Literature in this area of knowledge was limited thus need for more literature.

2.8 Theoretical Review

The concept of reengineering traces its roots back to management theories developed in the early 19th century. The study was based on the systems theory.

2.8.1 Systems Theory

This theory was developed from the work of Ludwig Von Bertalanffy 1968. This concept originated from biology, economics, and engineering. It explores principles and laws that can be applied to operations of various systems or organizations (Alter, 2007). This theory assumes since a system is a set of two or more elements, the behavior of every element has an effect on the behavior of the other whole since the behavior of the elements and their effects on the whole are interdependent (Skyttner, 1996). Even the subgroups of the elements all influence the behavior of the whole; none has an independent effect on it. This according to Steele (2003), means that a system consists of subsystems whose inter-relationships and interdependences move toward equilibrium within the larger system.

The system theory derives the concept of open systems which argues that any change in any elements of a system causes changes in other elements. Mason (2007) suggested that since organizations are open systems, changes in environmental factors can lead to turbulence in the organization in response to rapid, unexpected changes in the environmental conditions. Thus, the interaction of the system creates an environment for change by the organization to enable

it fit within the environment that is open to various internal and external manipulations. This change in environment needs to be managed through various processes such as BPR (Abuto, 2015). The implication of this theory to this work is that the KRA and its environment are in the same system, thus when the environment as an element of the system changes, then the KRA faces challenges its management must re-engineer their business processes to survive.

2.8.2 The Theory of Organizational Excellence

This study will also be guided by the theory of organizational excellence by Thomas Peters and Robert Waterman (2014). The theory maintains that the culture that an organization adopts is directly linked to its success. Therefore, successful companies are characterized by cultural practices which put emphasis on action, closeness to customers, entrepreneurship, productivity, value-based effort, simplicity, lean staff and economic utilization of resources. This implies that organizations are likely to stay in businesses if their cultural values provide individuals associated with the organization room to perform.

Organizational excellence in KRA can be traced to its corporate cultural attributes which include continuously developing innovative ways of meeting customers' needs, facilitating novelty and risk employee's risk taking undertakings via incentives for both the customers and employees and showing a conviction in the employees' ability to be involved in the process of making decisions, avoiding rigidity in the command process and trusting the subordinates. This also involves listening to and adopting employees and customers' suggestions, paying attention to their cultural variables and promoting and clarifying the core values of the organization to the workers (Anis, 2011). This theory has been selected to guide this study because many commercial banks in Kenya have embraced some of these characteristics which are led to improved performance. In addition, strong cultural values in an organization that emphasizes high achievement levels for employees can provide individuals throughout the organization room to perform.

2.9 Conceptual Framework

The conceptual framework consists of the dependent and the independent variables. In this study the dependent variable is organization performance while the independent variable is business process reengineering as proxied by parameters such as: organizational strategy, organizational structure, operational process, organizational culture and business information technology.

Independent Variables

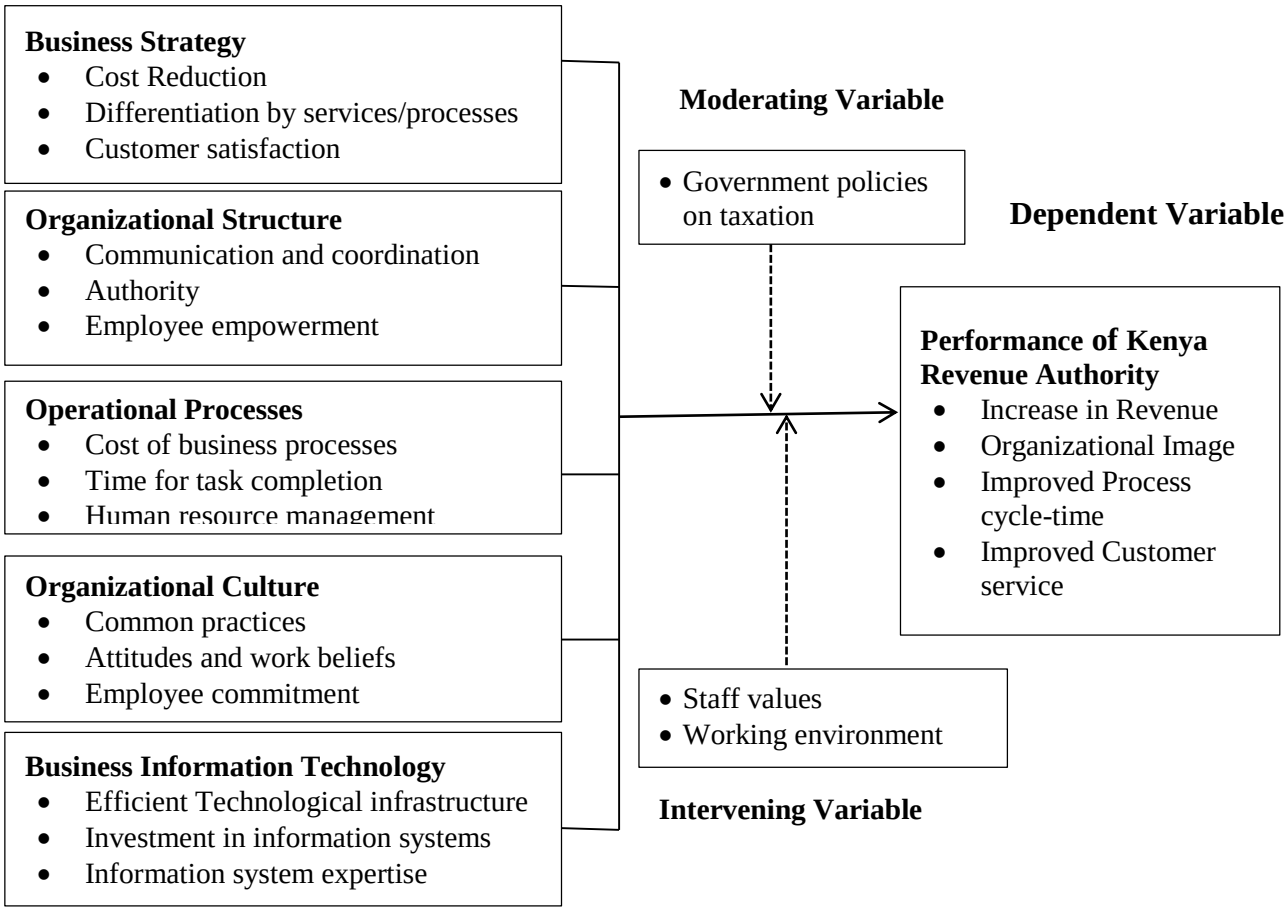

Figure 1: Conceptual Framework

The strategy dimension involves the policies within the other areas of consideration that are strategy of the organization, strategy for technology and human resources. Organization plans needs definition in manner which allows the firms to understand and motivate the staff in a bid of aligning the job force with them. Although literature establishes that BPR implementation affect organizational performance, this study brought out how organizational performance are affected by the implementation of new BPRs. Organizational structure is a crucial factor to be considered when redesigning to bring into line the job with the defined plans as well as addressing the cultural and environmental contexts variables within the firm. The type of organization structure is also important when implementing BPRs. The study brought out how the business structure is affected by the implementation of new BPRs.

Operational processes may be defined on diverse levels within the firm. The major issue is identification of the key processes of operations that are satisfying needs of the customers and increases value. This study considers the procedures governing the way the resources are utilized in creation of products and services meeting particular customers need. This study

brought out how the business processes are affected by the implementation of new BPRs. Information Technology plays a major role in BPR as it provides office automation; it allows the business to be conducted in different locations, provides flexibility in manufacturing, permits quicker delivery to customers and supports rapid and paperless transactions. Thus, Information Technology gives way for efficient and effective change in the manner in which work is performed. This study brought out how the Information technology is affected by the implementation of new BPRs. Organizational culture is one of the elements that have given an emphasis in preparing the organization for radical changes. Organizational culture is an important factor for successful BPR implementation (Eke & Echike, 2014).

Organization performance is the advantage obtained through superior productivity. Organizations are always focusing towards available resource optimization, costs reduction and quality service or product delivery to enable them become attractive such that they develop customer loyalty and gain competitive advantage. According to Cetindamar and Kilitcioglu (2013), organizations will perform and be sustainable if the resources resulting in the organization performance are kept alive and the organization establishes a set of managerial processes where these resources are flourished and utilized. Thus, organization performance is a good indicator of how well or poorly an organization is doing since these enlightened managers on the areas that need improvement or need more finances.

2.10 Summary of Literature Review

From the literature, there is one theory that supports the idea of this study, that is, the Systems Theory by Ludwig Von Bertalanffy (1968). The Systems Theory opines that an organization is like a system and that the behavior of every element in an organization has an effect on the BPR implementation success since the behavior of the elements and their effects on the whole organization are interdependent.

BPR is suggested to consist of four elements to be considered. Business Process Re-Engineering (BPR) is identified by many terms, such as primary process redesign, new industrial engineering or working smarter. All the terms have the similar concept which focuses on assimilating both business process redesign and installing IT to support the reengineering work. The concept of Business Process Reengineering was first introduced by Hammer (1990) as a radical restructure of processes in order to achieve significant improvements in cost, quality and services. Business Process Reengineering began as a private sector technique to help organizations basically rethink how they do their work in order to vividly improve

customer service, cut operational costs, and become world-class competitors (Assefa, 2009). The whole of technological, human, and organizational dimensions may be changed in business process re-engineering. (Rigby, 2015). This study will examine the influence of business process re-engineering on the performance of Kenya Revenue Authority.

2.11 Knowledge Gap

Various studies have been conducted on influence of business process re-engineering. For instance, Sarang (2012) explored the Business Process Re-Engineering execution in the Indian Retail Banking Sector and revealed that business process re-engineering in the banking sector involved the technology change as well as processes of workflow. Odede (2013) revealed that KRA executed initiatives of BPR in its operations that led to turnaround time, reduction of cost, enhanced service to customers, enhanced technology and growth of revenue. Momanyi (2013) revealed that executing BPR in Kenya Petroleum Refineries asset management improved drastically its materials approval process time. Mungai (2015) revealed that BPR assisted UAP in achieving operational process simplification, enhancement in the complaints tracking, operational process simplification resulting to loyalty of customers as well as enhancement in the customer acquisition process and service delivery consistency. The KRA undertook several BPRs to overcome the challenges faced in a continuously changing operation environment to meet the customer needs and has succeeded to meet its deliverables as stipulated in the taxpayer charter (Odede, 2013). Literature however, has not established whether the BPRs adoption did affect the performance of the KRA. It is against this background that this study sought to answer the question; what is the influence of business process re-engineering on the performance of KRA?

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the methodology which will be utilized by this study. It gives the details of the research design, target population, sample size and sampling procedure, research instruments, pilot testing, validity of research instruments, reliability of research instruments, data collection procedure, data analysis techniques as well as ethical considerations. This chapter gives the direction and procedures that were used to carry out the study effectively.

3.2 Research Design

Research design may be defined as the procedural plan adopted by the researcher in a bid to respond to questions validly (Kumar, 2005). As per Cooper and Schindler (2001), a research design mainly frameworks the used methods in data collection, assessment as well as data analysis in a bid of providing valuable answers to the questions of the study. Descriptive survey design was adopted in this study. A descriptive design is concerned with determining the frequency with which something occurs or the relationship between variables (Lewis, 2015). Thus, this approach was suitable for this study, since the study intended to collect comprehensive information through descriptions which were helpful for identifying variables. Mugenda and Mugenda (2003) describes descriptive design as an information collection from target population via interviewing, use of questionnaires to sample population.

3.3 Target Population

Target population is defined by Kothari (2004) as the total respondents in the whole considered area of research. As per Mugenda and Mugenda (2003) target population is the population that the researcher desires to generalize the study results. The study target population was the KRA management. According to the KRA (2015), the staff level is about 1,634 employees in different management categories. The categories included senior management, middle level management and supervisory level across all the departments given the time and resource constraints. The target population for this study is as shown in Table 3.1.

Table 3. 1: Target Population

Management Levels	Number	Percent
Senior management	188	11.5
Middle level management	520	31.8
Supervisory management	926	56.7
Total	**1634**	**100.0**

Source: KRA (2015)

3.4 Sample Size and Sampling Procedure

This section discusses the sample size and sampling procedure that were used in this study. The key aspects discussed are sampling frame and sampling technique.

3.4.1 Sample Size

The sample size is a subset of the population that is taken to be representatives of the entire population (Kumar, 2011). A sample population of 311 was arrived at by calculating the target population of 1634 with a 95% confidence level and an error of 0.05 using the Nassiuma (2000) formula as shown;

$$n = \frac{N(cv^2)}{Cv^2 + (N-1)e^2}$$

Where ***n***= sample size

N = population (1634)

Cv= Coefficient of variation (take 0.6)

e= tolerance of desired level of confidence (take 0.05) at 95% confidence level)

$$n = \frac{1634(0.6^2)}{0.6^2 + (1634-1)\,0.05^2} = 310.9 \text{ (Rounded off to 311)}$$

A sample size of 311 respondents was selected from the target population.

Table 3. 2: **Sample Size**

Management Levels	Population	Ratio	Sample Size
Senior management	188	0.19	36
Middle level management	520	0.19	99
Supervisory (team leaders)	926	0.19	176
Total	**1634**		**311**

Source: Researcher (2016)

3.4.2 Sampling Procedure

According to Mugenda and Mugenda (2003), sampling is the process of drawing a number of individuals for study in such a way that the individuals selected are a true representation of the target population. This study employed stratified random sampling technique whereby the target population was stratified into four major categories. That is: senior management, middle level management, and supervisory level and team leaders. Simple random sampling was used to select a representative sample from each stratum in order to gather data from each stratum in equal proportion (Mugenda & Mugenda, 2003).

3.5 Research Instruments

Data are facts and statistics collected together for reference or analysis according to (Chandran, 2004). Data collection is important in research because it allows for dissemination of accurate information and development of meaningful policy (Kombo & Tromp, 2006). Research instruments are tools by which data is collected. According to Mugenda and Mugenda (2003), a researcher needs to develop instruments with which to collect necessary information. This study used questionnaires to collect primary data from the respondents.

The questionnaires were designed using open and closed ended questions. The use of questionnaires in this study was preferred because they allowed standardized gathering of responses and they were more objective compared to other of data collection instruments. The questionnaire was structured in three sections as follows: Section A contained questions on general information about the respondents; Section B comprised of questions on Business Process Re-engineering at KRA while Section C contained of performance of KRA. Apart from the primary data that was collected using the questionnaires, secondary data from journals, books, websites, academic articles and business review magazines was also used. The use of multiple sources of data facilitated triangulation of evidence.

3.5.1 Pilot Testing

Pilot testing refers to putting of the research questions into test to a different study population but with similar characteristics as the study population to be studied (Kumar, 2005). Pilot testing of the research instruments was conducted using managers of KRA. 23 questionnaires were administered to the pilot survey respondents who were chosen at random. After one day, the same participants were requested to respond to the same questionnaires but without prior notification in order to ascertain any variation in responses of the first and the second test. This was very important in the research process because it assisted in identification and correction

of vague questions and unclear instructions. It was also a great opportunity to capture the important comments and suggestions from the participants. This helped to improve on the efficiency of the instrument. This process was repeated until the researcher was satisfied that the instrument did not have variations or vagueness.

3.5.2 Validity of Research Instruments

Validity of the research instrument is used to indicate the extent to which a research instrument measures what it purports to measure. Validity refers to the accuracy and technical soundness of the research instrument. In this study, validity of the research instruments was guaranteed by piloting of the instrument and collecting data from reliable sources. According Mugenda and Mugenda (2003), a piloting should be conducted using at least 10% of sample size. However, the respondents used in the piloting won't be sampled during the actual data collection. Piloting helped to clarify the wording and grammar of the data collection instrument so as to avoid misinterpretations; detect ambiguous questions and avoid research bias. This ensured that the data used in this analysis valid.

3.5.3 Reliability of Research Instruments

Reliability of research the instruments refer to the measure of internal consistency of the research instrument. Cronbach's Alpha was used as the measure of reliability. A Cronbach's Alpha co-efficient of $\alpha \geq 0.7$ was considered adequate in indicating a high level of internal consistency for the research instrument. If any weaknesses were detected in the research instrument, adjustments were then done in order to improve both the structure and content of the research tool hence increasing reliability.

3.6 Data Collection Procedure

Primary data was collected using self-administered questionnaires by research assistants who were trained first on interviewing skills. The questionnaires were designed based on study objectives. The respondents of the study were the senior management, middle level management and supervisory level and team leaders in KRA. The researcher and the research assistants personally administered the questionnaires. The respondents were assured of confidentiality of information collected. The drop and pick method was preferred for questionnaire administration so as to give respondents enough time to give well thought out responses.

3.7 Data Analysis Techniques

After data collection, the questionnaires were inspected for completeness, edited for errors and omission before being coded and the data being captured. On instances where corrections were not plausible, the questionnaires were discarded. The data was analyzed with the aid of Statistical Package for Social Sciences (SPSS version 25). Descriptive statistics such as measures of central tendency and dispersion were considered the most appropriate for closed-ended questions while content analysis was used for open-ended questions where qualitative data was summarized into homogenous themes. According to Nachmias and Nachmias (1996), content analysis is a technique for making inferences by systematically and objectively identifying specified characteristics of messages and using the same to relate trends.

A five-point Likert scale was used to indicate the extent of business process reengineering at KRA. The scale was as follows: 1= No Extent; 2= Small Extent; 3= Moderate Extent; 4= Great Extent and 5=Very Great Extent. The means recorded during analysis were interpreted as follows: 1-1.49 = No Extent; 1.5-2.49 = Small Extent; 2.5-3.49 = Moderate Extent; 3.5-4.49 = Large Extent; 4.5-5.0 =Very Large Extent. The study findings were presented in frequency tables and figures. The frequency tables consisted of the number of respondents and percentages while the illustration was done using graphs and bar charts for easy understanding.

Regression analysis was used to explain the influence of BPR on the performance of KRA. The variables measured on nominal scale were quantified through factor analysis and then saved as dummy variable for purposes of attaining higher level of analysis. The following analytical model was used:

$$\mathbf{Y= \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon}$$

Where:

Y – Organization Performance

X_1- Business Strategy

X_2- Organizational Structure

X_3- Operational Process

X_4- Organizational Culture

β_0 - is the constant of the model

β_1- β_4– are the regression coefficients

ε – Stochastic error term

3.8 Ethical Considerations

Ethics refers to norms or standards of behaviour that guide moral choices about our behaviour and our relationship with others (Wanjiku, 2015). According to Cooper and Schindler (2008), the goal of ethics is to ensure that no one is harmed or suffers adverse consequences from research activities. Mugenda (2003) argues that protecting the rights and welfare of the research participants should be the major ethical obligation of all parties involved in a research study. In this study, the researcher took every precaution to protect the participants' confidentiality.

3.9 Operationalization of Variables

Table 3.3: Operationalization of Variables

Objectives	**Variable**	**Measurements**	**Tools of data collection**	**Data analysis Technique**
To find out the influence of business strategy on the performance of Kenya Revenue Authority	Business Strategy	• Cost Reduction • Differentiation by services/processes • Customer satisfaction	Questionnaire	Descriptive statistics Regression analysis
To establish the influence of organizational structure on the performance of Kenya Revenue Authority.	Organizational Structure	• Communication and coordination • Authority • Employee empowerment	Questionnaire	Descriptive statistics Regression analysis
To determine the influence of organizational process on the performance of Kenya Revenue Authority.	Operational Processes	• Cost of business processes • Time for task completion • Human resource management	Questionnaire	Descriptive statistics Regression analysis

To determine the influence of business information technology on the performance of Kenya Revenue Authority.	Organizational Culture	• Common practices • Attitudes and work beliefs • Employee commitment	Questionnaire	Descriptive statistics Regression analysis
To determine the influence of organizational culture on the performance of Kenya Revenue Authority.	Business Information Technology	• Efficient Technological infrastructure • Investment in information systems • Information system expertise	Questionnaire	Descriptive statistics Regression analysis
	Organization Performance	• Increase in Revenue • Organizational Image • Improved Process cycle-time • Improved Customer service		

CHAPTER FOUR
DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

4.1 Introduction

This chapter discusses the findings obtained from the primary instrument used in the study. it discusses the characteristics of the respondents and their opinions on the influence of business process re-engineering on the organization performance of Kenya Revenue Authority. The researcher provided tables that summarized the collective reactions of the respondents.

4.2 Response Rate

The questionnaires administered by the researcher were 311 out of which only 182 fully filled questionnaires were returned. This gave a response rate of 58.5% which was within what Denny (2017) prescribed as a significant response rate for statistical analysis and established at a minimal value of 50%.

Table 4. 1: Response Rate

	No. of Respondents	**Response Rate**
Response	182	58.5
Non-response	129	41.5
Total	**311**	**100.0**

4.3 Reliability Analysis

Reliability of the questionnaire was evaluated through administration of the said instrument to the pilot group. The acceptable reliability coefficient is 0.7 and above (Song et al., 2014). A construct composite reliability co-efficient (Cronbach alpha) of 0.7 or above, for all the constructs, is considered to be adequate for this study. The results were as shown in Table 4.2.

Table 4. 2: Reliability Analysis

Variable	**Cronbach's alpha**
Strategy and Business Plans	0.808
Organizational Structure	0.738
Operational Process	0.821
Organizational Culture	0.741
Business Information Technology	0.712

From the results, operational process was more reliable with an alpha value of 0.821, followed by strategy and business plans with an alpha value of 0.808, then organizational culture with an alpha value of 0.741, then organizational structure with an alpha value of 0.738 while

business information technology with an alpha value of 0.712 had the least reliability. This therefore shows that the study tool was accurate, and no modifications were necessary.

4.4 Background Information

The study sought to enquire on the respondents' background information so as to ascertain the eligibility of the respondents to participate in this study. The respondents' background information sought in this study included gender, age bracket, highest level of education, the position they hold in the organization and how long they have worked in the position.

4.4.1 Distribution of Respondents by Gender

The study requested to know the respondent's gender. The results are a shown in Table 4.3.

Table 4. 3: Distribution of Respondents by Gender

	Frequency	Percent
Male	74	40.8
Female	107	59.2
Total	**182**	**100.0**

The findings reveal that 59.2% of the respondents were female while the rest as shown by 40.8% were male. This implied that the researcher was not gender biased during collection of data of the study.

4.4.2 Distribution of Respondents by Age Bracket

The respondents were required to specify their age bracket. The results were displayed in Table 4.4.

Table 4. 4: Distribution of Respondents by Age Bracket

	Frequency	Percent
20-25 yrs	10	5.3
26-30 yrs	48	26.3
31-35 yrs	14	7.9
36-40 yrs	43	23.7
41 -50 yrs	26	14.5
51 yrs and above	41	22.4
Total	**182**	**100.0**

From the table, majority of the respondents as illustrated by 26.3% were aged between 26-30 yrs, 23.7% were aged between 36-40 yrs, 22.4% were aged 51 yrs and above, 14.5% were aged between 41 -50 yrs, 7.9% were aged between 31-35 yrs and 5.3% were aged between 20-25 yrs. This implied that all the respondents were mature enough and able to corporate in answering the questionnaire.

4.4.3 Distribution of Respondents by Highest Level of Education

The study sought the respondents' highest level of education. Their responses were compiled in Table 4.5.

Table 4. 5: Distribution of Respondents by Highest Level of Education

	Frequency	Percent
O Level	0	0.0
A Level	0	0.0
College Level	38	21.1
Undergraduate Level	60	32.9
Masters Level	57	31.6
PhD	26	14.5
Total	**182**	**100.0**

From the findings, 32.9% of the respondents had reached undergraduate level, 31.6% had reached masters level, 21.1% had reached college level, 14.5% had attained a PhDwhile none of the respondents had stopped at O level and A level. This implied that the respondents were learned and were able to comprehend the questions in the questionnaire.

The respondents further specified the position they held in the organization. Most of them as shown by 56.6% were supervisors, 31.8% were middle level management while 11.5% were senior level management.

4.4.4 Duration in the Position

Table 4.6 shows the responses on the duration the respondents had worked in their current positions.

Table 4. 6: Duration in the Position

	Frequency	Percent
Less than 1 year	21	11.8
1 - 5 years	36	19.7
6 – 10 years	67	36.8
Above 10 years	57	31.6
Total	**182**	**100.0**

As per the findings, 36.8% of the respondents had worked in their positions for 6–10 years, 31.6% of them had worked for above 10 years, 19.7% had worked for 1-5 years while 11.8% had worked for less than 1 year. This implied that most of the respondents had worked with the organization long enough and hence provided reliable information required by the researcher.

4.5 Organizational Strategy and Performance of KRA

The study sought to find the influence of business strategy on the performance of Kenya Revenue Authority. The researcher required the respondents to indicate the extent to which business strategy aspects influences the performance of Kenya Revenue Authority. The findings are as presented in Table 4.7.

Table 4. 7: Aspects of Strategy and Business Plans

	Mean	Std. Dev.
Reduced product/ service cost attracts more clients and improves business performance.	3.78	1.554
A flexible focus on customer demands through product/service variations improve business performance.	3.86	1.538
Focus on a particular market niche ensures customers' loyalty and satisfaction which business performance.	3.82	1.521
Innovation is a strategic choice that enables survival and ensures improvement of business performance.	3.96	1.409
Cost-efficiency is essential to modernization of processes that improve business performance.	4.04	1.331

The results from the table revealed that the respondents indicated that cost-efficiency is essential to modernization of processes and hence improves business performance to a very great extent as shown by a mean of 4.04. The respondents further indicated that: innovation being a strategic choice that enables survival as illustrated by a mean of 3.96; a flexible focus on customer demands through product/service variations as shown by a mean of 3.86; focus on a particular market niche to ensure customers' loyalty and satisfaction as shown by a mean of 3.82 and reduced product/ service cost to attract more clients as shown by a mean of 3.78 all lead to improved performance to a great extent. This conforms to Thyagarajan and Khatibi (2004) who assert that BPR has arisen as a strategy and solution for companies to improve their performances by assuring a higher quality product at lower cost, larger added value and faster response time; elevate their efficiencies and gain a competitive advantage in this everlastingly developing and changing world.

4.6 Organizational Structure and Performance of KRA

The research aimed to determine the influence of the organizational structure on Kenya Revenue Authority's performance. The respondents indicated the extent of influence that organizational structure aspects have on the performance of Kenya Revenue Authority. The findings were as illustrated in Table 4.8.

Table 4. 8: Aspects of Organizational Structure

	Mean	Std. Dev.
All the decisions made are entirely disseminated to the rest of the organization.	4.18	1.421
Authority within my organization has an impact on business performance.	3.63	1.459
All staff members and employees in my organization communicate and coordinate effectively to improve business performance.	3.58	1.481
Delegation of duties within my organization has value and influences business performance.	3.57	1.500
Responsibility and authority in my organization is vested in employees to drive performance.	4.11	1.410

The respondents indicated that it is to a very great extent that; all the decisions made are entirely disseminated to the rest of the organization as shown by a mean score of 4.18 and that responsibility and authority in the organization is vested in employees to drive performance as shown by a mean score of 4.11. Moreover, the respondents indicated that it is to a great extent that authority within the organization has an impact on business performance as shown by a mean score of 3.63; all staff members and employees in the organization communicate and coordinate effectively to improve business performance as shown by a mean score of 3.58 and delegation of duties within the organization has value and influences business performance as shown by a mean score of 3.57. This is in line with Jeston (2014) who affirms that BPR tries to alter the performance of the work through addressing simultaneously every work aspects which affect productivity, including the activities process, the jobs of the people as well as their system of reward, the structure of the organization and the process performers and managers roles, the system of management and the firms' culture that holds the beliefs and values which affects the behavior and expectations of everyone.

4.7 Operational Process and Performance of KRA

The study sought to determine the influence of organizational process on the performance of Kenya Revenue Authority. The respondents were required to indicate the extent to which organizational process aspects influence the performance of Kenya Revenue Authority. Table 4.9 displays the findings.

Table 4. 9: Aspects of Operational Process

	Mean	Std. Dev.
Ability to complete business processes on time has an impact on the performance of my organization.	4.08	1.403
Strategic plans executed within my organization affect business performance.	3.89	1.502
Task allocations of all departments and completed in time and efficiently	3.82	1.631
Operational day to day processes serve to improve the ultimate strategic plan for my organization.	4.16	1.307

The findings reveal that operational day to day processes serving to improve the ultimate strategic plan for the organization as shown by a mean of 4.16 and the ability to complete business processes on time had an impact on the performance of the organization as shown by a mean of 4.08 to a very great extent. The respondents also indicated that strategic plans executed within the organization as shown by a mean of 3.89 and task allocations of all departments were completed in time and efficiently as shown by a mean of 3.82 influenced performance of the organization to a great extent. The findings are in consonance with Masumi (2013) suggests that implementing BPR successful in operations of the firm may help them to vary their existing practices into processes of innovation by reorganization and elimination of some processes and coming up with ways of innovation in the business.

4.8 Organizational Culture and Performance of KRA

The study sought to determine the influence of organizational culture on the performance of Kenya Revenue Authority. The researcher requested to know the extent to which organizational culture aspects influence the performance of Kenya Revenue Authority. The findings were presented in Table 4.10.

Table 4. 10: Aspects of Organizational Culture

	Mean	Std. Dev.
Our organizational beliefs, norms and attitudes support business performance.	3.80	1.286
Organizational rules and regulations hamper organizational performance.	3.74	1.340
Rites, rituals and common practices within our organization influence performance.	3.75	1.358
Our organizational symbols and signs positively influence performance of the organization.	4.05	1.057

The findings revealed that the organizational symbols and signs positively influence performance of the organization to a very great extent as shown by a mean score of 4.05. The respondents specified that; organizational beliefs, norms and attitudes as shown by a mean score of 3.80; rites, rituals and common practices within the organization as shown by a mean score of 3.75 and organizational rules and regulations as shown by a mean score of 3.74 influence organizational performance to a great extent. This concurs with Lee (1995) who stated that culture can be characterized by shared organizational vision and information, open communication, strong leadership style and employee participation in decision making.

4.9 Business Information Technology and Performance of KRA

The study aimed at determining the influence of business information technology on the performance of Kenya Revenue Authority. The respondents were asked to indicate the extent of influence that business information technology aspects had on the performance of Kenya Revenue Authority. The results are presented in Table 4.11.

Table 4. 11: Aspects of Business Information Technology

	Mean	Std. Dev.
My organization has business information systems for improving the efficiency	4.16	1.189
My organization has enough expertise on business information technology.	4.28	1.015
Investment in business information systems in my organization is sufficient.	3.96	.972
There is a mismatch between software tools and organizational needs in addressing business performance	3.41	1.022
Installation of new systems possess a challenge on compatibility and impact business performance.	3.47	.791

From the table, it is clear that the respondents indicated that the organization having enough expertise on business information technology as shown by a mean of 4.28 and also having business information systems for improving the efficiency as shown by a mean of 4.16 influenced performance of the organization to a very great extent. The respondents also indicated that that investment in business information systems in the organization was sufficient as shown by a mean of 3.96 in enhancing business performance to a great extent. The respondents further indicated that installation of new systems possess a challenge on compatibility as shown by a mean of 3.47 and there was a mismatch between software tools and organizational needs as shown by a mean of 3.41 hence influence the performance of the organization to a moderate extent. This conforms to Hammer (2015) who agrees that the use

of information technology (IT) as a process engineering enabler has become among the key ways of facilitating the efficient firm redesigning. The study also sought to know other key business process re-engineering that had taken place at KRA. The respondents added that individual skills, management processes, customer focus, staff involvement and enhancement in communication.

4.10 Performance of KRA

The study required the respondents to rate the performance of KRA in terms of the parameters listed. The results were presented in Table 4.12.

Table 4. 12: Aspects of Organizational Performance

	Mean	Std. Dev.
Increased efficiency	3.87	1.360
Increased customer satisfaction	3.95	1.404
Improved product quality	3.97	1.385
Reduction in operational cost	3.75	1.434
Value for money	3.89	1.410
Timely delivery of services	4.13	1.340

The findings show that there was timely delivery of services as shown by a mean of 4.13 thus influencing performance to a very great extent. The respondents also indicated that there was improved product quality as shown by a mean of 3.97, increased customer satisfaction as shown by a mean of 3.95, value for money as shown by a mean of 3.89, increased efficiency as shown by a mean of 3.87 and reduction in operational cost as shown by a mean of 3.75 thus influencing performance of the organization to a great extent. This is in line with Bien (2002) who noted that organizations focus towards resource optimization, costs reduction and quality service or product delivery thus measuring performance will enable them to know how far they are on achieving their goal of for instance resource optimization, costs reduction or product of service quality.

4.11 Regression Analysis

Regression analysis was applied to determine the relative importance of business strategy, organizational structure, organizational process, business information technology and organizational culture with respect to the performance of Kenya Revenue Authority. The findings were presented in Table 4.13, 4.14 and 4.15.

Table 4. 13: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.870	0.757	0.750	0.693

The outcome of table 4.13 found that adjusted R-Square value (coefficient of determination) is 0.750, which indicates that the independent variables (business strategy, organizational structure, organizational process, business information technology and organizational culture) explain 75.0% of the variation in the dependent variable (performance of Kenya Revenue Authority). This implies that there are other factors that affects the performance of Kenya Revenue Authority attributed to 25.0% unexplained.

Table 4. 14: Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	268.88	5	53.776	109.633	.000
Residual	86.33	176	0.491		
Total	**355.21**	**181**			

The results shown in Table 4.14 revealed that p-value was 0.000 and F calculated was 109.633. Since the p-value was less than 0.05 and F-calculated was greater than F-critical (2.2654), then the overall model was statistically significant.

Model coefficients provide unstandardized and standardized coefficients to explain the direction of the regression model and to establish the level of significance of the study variables. The results are captured in Table 4.15.

Table 4. 15: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.951	0.217		4.382	.000
Strategy and Business Plans	0.882	0.352	0.913	2.506	.014
Organizational Structure	0.633	0.281	0.717	2.253	.026
Operational Process	0.799	0.196	0.834	4.077	.000
Organizational Culture	0.846	0.411	0.812	2.058	.042
Business Information Technology	0.812	0.354	0.796	2.294	.024

As per the SPSS generated table above, the equation ($\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon}$) becomes:

$Y = 0.951 + 0.882X_1 + 0.633X_2 + 0.799X_3 + 0.846X_4 + 0.812X_5$

The findings showed that if all factors (business strategy, organizational structure, organizational process, business information technology, organizational culture) were held constant at zero performance of KRA will be 0.951. The findings presented also show that taking all other independent variables at zero, a unit increase in the business strategy would lead to a 0.882 increase in Performance of KRA. This variable was significant since the p-value 0.014 was less than 0.05. This is in relation to Sentanin, Santos and Jabbour (2008) who affirm that the concept of BPR has enabled companies to improve productivity and relationships with customers and reduce time to launch new products and services in terms of cost quality customer satisfaction and shareholder's value in link with the strategy by identifying the most important processes of the company.

The findings also show that a unit increase in organization structure would lead to a 0.633 increase of performance of KRA. This variable was significant since $0.026<0.05$. This is in line with Jeston (2014) who affirms that BPR tries to alter the performance of the work through addressing simultaneously every work aspects which affect productivity, including the activities process, the jobs of the people as well as their system of reward, the structure of the organization and the process performers and managers roles, the system of management and the firms' culture that holds the beliefs and values which affects the behavior and expectations of everyone.

Further, the findings show that a unit increase of operational process would lead to a 0.799 significant increase of performance of KRA since p-value (0.000) was less than 0.05. The findings conform to Masumi (2013) suggests that implementing BPR successful in operations of the firm may help them to vary their existing practices into processes of innovation by reorganization and elimination of some processes and coming up with ways of innovation in the business.

The study also found that a unit increase of organizational culture would significantly lead to a 0.846 increase of performance of KRA. The variable is significant since p-value (0.042) was less than 0.05. This is in consonance with Grover et al. (1995) who asserts that organizational

culture is one of the elements that have given an emphasis in preparing the organization for radical changes and therefore it is an important factor for successful BPR implementation

The findings also show that a unit increase of business information technology would lead to a 0.812 significant increase of performance of KRA since p-value (0.024) was less than 0.05. This relates to Orogbu et al. (2015) who note that Information Technology plays a major role in BPR as it provides office automation; it allows the business to be conducted in different locations, provides flexibility in manufacturing, permits quicker delivery to customers and supports rapid and paperless transactions.

Overall, it was established that business strategy had the greatest effect on the performance of KRA, followed by organizational culture, then business information technology, then operational process while organization structure had the least effect to the performance of KRA.

CHAPTER FIVE
SUMMARY OF FINDINGS, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter gives that summary of the data findings, conclusion drawn from the findings highlighted and recommendation made there-to. The conclusions and recommendations drawn are focused on addressing the objective of the study.

5.2 Summary of the Findings

The study sought to find the influence of business strategy on the performance of Kenya Revenue Authority. The study found that cost-efficiency is essential to modernization of processes and hence improves business performance to a very great extent. Further, innovation being a strategic choice that enables survival, a flexible focus on customer demands through product/service variations, focus on a particular market niche to ensure customers' loyalty and satisfaction and reduced product/ service cost to attract more clients all lead to improved performance to a great extent.

The research aimed to determine the influence of the organizational structure on Kenya Revenue Authority's performance. The study established that all the decisions made entirely to disseminate to the rest of the organization and responsibility and authority in the organization being vested in employees drive performance of KRA to a very great extent. Moreover, the study found that it was to a great extent that authority within the organization had an impact on business performance; all staff members and employees in the organization communicate and coordinate effectively and delegation of duties within the organization has value and influences business performance.

The study sought to determine the influence of organizational process on the performance of Kenya Revenue Authority. The study found that operational day to day processes serving to improve the ultimate strategic plan for the organization and the ability to complete business processes on time had an impact on the performance of the organization to a very great extent. The study also found that strategic plans executed within the organization and task allocations of all departments were completed in time and efficiently influenced performance of the organization to a great extent.

The study sought to determine the influence of organizational culture on the performance of Kenya Revenue Authority. The study established that the organizational symbols and signs positively influence performance of the organization to a very great extent. The study also found that; organizational beliefs, norms and attitudes; rites, rituals and common practices within the organization and organizational rules and regulations influence organizational performance to a great extent.

The study aimed at determining the influence of business information technology on the performance of Kenya Revenue Authority. The study found that the organization having enough expertise on business information technology and also having business information systems for improving the efficiency influenced performance of the organization to a very great extent. The study further found that investment in business information systems in the organization was sufficient in enhancing business performance to a great extent. Additionally, it was discovered that installation of new systems possesses a challenge on compatibility and there was a mismatch between software tools and organizational needs hence influence the performance of the organization to a moderate extent.

On organizational performance, the study established that there was timely delivery of services thus influencing performance to a very great extent. The study found that there was improved product quality, increased customer satisfaction, value for money, increased efficiency and reduction in operational cost thus influencing performance of the organization to a great extent

5.3 Discussion of the Findings

The section entails discussion on the findings of the study explained by literature on the variables of the study

5.3.1 Organizational Strategy and Performance of KRA

Organizations must evaluate its current status and then put in place the right strategies to enable achieve a future desired state. The use of strategies has enabled many failing and even successful organizations to re-invent themselves to achieve performance improvements and position themselves in a better place in their markets. It assures a higher quality product at lower cost, larger added value and faster response time; elevate their efficiencies and gain a competitive advantage in this everlastingly developing and changing world. The findings conform to Abuto (2015) who states that BPR is strategically important because it gives a new direction and hope for the organization's future, it is driven from top: it requires conceptual skills, strategic thinking and constant commitment from top level managers during all stages;

from planning to implementation stages. BPR activities will have short and long-term implications for an organization since any process that is to be reengineered will not only have an impact on the function that has direct control over that process, but also other functions that will necessarily support the reengineered process.

5.3.2 Organizational Structure and Performance of KRA

Strategies assist the firms in radical restructuring through emphasis on the ground–up business processes design. Jeston (2014) states that BPR tries to alter the performance of the work through addressing simultaneously every work aspects which affect productivity, including the activities process, the jobs of the people as well as their system of reward, the structure of the organization and the process performers and managers roles, the system of management and the firms' culture that holds the beliefs and values which affects the behavior and expectations of everyone. From the findings BPR is viewed as a ground-breaking method that is used in induction of radical alteration in the set-up of an organization. This is similar to Seher (2014) findings that the modified organization structure after implementation of BPR was found to be more effective and competitive.

5.3.3 Operational Process and Performance of KRA

According to Guimaraes and Bond (1996), very many processes in operating the business are potential reengineering targets for example: service customer, sales and entry of the order, hyping and debiting, purchasing among others. Executing BPR successfully may generate higher satisfaction of the customers as well as the increasing the performance by developing flexibility in the operations of the business.

Malhotra (2004) notes that re-engineering process classifies, evaluates as well as re-designs of the processes of core business of a firm aiming at achievement of the dramatic enhancements in critical measures of performance like cost, quality, service and speed. Performance optimization of the sub-processes may lead to various benefits but can't result to dramatic enhancements if the process itself is basically incompetent and out-of-date. Therefore, the literature confirms the findings since integration of operational processes to create customer value added output is the main goal of business reengineering. This is seen through high quality output and focus of the customer.

5.3.4 Organizational Culture and Performance of KRA

As per Schein (2004), culture is a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, which has

worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. From the findings, organizational culture is an important factor for successful BPR implementation as it supports cooperation, co- ordination, and empowerment of employees. Lee (1995) stated that culture can be characterized by shared organizational vision and information, open communication, strong leadership style and employee participation in decision making.

5.3.5 Business Information Technology and Performance of KRA

From the study findings it is evident that Information Technology plays a major role in BPR as it provides office automation; it allows the business to be conducted in different locations, provides flexibility in manufacturing, permits quicker delivery to customers and supports rapid and paperless transactions thus gives way for efficient and effective change in the manner in which work is performed. Hammer (2015) notes that the use of information technology (IT) as a process engineering enabler has become among the key ways of facilitating the efficient firm redesigning. Therefore, Information technology may be greatly useful instrument for redesigning the business process as it has a recursive relationship with BPR.

5.3.6 KRA Performance

Measuring organizational performance provides the organization management with the insights of how to improve the organizational processes and people that matter to the organization's existence and also find out those processes that are value to the stakeholders and the customers as well. Organizations can measure their performance using profitability measures, customer satisfaction measures such as brand loyalty, repeated sales, numbers referrals, positive word or mouth, customer assessment and customer feedback, return on investment measures. Hence, the findings are in line with Bien (2002) who postulates that organizations should focus towards resource optimization, costs reduction and quality service or product delivery thus measuring performance will enable them to know how far they are on achieving their goal of for instance resource optimization, costs reduction or product of service quality.

5.4 Conclusion

From the findings the study established organizational strategy has a positive and significant influence on the performance of Kenya Revenue Authority. The study deduced that management has a key role in BPR implementation, specifically, creating strategic awareness,

ensuring attainment of organization objectives and goals and communication by enhancing flow of information to staff for improved and successful performance of KRA.

On the basis of the findings, the study concluded that organizational structure has a positive and significant influence on the performance of Kenya Revenue Authority. The study concluded that BPR is viewed as a ground-breaking method that is used in induction of radical alteration in the set-up of an organization and that implementation of BPR modifies organization structure and enhances effectiveness and competition.

The study concludes that operational process has a positive and significant influence on the performance of Kenya Revenue Authority. The study deduced that executing BPR successfully may generate higher satisfaction of the customers as well as the increasing the performance by developing flexibility in the operations of the business.

The study further concluded that organizational culture has a positive and significant influence on the performance of Kenya Revenue Authority. On this it was concluded that organizational culture supports cooperation, co- ordination, and empowerment of employees and can be characterized by shared organizational vision and information, open communication, strong leadership style and employee participation in decision making.

The study concluded that business information technology has a positive and significant effect on the performance of Kenya Revenue Authority. The study concluded that embracing of information technology radically transforms organizational processes, improves employee productivity, improvements in quality, reductions in costs, errors, and times, increased customer satisfaction, better overall organizational efficiency and effectiveness and has led to attainment of targets.

5.5 Recommendations

The study recommends that organizations that are carrying out Business process reengineering should take time to invest in ICT tool and equipment, and train their staff on how to exploit ICT resources to bring down the cost of operations, enhance efficiency, increase the speed at which operations are carried out and increase the quality of goods and services.

Based on the results obtained, the study recommends that it is important for an organization to undertake an analysis of the current situation for successful BPR implementation. Organizations should seek to change the entire organization as opposed to making changes in departments or strategic business units which may lead to delays or impact negatively on

customer service thus affecting performance. The customer should be placed at the center of the reengineering effort; the customer is the reason behind the reengineering effort.

The information technology group should be an integral part of the reengineering team from the start; offering infrastructure solutions such as ERP software implementation which could be a key enabler for undertaking an organizational change and monitor it holistically. Business process reengineering must be accompanied by strategic planning, which addresses leveraging information technology as a competitive tool.

BPR must not ignore business culture and must emphasize constant communication and feedback. Hence this will impact positively on the organization, improving its performance. The study recommends that organizations that are seeking for success in the industry sector in which the company is doing business should conceptualize the concept of BPR. This is because these processes are those that the business strategy has identified as critical to excel at, in order to match or beat the competition.

Management of KRA should continuously endeavor to apply and provide a framework in which the success factors can be adopted to facilitate changes through BPR because management has a daunting task in ensuring that the organization takes advantage of all the benefits identified by the BPR approach for managing change.

5.6 Recommendations for Further Studies

Despite the in-depth coverage of this research and its findings, there still exists a gap that future researchers could explore. BPR implementation in a public organization is a relatively new area that has not been largely studied or addressed in Africa, and specifically Kenya. Owing to the success of BPR implementation as a change management technique in KRA, further research can be conducted since in this study the variables could only explain 74% of the variations. The current research being a study of a single organization; additional studies can be carried out on a wider scale. This could be through conducting industry survey on BPR implementation across different economic sectors, such as other government departments/parastatals, as well as private institutions.

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APPENDICES

Appendix I: Introductory Letter

Dear, Sir/Madam

RE: REQUEST TO PARTICIPATE IN A RESEARCH STUDY

I am a student at University of Nairobi pursuing Master of Arts. I am carrying out a study on *Influence of Business Process Re-Engineering on Organizational Performance of Kenya Revenue Authority*. You have been selected as the respondent and your opinions are very important to this study. Considering the exposure and experience that you have in the organisation the researcher requests you to spend a few minutes of your time and answer the questions that are in this questionnaire. Please, note that all the information given shall be treated confidentially and used for academic purposes only.

Thank you for your participation.

Yours sincerely,

GICHANGA JOSEPH KIMANI

Appendix II: Questionnaire for KRA Management

This questionnaire seeks to collect data on the impact of Business Process Re-engineering on the performance of Kenya Revenue Authority. Any information given will be treated with utmost confidentiality and shall be used for academic purposes only. Kindly fill in the questionnaire.

SECTION A: General Information

(Tick [√] as appropriate)

1. Gender

Male [ ] Female [ ]

2. Age Bracket in years

20-25 [ ] 26-30 [ ]

31-35 [ ] 36-40 [ ]

41 -50 [ ] 51 and Above [ ]

3. Highest level of education

O Level [ ] A Level [ ] College Level [ ]

Undergraduate Level [ ] Masters Level [ ] PhD [ ]

Any other (Specify) ……..

4. What position do you hold in this organization?

…….

5. How long have you been in this position?

Less than 1 year [ ] 1 - 5 years [ ] 6 – 10 years [ ]

Above 10 years [ ]

SECTION B: Business Process Re-engineering

6. ***Business Process Re-engineering*** *– Business Process Reengineering is the radical redesign of core business processes to achieve dramatic improvements in productivity, cycle times and quality.*

To what extent has KRA implemented the following Business Process Re-engineering? Tick as appropriate using the following Likert scale of 1-5 where: **1**= No Extent; **2**= Little Extent; 3= Moderate Extent; **4**= Great Extent; **5**=Very Great Extent.

	Business Process Re-engineering	**Respondents Ratings**				
	Strategy and Business Plans	**1**	**2**	**3**	**4**	**5**
1	Reduced product/ service cost attracts more clients and improves business performance.					
2	A flexible focus on customer demands through product/service variations improve business performance.					
3	Focus on a particular market niche ensures customers' loyalty and satisfaction which business performance.					
4	Innovation is a strategic choice that enables survival and ensures improvement of business performance.					
5	Cost-efficiency is essential to modernization of processes that improve business performance.					
	Organizational Structure	**1**	**2**	**3**	**4**	**5**
1	All the decisions made are entirely disseminated to the rest of the organisation.					
2	Authority within my organisation has an impact on business performance.					
3	All staff members and employees in my organisation communicate and coordinate effectively to improve business performance.					
4	Delegation of duties within my organisation has value and influences business performance.					
5	Responsibility and authority in my organisation is vested in employees to drive performance.					
	Operational Process	**1**	**2**	**3**	**4**	**5**

1	Ability to complete business processes on time has an impact on the performance of my organisation.					
2	Strategic plans executed within my organisation affect business performance.					
3	Task allocations of all departments and completed in time and efficiently					
4	Operational day to day processes serve to improve the ultimate strategic plan for my organisation.					
	Organizational Culture	**1**	**2**	**3**	**4**	**5**
1	Our organizational beliefs, norms and attitudes support business performance.					
2	Organisational rules and regulations hamper organizational performance.					
3	Rites, rituals and common practices within our organization influence performance.					
4	Our organizational symbols and signs positively influence performance of the organization.					
	Business Information Technology	**1**	**2**	**3**	**4**	**5**
1.	My organisation has business information systems for improving the efficiency					
2.	My organisation has enough expertise on business information technology.					
3.	Investment in business information systems in my organisation is sufficient.					
4.	There is a mismatch between software tools and organizational needs in addressing business performance					
5.	Installation of new systems possess a challenge on compatibility and impact business performance.					

9. What other key business process re-engineering has taken place at KRA?

……
……
……
……
…..

SECTION C: Organizational Performance

How do you rate the performance of KRA in terms of the parameters listed below? **Tick** as appropriate using the following Likert scale of 1-5 where: **1**= No Extent; **2**= Little Extent; **3**= Moderate Extent; **4**= Great Extent; **5**=Very Great Extent.

Performance Parameters	**Respondents Ratings**				
	1	**2**	**3**	**4**	**5**
Increased efficiency					
Increased customer satisfaction					
Improved product quality					
Reduction in operational cost					
Value for money					
Timely delivery of services					

Thank you for participating in this study.