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Effect Knowledge Management and Performance at
the Kenya Revenue Authority

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ABSTRACT

Purpose: The real challenge is the use of technology to continuously promote KM uptake in organizations with a different culture, more so government institutions, ensuring at the same time that knowledge creation, sharing and usage becomes more efficient and transparent.. The general objective of the study was to evaluate effect knowledge management and performance at the Kenya revenue authority.

Methodology: The paper used a desk study review methodology where relevant empirical literature was reviewed to identify main themes and to extract knowledge gaps.

Findings: The study concludes that, majority of the respondents agree that knowledge sharing through the KM portal reduces the knowledge accessibility process which saves on man-hour. It 66 also concludes that using the KM portal reduces the knowledge transfer rate within KRA. Also on-line KM sharing process improves efficiency in transferring critical knowledge within KRA and has improved knowledge creating and sharing levels. It is less expensive to do on-line knowledge sharing than the traditional methods. Finally, knowledge management has helped KRA in improving performance while also helping KRA to control of the knowledge management process. The study further concludes that indeed knowledge management leveraged on technology has a positive relationship with organizational performance. This implies that with the adoption of knowledge management based on technology, performance is likely to be enhanced.

Recommendations: There is a need for KRA Kenya Revenue Authority to sensitize the employees on the KM systems it has in place and how they will be of advantage to them in terms of increasing their output levels. Given the positive response from the employees that they are willing to embrace knowledge creation, sharing and usage in the long term, there is need for Kenya Revenue Authority to keep on developing new systems and improving on the existing ones on a need to need basis. The new systems and improved existing ones will ensure that KM leveraged on technology is sustainable and thus the performance levels will improve.

Keywords: *effect, knowledge management, organization performance, Kenya revenue authority.*

1.0 INTRODUCTION

1.1 Background of the Study

KRA is a semi-autonomous government agency established by the Kenya Revenue Authority Act of 1st July 1995 (Chapter 496) by the National Assembly of Kenya. Its principle object was 7 characterized as the state entity responsible for the appraisal and accumulation of income, for the organization and requirement of the laws identifying with income and to accommodate associated purposes. KRA is an administration office that runs its operations in a similar ways to a private undertaking and for better administration. The organization is isolated into 5 locales. It is partitioned into the accompanying divisions, each headed by a commissioner: Customs Services Department (CSD), Domestic Services Department – Medium and little citizens (MST), Domestic Taxes Department-Large Taxpayers Office (LTO), Investigations and Enforcement (I&E), Technical Support Services and Corporate Support Services. The roles of the Kenya Revenue Authority in the economy is enforcement of written laws or specified laws relating to assessment, collection and accounting for all revenues in accordance with these laws, advise on matters relating to the administration and/or collection of revenue underwritten laws, enhance efficiency and effectiveness of tax administration by eliminating bureaucracy, procurement, promotion, training and discipline, eliminate tax evasion by simplifying and streamlining procedures and improving tax payer service and education thereby increasing the rate of compliance, promote professionalism and eradicate corruption amongst KRA employees by paying adequate salaries that enables the institution to attract and retain competent professionals of integrity and sound ethical morals. Over the last five years, the performance of KRA has fluctuated. This is the case as despite the revenue collection increasing over the years, the failure to attain the set targets by the Treasury has highlighted the need for the authority to re-evaluate its propositions. Knowledge management being a key factor in modern tax administration saw it incorporated in a new structure meant to improve performance.

Milton (2014) comprehends knowledge management as the means through which conveyance of the correct information, to fitting individuals, at the fortunate time, with the coveted piece and level of dynamics. The periods of the procedure that distinguish, create, convey and stay up with the latest the deliberately huge learning of the endeavor are of exceptional significance. This accumulation of exercises cannot be confined just to the data required at the very time however needs to guarantee the information source for the steady working of an association. Knowledge management as a key approach incorporates hierarchical structure, culture, learning maintenance, center abilities and outer systems. Entity structures control the way the entity is accorded knowledge, and the way personalities link up with each other. Extensively, there are two sorts of hierarchical structure, to be specific formal and casual (Meir, 2009). These two ideas are not autonomous, and the formal structure may incredibly impact casual systems, both decidedly and contrarily. Learning administration as a key device encourages the help of existing structures, capabilities, information maintenance, components, culture, and outer system and information administration frameworks (Yousif, 2013).

Knowledge is a liquid surrounded affair, values, relevant data and master knowledge that give a structure to assessing and fusing new aptitudes and data. It emanates from and applies to those of the ability to understand (Gronau, Thim, Ullrich, Vladova & Weber, 2016). Knowledge has been

termed as a vital resource of economy and possibly the single source of gaining competitive advantage (Intezari, &Gressel, 2017). Today's business world embraces the economy of knowledge to improve their corporate performance. It is the responsibility of an organization to have knowledge management on how to improve both their internal and external competitiveness (Tseng & Lee, 2014). Knowledge management means the process of managing knowledge through a systematically and organizationally specified process (Wong, Tan, Lee & Wong 2015). According to Botha, Kourie, and Snyman (2014), in its early stages knowledge management mainly focused on technical aspects and providing IT business solutions and afterward it included social aspects such as the community, development of individuals and the environment in which the organization is subjected to. However, successful implementation of knowledge management practices can enable the organization gain competitive advantage through development of knowledge assets (Heisig, Suraj, Kianto & Faith 2016).

It is evident that knowledge has little by little become the most critical aspect in production, subsequently to resources like labour, land and capital (Lee & Wong, 2015). Even though some ways of intellectual capability can be transferred, intrinsic knowledge cannot. As a result, the significant goal of management is to enhance the process involved in acquiring, integrating and using knowledge as it is exactly what pertains to knowledge management (Hasan, 2016). Information technology improvement and introduction of new innovations have enabled many organizations to remain competitive and these organizations are able to realize the changes from resource economy pertaining control of land, labour and capital and to knowledge economy of business value creation by adequately using intangible knowledge. On the other hand, the key concern has been how to successfully achieve knowledge management (Hasan, 2016). To stay competitive and to survive, there is a need to continuously modify strategies so as to achieve the needs of the business and this regards to the knowledge management growth for last few years (Pearlson, Saunders, & Galletta, 2016). Organizations need a different kind of knowledge strategy for different kind of situations. According to Bishwas (2014), strategies regarding the management of crisis, knowledge and performance of organization are dependent to each other but not independent. The best transformation from tacit knowledge to explicit knowledge enables that organization to use the knowledge in finding the solution and to utilize any new chance and support organizational learning (Bishwas, 2014).

The organizations that work as if their environment is still stable (old world of business), not only are they losing the competitive advantage; but also, they are facing massive financial losses. They also lose knowledge of best practice in a specific area of operations because of a critical employee's departure and finally they lose in the relationship with a key client or supplier or a sponsor by the departure of key individuals (Muthee, 2014). Knowledge management is a key source of competitive advantage for the organization as it enables organizations in acquiring skills and understanding through experimenting and process (Yiu & Law, 2014). The major concern, however, is, for effective implementation of knowledge management in organizations it is crucial for organizations to identify and understand the essential practices that will influence the success of knowledge management initiatives as these may have profound effects on the organization performance (Yiu & Law, 2014). These techniques are the main thrust in completing learning administration, they do not simply broad information in the organization by invigorating the formation of information, yet they likewise persuade the members of group to impart their insight

and encounters to each other, enabling authoritative information to develop simultaneously and efficiently (Muthee, 2014).

Organizational performance can be evaluated by quality service and products, satisfying customers, market performance, service innovations, and employee relationships (Dess & Robinson, 2014). The author also state that organizational performance is based on balanced scorecard, stated that organizational performance can be appraised by return of investment, margin on sales, capacity utilization, customer satisfaction and product quality. In the same way, Richard, Devinney, Yip and Johnson (2011) identified that return on investment, sales and market growth, and profit are important factors that be measured by organization performance. Organizations have an important role in our daily lives and therefore, successful organizations represent a key ingredient for developing nations (Covey, 2012). Jones, George and Hill (2010) observe that in today's dynamic and rapidly changing workplace and globalised economy, development of organisational performance is associated with the development personal performance, skills, knowledge and experience. However, the ability to achieve and maintain high performance and productivity in organizations is a key challenge facing management today. Organizational performance is generally assessed with financial indicators such as return on investment or profit per share. Morin (2014) indicates that organizational performance are based on indicators such as return on investments, sales, profit per share Nevertheless, an organization has many other facets; among them are the people who work for it, the processes they use to achieve its objectives, and the environment in which the organization evolves. Kaplan and Norton's (1992) Balance Scorecard includes financial and non-financial indicators of four main organizational facets: financial, costumers, internal processes and innovation and improvement.

The term knowledge was used very long ago by ancient scholars such as Plato and Aristotle. Over the years, scholars have attempted to redefine knowledge and explain its place in society. Sigala and Chalkiti (2007) observe that knowledge falls into two schools of thought, namely-rationalism and empiricism. Rationalism supports that knowledge is a-justified true belief, while empiricism argues that knowledge is created on an ongoing basis from experience (Habermas, 2015). More recent work provides a build-up approach for understanding what knowledge is and how it is developed. This new perspective can be summarized into the categorization of knowledge's building blocks which follows: data organized in meaningful format from information, which in turn is transformed into knowledge if the latter is purposefully attached to an operating function (Polanyi, 2012). Knowledge management is therefore the planning, organizing, motivating, and controlling of people, processes and systems in the organization to ensure that its knowledge-related assets are improved and effectively employed (Mosoti & Masheka, 2010). Knowledge-related assets include knowledge in the form of printed documents such as patents and manuals, knowledge stored in electronic repositories such as a "best-practices" database, employees' knowledge about the best way to do their jobs, knowledge that is held by teams who have been working on focused problems and knowledge that is embedded in the organization's products, processes and relationships (Aggestam, 2015). The processes of KM involve knowledge acquisition, creation, refinement, storage, transfer, sharing, and utilization. The KM function in the organization operates these processes, develops methodologies and systems to support them, and motivates people to participate in them. The goals of KM are the leveraging and improvement of the organization's knowledge assets to effectuate better knowledge practices, improved organizational behaviors, better decisions and improved organizational performance (Polanyi,

2015). Although individuals certainly can personally perform each of the KM processes, KM is largely an organizational activity that focuses on what managers can do to enable KM's goals to be achieved, how they can motivate individuals to participate in achieving them and how they can create social processes that will facilitate KM success (King, 2008)

1.2 Statement of the Problem

Mosoti (2010) acknowledges that the concept of knowledge management is a fairly new phenomenon here in Kenya. Furthermore, the idea of blending knowledge management as strategy into the operations of an organization has not been thoroughly researched. Knowledge management strategy in itself is a new concept that has not been delved into exhaustively. The dynamism being experienced in the corporate dimension of the business sector entails a concrete inclusion of knowledge management in the overall strategy of an organization to capitalize on the unfolding opportunities as well as mitigate against potential risks, thereby contributing to the bottom line by ensuring achievement of organizational goals (Brittz & Harman, 2008). Kenya Revenue Authority (KRA) was constituted as the agency in charge of collecting tax revenue on behalf of the GoK in 1996. As such, its performance directly affects the amount of funds at the disposal of the national government to finance development projects as well as bankroll its daily operations. Consequently, the performance of KRA hinges on its ability to leverage its differentiation capabilities, to which its knowledge management cache belongs, to its value propositions (Wanjau, 2014).

In its 6th corporate plan of 2015 – 2018, KRA identified four strategic priorities: Improving income preparation by expanding the income base, upgrading consistence and fighting tax avoidance and extortion utilizing knowledge and hazard based forward looking implementation, Strengthening income authoritative limit and upgrading straightforwardness and decency through hierarchical change and business process advancement. Making a staff foundation that is proficient, gracious, open and master dynamic in taking care of client issues and empowering business by utilizing on innovation to accomplish full electronic client administration and upgrade operational effectiveness and administration conveyance in accordance with best practice, to accomplish high consumer loyalty levels. The accomplishment of the organized targets set by the expense gathering office to a great extent relies upon its capacity to incorporate information, data and involvement with the distinctive levels of the association (Omollo, 2014).

Green (2010) comprehends that connecting information administration system to operations techniques of an organization influences its yield. From the discoveries of his investigation, paralleling the two prompts the coveted efficiencies and viability. Chilton (2012) underscored the linkage of the way in which associations work as far as anyone is concerned administration hones. Tiyan (2013) led an examination on learning administration as a focused technique among flight preparing organizations in Kenya. He found that information administration can limit vulnerabilities related with an unstable domain and that it could improve intensity. Mosoti (2010) in his investigation on KM in Kenya discovered that few examinations done have proposed Knowledge Management systems and models to enable associations to enhance their execution and to increase upper hand. Every one of these models and systems demand two sorts of learning: express information and verifiable information. Factual evidence from previous inquests into knowledge management reveal that investment in KM is infinite and the knowledge acquires value from continual use hence improved performance of an organization. It is also a fact that knowledge

acquires negative value if it's not used and corrodes expected performance. Institutional knowledge hinders access to knowledge really needed to improve performance. A survey of past investigations done show that most focused on; information administration and entity reengineering, learning administration and innovation, execution of learning administration and the impact of learning administration on upper hand. Subsequently, there is a glaring hole on the part information administration plays on the execution of not-for-profit making associations, for example, government organizations and NGOs. This investigation will expect to address this learning role by noting the accompanying examination question; what is the impact of knowledge management on the performance of the Kenya Revenue Authority?.

1.3 Objectives of the Study

The general objective of the study was to establish the effect knowledge management and performance at the Kenya revenue authority

1.4 Justification and Significance of the Study

This study is gainful to students and instructors in the strategic management sphere and corporate strategy formulators when they employ effective KM in their organization settings especially in varying approaches related to the use of effective KM strategies. By comprehending the needs of the organization and benefits of communication with employees, the managers be assured of a competitive advantage through improved performance. This research also provides recommendations on how to evaluate the efficiency of the operations of an organization in accordance to KM. The study results is a key addition to the body of knowledge with regard to the research conducted on KM. Researchers and students who are inclined to delve into the issues relating to KM will be able to benefit from the deductions of the study report. Corporate organizations which have strategic interests in the KM area now have access to immense volumes of data and information which will come in handy in decision making. Lastly, KRA itself is able to benefit from the proposed areas of improvement on the KM framework process.

2.0 LITERATURE REVIEW

2.1 Theoretical review

Two theories were found relevant on establishing the effect of knowledge management on organization performance. The theories that was found to best inform the research constructs are knowledge based view (Penrose,1959) and theory of performance (Richard, 1954).

2.1.1 Knowledge-Based View

The knowledge-based view (KBV) of the firm thinks about learning as the most deliberately critical asset of a firm. Its advocates contend that since learning based assets are normally hard to mimic and socially perplexing, heterogeneous information bases and capacities among firms are the real determinants of maintained upper hand and prevalent performance of the corporate (Kitchlew, 2015). This learning is implanted and conveyed by different elements including hierarchical culture and personality, approaches, schedules, archives, frameworks, and the organizational workforce (Kitchlew, 2015). Theorists believe that the knowledge-based view of the firm is the characteristic development of the asset based view on the grounds that the asset with the most supported upper hand is the most profitable, incomparable and fixed of all which is knowledge (Mitra, O'Regan&Sarpong, 2017). The core assumptions of this theory are; firms apply

knowledge to the generation of merchandise and administration, information is the most deliberately critical of a company's asset, knowledge is made and held by individual not organizations, and finally, firms exist since business sectors are unequipped for organizing the learning of the individual specialty. This is the part of administration within the organization. The comprehension of information as an asset makes the notional organization with the asset based view (Hughes, Powell, Chung and Mellahi, 2017). Another explanation behind the information based seem to be an expansion of the asset based view is the impression of associations to be heterogeneous substances containing learning (Mitra, O'Regan & Sarpong, 2017). As explained by Mitra, O'Regan and Sarpong (2017) the reason for knowledge management is to catch an organization's aggregate aptitude and appropriate it wherever it can accomplish the greatest result. This is by the information based perspective of the firm which recommends that the wellspring of upper hand exists in the business. In this research, the knowledge-based view is used as a management concept which provides the firm with strategies for achieving competitive advantage. It is the approach used to form the basis for the establishment of human capital involved in the basic and routine activities of the firm and further introduces the strategic asset which forms the basis of acquiring competitive advantage for organizations. These strategic assets are difficult to imitate and socially complex of which knowledge can have these characteristics. In this regard, there is a need to manage this vital asset that is, knowledge (Hughes et al., 2017).

2.2.2 Theory of Performance

The theory of performance is a conventional theory that proposes six foundational ideologies to come up with a modality that can be resourceful to shed light on performance as well as performance improvements. A performer can be an individual or a group of people pulling their efforts together (Bell, 2008). One of the popular proponent of the theory is Richard Schechter. He advocates that 'Performativity' as a concept is closely related to postmodernism. The postmodern view does not see the idea of 'performance' as intrinsically artistic or theatrical, but as something that pervades the fabric of the social, political and material world. Developing performance is a long extensive exercise, and level of yield is specific to the region of operation. Measures of execution depend totally on the following areas: setting, level of learning, levels of abilities, level of character, individual factors, and settled elements. Three measurements are proposed for viable execution changes. These include an entertainer's attitude, drenching in an improving domain, and engagement in intelligent practice (Roach, 2007). Gottschalk (2005) affirms that this theory is applicable for educative purposes in lectures, trainings, and other situations that are normally linked with learning. In abnormal circumstances, the theory of performance supports knowledge uptake in a manner usually understood as learning environments. Such contexts include academic lecturing, self-actualization, departments, academic committees, professional research collectives, universities. In the perspective of organizational learning, the theory props up learning by entities through the notion of observing the standards of output of the organization. It emphasizes that as people are empowered skill wise through training, they emulate the trademark of the expert group while amplifying their own particular uniqueness. As an 18 organization develops, it creates its mission, its way working together, and its uniqueness. It comprehends that abilities portray particular endeavors that are utilized by people, gatherings, or associations in different sorts of gainful undertakings (Nickerson, 2004). Its significance to this investigation is its request that information involves certainties, new thoughts, ideas, proposed thinking methodologies, or positions gained by a man or gathering through understanding or learning. In the modern corporate

governance structures, performance is knowledge driven and heavily reliant on KM enablers that give direction on which measures have to be taken to manage knowledge and steer performance towards the desired heights.

2.2 Empirical Review

Michira,(2020) conducted a study to investigate the effect of IFMIS budget planning training on management of public funds; establish the effect of IFMIS procurement planning training on management of public funds; and to establish the effect of IFMIS cash management training on management of public funds. Descriptive survey research design was used. The target population comprised of 75 employees from the selected County departments who had been trained on Integrated Financial Management Information System and use Integrated Financial Management Information System. Sample size was 75 employees selected using Census technique. Ordinal data was collected using self-administered questionnaires, analyzed using descriptive statistics and Spearman's Rank Order (Rho). Descriptive statistics used to analyze data were; percentages, mean, and standard deviation. Correlation coefficient was used for analyzing inferential statistics. The analysis was aided by Statistical Package for Social Sciences. The findings indicated that the effect of IFMIS training on management of public funds had a statistically significantly positive correlation. The study found that IFMIS trainings had a positive effect on budget planning, procurement planning and cash management. The study concluded that IFMIS training led to improvement in minimization of misappropriation of funds enhanced seamless reporting, support to linkage of financial transactions, adequacy to budget planning skills. IFMIS training also leads to enhanced management of public funds, strengthened compliance to Procurement law and procedures, promotes accountability and transparency in county governments, improved efficiency in procurement functions and enhanced preparation of procurement plans. Similarly, IFMIS trainings equip officers with skills that enable the county government to maintain its operating cash float, enhance prudent expenditure and compliance of internal controls. The study recommended that the county government should train all budget officers, finance officers and accounting officers on all budget modules and budget making process in order to harmonize budget plans and link them to various strategic county programmes for improved absorption of funds allocated. The study will be significant to policy makers in decision making and assist scholars in future research

Chebet, (2020) conducted a study that focused on the effect of knowledge management practices on service delivery at Oxfam international, Kenya. The study was anchored on 3 theories: The Resource-Based theory, the Adaptive Saturation theory as well as the organizational Conversion theory. The study used descriptive statistics method carrying out this research. This research design describes data and the features relating to a population under study and hence it was ideal in this study because it was easier to describe the influence of knowledge management on the organizational performance. The target population was therefore 65 staff of Oxfam international headquarters. The collected data was analyzed using descriptive statistics such as mean, standard deviation, frequency distribution as well as percentages. Managers of Oxfam farms and NGOS in Kenya benefit widely from the study, as it helps them to assess the knowledge management and put the best measures in place so as to ensure that NGOS is enhanced and improved thus increasing on productivity and better services to clients. Government benefits widely from this study. It is important for growth in terms of revenue that government organizations remain profitable because this is where the government earns its revenue via taxes and through knowledge management this

goal will be easily met. NGOs regulators such as NGOs regulation authority- NGOs Co-ordination Board greatly benefit from the study because they are responsible in ensuring that the NGOs Kenya operate within the law and they offer quality service which are fair to all communities thus it benefits the regulator in the sense that they are able to manage knowledge in all aspect and ensure quality of service is offered. The study concluded that knowledge management practices had a significant and to a great extent affected the service delivery at Oxfam International in Kenya. The study concluded that the organization embraced knowledge sharing through sharing lessons, publicizing the lessons, cooperation and exchange of experience, valuing lessons and awarding and recognizing lessons learned. It was concluded that knowledge application was significantly employed by the international organization through knowledge conversion, training, seamless use of available knowledge by staff, integration of modern IT, KM strategy use and support from staff. It was further concluded that the organization employed knowledge storage to a great extent through documentation, record keeping, classifying information and training on use of structured format for documentation.

Kithuka ,(2020) conducted a study on the effect of knowledge management practices on the performance of Solidaridad Eastern and Central Africa, Kenya office. The study was guided by the following specific objectives; to establish the effect of knowledge acquisition on performance of Solidaridad Eastern and Central Africa, Kenya office, to establish the effect of knowledge dissemination on performance of Solidaridad Eastern and Central Africa, Kenya office, to establish the effect of knowledge utilization on performance of Solidaridad Eastern and Central Africa, Kenya office and to establish the effect of knowledge storage on performance of Solidaridad Eastern and Central Africa, Kenya office. The study was guided by the Resource Based Views Theory and the Knowledge Spiral Theory. The study adopted a descriptive research design. The target population was 52 employees of Solidaridad Eastern and Central Africa, Kenya office drawn from the different job levels. The study used a census and thus the sample size was 52 respondents. The study collected primary data using questionnaires. The collected data was analyzed using means, standard deviations and regression analysis. The findings were presented using tables and figures. The findings of the study were important to the management of Solidaridad Eastern and Central Africa, Kenya office as well as the other 7 expertise centers, stakeholders, future scholars and academicians. The study established that knowledge management practices significantly and positively influenced the performance of Solidaridad International, East and Central Africa, Kenya Offices. The variables explained 85.4% of the changes in performance of the organization. The study concluded that knowledge acquisition, knowledge dissemination, knowledge utilization and knowledge storage had a positive effect on the performance of the organization. Solidaridad had to a significant extent embraced knowledge management which led to improved database management, decision making and research and customer service. The study recommends that the organization needs to improve its research and development to improve innovations and knowledge creation

Ngatia,(2019) conducted a study to determine the types of knowledge at the Kenya Revenue Authority, to find the knowledge management enablers at the Kenya Revenue Authority and to determine the measures taken by the Kenya Revenue Authority to manage the knowledge and improve its performance. The literature review of the study deploys the theories of knowledge management, performance and competence. The empirical literature includes types of knowledge,

knowledge management enablers, knowledge management techniques and tools as well as knowledge management strategies. The study employed a descriptive cross sectional survey. A sample of 60 KRA employees from a total of 1200 based at the headquarters were surveyed. Primary data was collected from the respondents using a 5-scale Likert type questionnaire. The quantitative data collected was analyzed utilizing both Excel spreadsheet and Statistical Package for Social Sciences (SPSS). Median and mode was computed for central tendency while the inter quartile range was used as a measure of dispersion. Percentages and frequencies were utilized to present part of the findings. Pseudo R square statistics were utilized as a measure of relationship between knowledge administration procedure (autonomous variable) and execution. The study revealed that, KRA has introduced knowledge management in its operations with a mean of 5.1 and a coefficient of variation of 0.21. The study further revealed that, majority of the respondents agree, that knowledge leadership enabled the establishment of knowledge management in the organization. It also reveals that knowledge management enabled the entrenchment of the business imperative at KRA. Also, knowledge management is anchored on the technology infrastructure of KRA and has improved knowledge sharing and usage while reducing lack of knowledge retention and transfer.

Wairimu,(2018) conducted a study to determine Knowledge Creation practices and performance of agricultural cooperative societies, examine Knowledge Preservation practices and performance of agricultural cooperative societies, determine Knowledge Sharing practices and performance of agricultural cooperative societies and determine Knowledge utilization practices and performance of agricultural cooperative societies in Thika Sub-County. The study employed Knowledge-Based Theory and Kogut and Zander's Knowledge Management Theory. The research adopted a descriptive survey design. The study targeted 20 farmers' co-operative societies registered under the Co-operative societies Act in Thika Sub-County in which there are 20 managers and 20 marketing managers. Using Gay (1976) sampling method techniques where the population is equal to the sample is known as a census survey, only 18 managers and 18 marketing managers. The 2 managers and 2 marketing managers were included in the sample size as they were used for study piloting. The study used both open-ended and closed-ended questionnaires to collect information. The data collected were both qualitative and quantitative. The quantitative data in this research were scrutinized by use of descriptive and inferential statistics with the help of the Statistical Packages for Social Sciences (SPSS) software. Multiple regression analysis was used to determine knowledge management practices and performance of agricultural cooperatives. Data were presented using frequency distribution tables, bar charts, pie charts and line graphs. From the findings, R was 0.931, R square was 0.92 and adjusted R squared was 0.717. An R square of 0.92 implies that 92% of changes on performance of agricultural cooperative societies are explained by the independent variables of the study. There are however other factors that influence performance of agricultural cooperative societies are not included in the model which account for 8%. An R of 0.931 on the other hand signifies strong positive correlation between the variables of the study. Also, the findings show knowledge transfer practices had a 0.0010 level of significance; knowledge preservation practices had a 0.0012 level of significance, knowledge creation practices showed a 0.0025 level of significant, while knowledge utilization practices showed a 0.0028 level of significance.

Osome, (2018) conducted a study that sought to establish the influence of knowledge management on the performance of KPMG, Kenya. The specific objectives were to determine the effect of the

knowledge creation, sharing, storage and dissemination on the performance of KPMG Kenya. The study was anchored on the following three theories which include resource based view theory of a firm, Knowledge based view of a firm and Organizational learning theory. The study used a descriptive research design. The population of study was management staff at the firm head offices in Nairobi City County. This consisted of one hundred and sixty two respondents who are the management staff of the audit firm. A sample of forty nine respondents was taken which forms thirty percent of the target population which was evenly spread across the three levels of management. The primary data was collected by use of semi-structured questionnaires. Data analysis was done by use of descriptive statistics such as frequencies, percentages, mean scores and standard deviation with the aid of Statistical Package for Social Scientists and presented through tables, charts, graphs, frequencies and percentages. The study found out that knowledge creation significantly influenced firm performance, knowledge sharing significantly influenced firm performance, knowledge storage significantly influenced firm performance and knowledge dissemination significantly influenced performance. The study concludes that at KPMG there was training and development programs to improve capacity, had a global network aimed at getting new insights in audit. KPMG operated a blog to share ideas and interact with clients had online interactions with clients and partners over the social media platform and also a document repository to store information and invested in people to enable store data. KPMG released reports regularly on its operations to the users and stakeholders. KPMG had a policy on dissemination of knowledge to other entities. KPMG through marketing, disseminated information about its products and services to the public. The study recommends that KPMG ought to train and development programs to improve capacity. KPMG ought to have a reliable internet coverage. KPMG ought to have an interactive website with all services and products and invest in knowledge sharing. KPMG ought to invest in storage of information and keep hardware's to enable store knowledge and information. KPMG ought to market so as to disseminate information about its products and services to the public, conducted meetings, workshops and seminars to sensitize the public. The study would be vital for policy invention in Kenyan Auditing Sector, beneficial to other policy makers. Knowledge is vital in building and sustaining competitive advantage in the auditing sector. Improvement to auditing firms, beneficial to scholars if it was added to the knowledge in the field of competitive strategy. Highlights the how implementing knowledge resources affects organization's performance. In addition, act as future reference in KPMG and how organizations operate.

2.3 Research gaps

Methodological gap is the gap that is presented as a result in limitations in the methods and techniques used in the research (explains the situation as it is, avoids bias, positivism, etc.). Chebet, (2020) conducted a study that focused on the effect of knowledge management practices on service delivery at Oxfam international, Kenya. The study was anchored on 3 theories: The Resource-Based theory, the Adaptive Saturation theory as well as the organizational Conversion theory. The study used descriptive statistics method carrying out this research. The collected data was analyzed using descriptive statistics such as mean, standard deviation, frequency distribution as well as percentages. The study concluded that knowledge management practices had a significant and to a great extent affected the service delivery at Oxfam International in Kenya. The study concluded that the organization embraced knowledge sharing through sharing lessons, publicizing the lessons, cooperation and exchange of experience, valuing lessons and awarding and recognizing

lessons learned. It was concluded that knowledge application was significantly employed by the international organization through knowledge conversion, training, seamless use of available knowledge by staff, integration of modern IT, KM strategy use and support from staff. The studies presented a methodological gap as it used descriptive statistics while our current study adopted a desktop literature review method

Conceptual gap arises because of some difference between the user's mental model of the application and how the application actually works. Kithuka (2020), conducted a study on the effect of knowledge management practices on the performance of Solidaridad Eastern and Central Africa, Kenya office. The study was guided by the Resource Based Views Theory and the Knowledge Spiral Theory. The study adopted a descriptive research design. The study established that knowledge management practices significantly and positively influenced the performance of Solidaridad International, East and Central Africa, Kenya Offices. The study presented a conceptual gap as it assessed effect of knowledge management practices on the performance of Solidaridad Eastern and Central Africa, Kenya office, while the current study is on the effect knowledge management and performance at the Kenya revenue authority.

3.0 METHODOLOGY

The study adopted a desktop literature review method (desk study). This involved an in-depth review of studies related to effect knowledge management and performance at the Kenya revenue authority. Three sorting stages were implemented on the subject under study in order to determine the viability of the subject for research. This is the first stage that comprised the initial identification of all articles that were based on effect knowledge management and performance at the Kenya revenue authority from various data bases. The search was done generally by searching the articles in the article title, abstract, keywords. A second search involved fully available publications on the subject on effect knowledge management and performance at the Kenya revenue authority. The third step involved the selection of fully accessible publications. Reduction of the literature to only fully accessible publications yielded specificity and allowed the researcher to focus on effect knowledge management and performance at the Kenya revenue authority which was split into top key words. After an in-depth search into the top key words (effect, knowledge, management, performance, Kenya revenue authority), the researcher arrived at 6 articles that were suitable for analysis. The 6 articles were findings from Chebet, (2020) who conducted a study that focused on the effect of knowledge management practices on service delivery at Oxfam international, Kenya. The study was anchored on 3 theories: The Resource-Based theory, the Adaptive Saturation theory as well as the organizational Conversion theory. The study used descriptive statistics method carrying out this research. The collected data was analyzed using descriptive statistics such as mean, standard deviation, frequency distribution as well as percentages. The study concluded that knowledge management practices had a significant and to a great extent affected the service delivery at Oxfam International in Kenya. The study concluded that the organization embraced knowledge sharing through sharing lessons, publicizing the lessons, cooperation and exchange of experience, valuing lessons and awarding and recognizing lessons learned. It was concluded that knowledge application was significantly employed by the international organization through knowledge conversion, training, seamless use of available knowledge by staff, integration of modern IT, KM strategy use and support from staff

Kithuka , (2020) who conducted a study on the effect of knowledge management practices on the performance of Solidaridad Eastern and Central Africa, Kenya office. The study was guided by the Resource Based Views Theory and the Knowledge Spiral Theory. The study adopted a descriptive research design. The study established that knowledge management practices significantly and positively influenced the performance of Solidaridad International, East and Central Africa, Kenya Offices.

Michira,(2020) who conducted a study to investigate the effect of IFMIS budget planning training on management of public funds; establish the effect of IFMIS procurement planning training on management of public funds; and to establish the effect of IFMIS cash management training on management of public funds. Descriptive survey research design was used. The study concluded that IFMIS training led to improvement in minimization of misappropriation of funds enhanced seamless reporting, support to linkage of financial transactions, adequacy to budget planning skills. IFMIS training also leads to enhanced management of public funds, strengthened compliance to Procurement law and procedures, promotes accountability and transparency in county governments, improved efficiency in procurement functions and enhanced preparation of procurement plans

Ngatia,(2019) who conducted a study to determine the types of knowledge at the Kenya Revenue Authority, to find the knowledge management enablers at the Kenya Revenue Authority and to determine the measures taken by the Kenya Revenue Authority to manage the knowledge and improve its performance. The study employed a descriptive cross sectional survey. The study revealed that, KRA has introduced knowledge management in its operations with a mean of 5.1 and a coefficient of variation of 0.21.

Wairimu,(2018) who conducted a study to determine Knowledge Creation practices and performance of agricultural cooperative societies, examine Knowledge Preservation practices and performance of agricultural cooperative societies, determine Knowledge Sharing practices and performance of agricultural cooperative societies and determine Knowledge utilization practices and performance of agricultural cooperative societies in Thika Sub-County. The research adopted a descriptive survey design. From the findings, R was 0.931, R square was 0.92 and adjusted R squared was 0.717. An R square of 0.92 implies that 92% of changes on performance of agricultural cooperative societies are explained by the independent variables of the study.

Osome, (2018) who conducted a study that sought to establish the influence of knowledge management on the performance of KPMG, Kenya. Data analysis was done by use of descriptive statistics such as frequencies, percentages, mean scores and standard deviation with the aid of Statistical Package for Social Scientists and presented through tables, charts, graphs, frequencies and percentages. The study found out that knowledge creation significantly influenced firm performance, knowledge sharing significantly influenced firm performance, knowledge storage significantly influenced firm performance and knowledge dissemination significantly influenced performance.

SUMMARY, CONCLUSION AND POLICY IMPLICATION FOR FURTHER STUDY

4.1 Summary

The purpose of the study was to establish the relationship between knowledge management and performance of the Kenya Revenue Authority in Nairobi County, Kenya. The study was guided by the following research question: How has the adoption of knowledge management influenced performance of the Kenya Revenue Authority in Nairobi County, Kenya? In order to achieve this, the study adopted a survey research design in order to obtain the data that is necessary, which in essence facilitated the collection of the private data as a way of getting into the research objectives.

4.2 Conclusion

The study concludes that, majority of the respondents agree that knowledge sharing through the KM portal reduces the knowledge accessibility process which saves on man-hour. It also concludes that using the KM portal reduces the knowledge transfer rate within KRA. Also on-line KM sharing process improves efficiency in transferring critical knowledge within KRA and has improved knowledge creating and sharing levels. It is less expensive to do on-line knowledge sharing than the traditional methods. Finally, knowledge management has helped KRA in improving performance while also helping KRA to control of the knowledge management process. The study further concludes that indeed knowledge management leveraged on technology has a positive relationship with organizational performance. This implies that with the adoption of knowledge management based on technology, performance is likely to be enhanced.

4.2 Recommendations

There is a need for KRA Kenya Revenue Authority to sensitize the employees on the KM systems it has in place and how they will be of advantage to them in terms of increasing their output levels. Given the positive response from the employees that they are willing to embrace knowledge creation, sharing and usage in the long term, there is need for Kenya Revenue Authority to keep on developing new systems and improving on the existing ones on a need to need basis. The new systems and improved existing ones will ensure that KM leveraged on technology is sustainable and thus the performance levels will improve.

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