

INFLUENCE OF KNOWLEDGE MANAGEMENT PRACTICES AND PERFORMANCE OF TAX COLLECTION AT KENYA REVENUE AUTHORITY IN NAIROBI COUNTY, KENYA

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ARTICLE INFO

Received 14 April 2023

Accepted 28 April 2023

Published 3 May 2023

Keywords:

Knowledge Management Practices

Tax Collection

Knowledge Discovery

Knowledge Capture

Cite:

Okongo, K., O., & Kiruja, E., K., (2023). Influence Of Knowledge Management Practices and Performance of Tax Collection at Kenya Revenue Authority in Nairobi County, Kenya. *International Journal of Social Science Management and Entrepreneurship*, 7(2023), 381-392

ABSTRACT

The main objective of this study was to investigate the influence of Knowledge Management Practices on the performance of Tax Collection at Kenya Revenue Authority (KRA) in Nairobi County, Kenya. Tax jurisdictions across the globe are facing a challenge in uncollected and unpaid tax debt, which has become a key concern. One common challenge for tax administrations is the lack of access to a pool of knowledge and experiences to learn from and share. In this regard the study aimed to determine the effect of knowledge creation, and knowledge sharing on the performance of tax collection in KRA. This research adopted a descriptive research design approach, because it allowed an in-depth study of the subject. The target population for the study was staff of KRA, which stood at 10,151 as of the current financial year 2021/22. A structured questionnaire was used to collect data from 99 samples, drawn from the identified departments/divisions through the Stratified random sampling method. Descriptive statistical techniques such as frequencies, percentages, means, and standard deviation was used to analyze the field data from questionnaires using the Statistical Package of Social Sciences (SPSS) version 22. The response rate of the study was 81.82%. The findings of the study indicated that Knowledge Discovery ($t = 2.786$, $p = 0.007$), Knowledge Capture ($t = 6.432$, $p = 0.000$) have a positive and significant relationship on Performance Of Tax Collection at Kenya Revenue Authority in Nairobi County. These findings suggest that effective knowledge management practices can help improve tax collection performance, which is important for the revenue authority and the government as a whole. The study also concluded that recruitment of staff, engagement of stakeholders such as taxpayers and competitors, and having a knowledge base all have a significant influence on the performance of tax collection at KRA.

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INTRODUCTION

The Organization for Economic Co-operation and Development (OECD) defines Tax collection / revenue as the revenues collected from taxes on income and profits, social security contributions, taxes levied on goods and services, payroll taxes, taxes on the ownership and transfer of property, and other taxes. Total tax revenue as a percentage of GDP indicates the share of a country's output that is collected by the government through taxes. It can be regarded as one measure of the degree to which the government controls the economy's resources. (OECD, 2021)

Effective knowledge management practices have become increasingly important in today's competitive business environment. Knowledge management involves the creation, transfer, and exchange of organizational knowledge to gain a competitive advantage (John Girard & JoAnn Girard, 2020). Kouzmin & Kakabadse (2018) note that the creation and transfer of knowledge is critical for organizations to achieve their objectives and remain sustainable. To achieve high performance levels, organizations need to develop effective means to enable the creation, transfer, and integration of knowledge in their operations.

Effective knowledge management practices can lead to several benefits for organizations, including enhanced collaboration in the innovation process, building a culture that fosters innovation, and contributing to the survival and growth of the organization (Wang, Sharma & Cao, 2016). Obeidat, Al-Suradi, Masa'deh, and Tarhini (2016) emphasize the importance of managers in effectively managing knowledge to gain a competitive advantage.

This study will focus on the four categories of knowledge management practices proposed by Carol Gunn and Tim Nokes (2001): knowledge discovery, knowledge capture, knowledge sharing, and knowledge storage and retrieval. By examining these practices, the study aims to contribute to the pool of knowledge and experiences for effective tax administration decision-making.

In Malaysia, KM practices have been identified to be a key factor in ensuring organizational success. In order for organizations to remain competitive and for Malaysia to effectively compete for foreign direct investment, there is a need for a smooth transition from a labour and technology intensive economy to a knowledge-based economy. Yu (2018) stressed the need for many factors to allow this smooth transition, one of which is the need for knowledge management practices adopted by organizations in the country to be aligned with the overall business environment in which they operate.

At the regional perspective, a case example of Nigeria is that Knowledge Management Practices in Nigeria is influenced by the socio-economic and cultural context of the country (Olatokun & Elueze, 2012). One case example of Knowledge Management Practices in Nigeria is the Nigerian National Petroleum Corporation (NNPC), which has implemented various Knowledge Management practices to enhance its operations. One key Knowledge Management practice implemented by the NNPC is the use of a centralized knowledge portal, which serves as a platform for employees to share knowledge and expertise. This portal is accessible to all employees, allowing for easy sharing of best practices and lessons learned.

Another practice implemented by the NNPC is the use of knowledge management champions, who are responsible for promoting knowledge sharing and collaboration within their respective departments. These champions are trained in Knowledge Management principles and techniques, and are tasked with encouraging their colleagues to share knowledge and participate in knowledge sharing activities.

In Kenya, community involvement is often seen as a key component of knowledge management practices. According to a study by Onyango (2016), involving community members in the knowledge management process can help to build trust and improve the relevance of the knowledge that is shared. While technology is increasingly being used in knowledge management practices in Kenya, there are challenges to adoption. According to a study by Muturi and Kimenyi (2016), some of

the challenges include a lack of infrastructure, inadequate training, and the high cost of technology.

Conclusions drawn from literatures that knowledge management processes are the most essential component in innovation and when an organisation provides a platform where employees can share the knowledge, increases opportunities to maximize organization ability to meet their needs and generates solutions that provide an organisation with a competitive advantage.

Statement of the Problem

Tax administrations and National revenue bodies are considered as knowledge intensive in nature and face different environments within which to administer their taxation system. African Tax Outlook Highlights (2019). Furthermore, the Tax Transparency in Africa (2020) has noted the importance of knowledge management as more African countries have added their weight to the Yaoundé Declaration, which calls for strengthening African countries' participation in international efforts to stem tax evasion through transparency and exchange of information.

Al-Tit (2016) notes that Organizations have increasingly recognized knowledge as a strategic resource that drives competitive advantage, survival and performance. Knowledge management practices that have been successfully implemented in organizations have seen them boost their decision making efficiency by ensuring that all employees have access to the overall expertise held within the organization. Thus organizations striving to compete and effectively respond to the needs of its customers must therefore be prepared to effectively manage its knowledge capabilities. Salama (2017) opines that Organizations have invested significantly part of their annual budgets in development of knowledge workers who are responsible for knowledge management in the organization.

The Kenya Revenue Authority has increasingly been facing challenges that require knowledge management as a response strategy. A recent example is the Budget and Appropriations Committee that writes the legislation that allocates funds to the numerous government agencies,

departments, and organizations on an annual basis. The committee has been concerned that the national treasury will breach the 9 trillion debt ceiling in the 2022/23 financial year. This is because the National Treasury is looking to borrow more than 1 trillion shillings to finance the 3.32 trillion budget which is the biggest in the country's history.

The ATRN (African Tax Research Network) made a compelling case that Tax Authorities in African Countries risk marginalization unless they fully exploit its comparative advantages as multidisciplinary integrator, convener and neutral forum to promote greater access to and flow of knowledge. Knowledge sharing concepts, methods and tools can make a vital contribution to the broad goal of making Kenya Revenue Authority more efficient, innovative and relevant. A failure to take all possible steps towards this goal will lead to reduced government revenue targets while impacting negatively on development projects that the government has planned in all levels of government, both at County and National Government.

Collecting taxes and fees is a fundamental way for countries to generate public revenues that make it possible to finance investments in human capital, infrastructure, and the provision of services for citizens and businesses. Preliminary analyses estimate the financing gap for achieving the Sustainable Development Goals for developing countries at about \$2.5 trillion annually. Much of this financing gap will need to be met by increased private-sector investment in sustainability. (World Bank, 2021). Increased tax performance plays a key role in making growth sustainable and equitable.

It is evident from the foregoing that there exists a major knowledge gap on the link between knowledge management practices and performance of tax collection at Kenya Revenue Authority in Nairobi County, Kenya. Despite the increasing recognition of knowledge as a strategic resource that drives competitive advantage, survival, and performance, there is a lack of research on how knowledge management practices can enhance tax collection performance in the Kenyan context. The importance of knowledge management in tax administration cannot be overemphasized,

especially as tax collection is a fundamental way for countries to generate public revenues that make it possible to finance investments in human capital, infrastructure, and provision of services. This study sought to fill the missing knowledge gap and determine the influence of knowledge management practices on the performance of tax collection at Kenya Revenue Authority in Nairobi County, Kenya.

Objectives of the Study

The general objective of the study was to establish the influence of Knowledge Management Practices on the performance of Tax Collection at Kenya Revenue Authority in Nairobi County, Kenya.

The specific objectives of the study were;

- i. To establish the influence of Knowledge Discovery on performance of Tax Collection at Kenya Revenue Authority.
- ii. To establish the influence of Knowledge Capture on the performance of Tax Collection at Kenya Revenue Authority

LITERATURE REVIEW

Theoretical Review

Resource Based View Theory

The Resource Based View Theory was Originally proposed by Birger Wernerfelt (1984) and later developed and refined by Jay B. Barney (1991) and other scholars. This theory aims to focus managerial attention on the firm's internal resources in an effort to identify those assets, capabilities and competencies with the potential to deliver superior competitive advantages. The RBV describes the role of resources and dynamic capabilities in an organization's value creation process and achievement of sustainable competitive advantage that is critical in superior performance and better economic returns (Barney, 1991; Wernerfelt, 1984). The theory holds that superior performance of any organization, on the other hand, will be dependent upon how the firm harnesses its resources and utilizes them to the realization of the firm's operational targets and in essence its strategic objectives. Organizations effectively manage and increase their internal capabilities through the process of Discovery, conversion and application of knowledge. The

theory views knowledge as the key and strategic resource that helps organization to gain competitive advantage (Hitt, Xu & Carnes, 2016). Resources includes the specific knowledge and competencies of employees in an organization that determines performance and productivity of employees. The role of the organization is to ensure that these employees are clearly coordinated in order to create knowledge that enhances performance of the organization. Kull, Mena and Korschun (2016) argues that in order for an organization to survive and compete in their environment, they need to efficiently and effectively create, capture and share relevant expertise and knowledge. The created and stored knowledge should be utilized in solving problems within the organization while exploiting new opportunities and innovations in the market.

This theory is relevant to the first, second, third and fourth objectives of the study, which seek "To establish the influence of Knowledge Discovery on performance of Tax Collection at Kenya Revenue Authority.", "To establish the influence of Knowledge Capture on the performance of Tax Collection at Kenya Revenue Authority.", "To determine the influence of Knowledge Sharing on the performance of Tax Collection at Kenya Revenue Authority.", and "To determine the influence of Knowledge Storage and Retrieval on the performance of Tax Collection at Kenya Revenue Authority."

The Resource Based View (RBV) theory can be linked to the variables by considering the variables as a valuable and rare resource that can provide a competitive advantage for the organization. According to the RBV theory, a firm's resources and capabilities can be a source of sustained competitive advantage if they are valuable, rare, inimitable, and non-substitutable. Knowledge Discovery, Knowledge Capture, Knowledge Sharing and Knowledge Storage and Retrieval can be considered a valuable resource as it can help the organization identify and utilize new information and insights to improve its performance. It can also be considered rare as it may not be easily replicated by competitors. Therefore, this theory is relevant to the study because it links knowledge management practices and competitive advantage of the organization which results in performance of the organization.

Knowledge Spiral Theory

Knowledge Spiral Theory was first introduced and formulated by Takeuchi and Nonaka (1995). The theory defines the interface procedure in conversion of explicit to tacit knowledge. Dakri, 2011 notes that The theory focuses on the knowledge spirals that explain the transformation of tacit knowledge into explicit knowledge based on the individuals of the organization, group of the organization and the organizational learning and innovation. According to the theory, there are four modes of interface, which enhances knowledge management of the organization; these include socialization, internalization, externalization and combination. Externalization is the process of converting tacit to explicit knowledge (Kaiser, 2017). Socialization is the conversion of tacit to tacit knowledge while conversion of explicit to explicit knowledge is through combination. On the other hand, internalization is the conversion of explicit to tacit knowledge (Daland, 2016).

By changing one form of knowledge to the other, an organization is able to retain the system of the organization. For instance, tacit knowledge can be transformed into an explicit one, where documents and databases are used for storing knowledge (Singh & Gautam, 2016).

The Knowledge Spiral Theory is related to the variables Knowledge Discovery, Knowledge Capture, Knowledge Sharing, and Knowledge Storage and Retrieval as it describes the process of how knowledge is created, shared, and used within an organization. According to the theory, the knowledge process begins with the discovery of new information or insights (Knowledge Discovery), followed by the capture of that knowledge (Knowledge Capture). This captured knowledge is then shared within the organization (Knowledge Sharing) and stored for future use (Knowledge Storage and Retrieval). Each step in the spiral is dependent on the previous one, as the knowledge captured in one step is used as a foundation for the next. For example, the knowledge captured in the discovery process is shared and used in the capture process, and the knowledge captured and shared is stored for future use. This process is cyclical and iterative, as the knowledge stored and retrieved is used to inform new discoveries and the cycle continues.

The Knowledge Spiral Theory emphasizes the importance of creating a culture of knowledge sharing and continuous learning within an organization, in order to facilitate the continuous improvement of knowledge discovery, capture, sharing, and storage. By applying this theory, organizations can create a process for capturing, sharing, and storing knowledge that supports the creation of new knowledge and the continuous improvement of organizational performance.

Conceptual Framework

The conceptual framework illustrates what this specific study expected to find through the research conducted. It defines the relevant variables (dependent and independent) for the study and maps out how they related to each other. The visual format is illustrated in Figure 2 showing Independent Variables (Knowledge Discovery, Knowledge Capture, Knowledge Sharing and Knowledge Storage & Retrieval) and Dependent Variable (Performance Of Tax Collection)

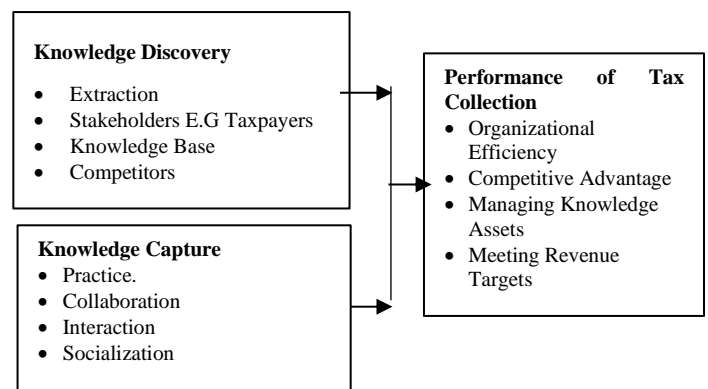


Figure 1 Conceptual Framework

Empirical Review

Knowledge Discovery and Performance of Tax Collection

According to (Gamble & Blackwell, 2001) Knowledge discovery or Discovery refers to the knowledge that a firm can try to obtain from external sources. External knowledge sources are important, and one should therefore take a holistic view of the value chain. Sources include suppliers, competitors, partners/alliances, customers, and external experts. Communities of practice can extend well outside the firm. Orientation of knowledge Discovery in organizations involve various activities e.g. creating, storing/retrieving, transferring, and applying knowledge for the

creation internal knowledge, acquiring external knowledge, and storing knowledge (Kim and Lee, 2017; Alavi and Leidner, 2017; Teece, 1998). Organizations with high innovation potential can employ benchmarking and collaboration processes (O'Dell and Grayson, 2018), where benchmarks can identify gaps and problems over others outstanding practices and give knowledge for internal use to make change decisions in an effective way (Kim and Lee, 2016). On the other side collaboration can play role both internally and externally in transferring tacit knowledge with collaboration partners which can potentially reduce risk and cost in innovation by ensuring mutual trust and confidence between partners by creating efficient channels for knowledge flow (Plessis, 2017; Cavusgil et al., 2003; Scarbrough, 2016).

Knowledge Capture and Performance of Tax Collection

Knowledge Creation: According to the Nonaka's, SECI model is about continuous transfer, combination, and conversion of the different types of knowledge, as users practice, interact, and learn. Cook and Brown (2018) distinguish between knowledge and knowing and suggest that knowledge creation is a product of the interplay between them.

In this stage, an organization identifies critical knowledge and the people in the organization who possess necessary knowledge that need to be captured. Critical knowledge in processes, systems and documents and people who are experts on a subject matter are identified. The priority focus of KM is that many firms often suffer total loss of valuable knowledge when employees who possess critical tacit knowledge exit either through dismissals, redundancies, retirement, and natural attrition. There are situations where attempts had not been taken to receive and manage this tacit knowledge and ensure continuity. The risk at this stage is that knowledge of individuals is usually stored in the brains and is always lost if not captured. The survival and sustainability of organizations most of the time depend on how much new and advanced knowledge is generated, captured, stored, and used in order to operationalize processes and achieve the operational objectives and targets.

RESEARCH METHODOLOGY

The research design adopted by the study is descriptive research design which involves collecting data to test the hypothesis or answer questions concerning the current state of the study. The study adopted this research design because it is most appropriate in demonstrating the relationship between the variables (Saunders, Lewis, Thornhill, & Bristow, 2015). In this study, the target population was pooled from Kenya Revenue Authority Staff based in Nairobi County at the Head Quarters in Times Tower, Nairobi County who total to 10,151

This study adopted Stratified random sampling where each unit in the population is identified, and each unit has a known, non-zero chance of being in the sample. This was then followed by random sampling in each stratum. The Random sampling technique was adopted because each employee in the various departments has an equal chance of being represented (Creswell and Creswell, 2017). The study focused on a total population of 10,151. In order to come up with a representative sample for this study, the Nassiuma (2000) formula was adopted.

A sample size of 99 staff was obtained by substituting in the above formula. The study employed semi- structured questionnaire as the tool for data collection. Data collection was done by the drop and pick method. The questionnaire was used as the main research tool.

A pilot test was carried out to assess the degree of reliability of the questionnaires to be administered. Furthermore, Mugenda and Mugenda (2012) recommend 10% of the population to be subjected to a pre-test of the questionnaires to identify errors and ensure clarity of the response. The pilot test was administered to 10% of the population. However, the population considered for the pilot was not drawn from the sample to avoid bias in the study.

The returned questionnaires were cross-checked to ensure they were duly filled before coding and analyzing the data. Quantitative data was fed into the SPSS software for analysis and the findings was presented in statistical tables. The open- ended questions were analyzed through thematic areas before coding. The returned questionnaires were

cross-checked to ensure they were duly filled before coding and analyzing the data. Quantitative data was fed into an SPSS computer Software version 22 for analysis and the findings were presented in statistical tables. The open-ended questions were analyzed through thematic areas before coding. In addition, the study made use of Pearson correlation to show the relationship between variables and make use of multiple regression analysis to determine the role of the dependent variable on the independent variables.

RESEARCH FINDINGS AND DISCUSSION

The researcher distributed 99 questionnaires to respondents. Out of these, 81 were completely filled up and collected by the researcher. This was equivalent to a response rate of 81.82%. The response rate was in line with Mugenda and Mugenda (2012) who revealed that response rates of over 70% are sufficient for analysis and interpretation of the findings.

Descriptive Statistics.

Descriptive statistics was used to analyze the data collected. A five point Likert scale was used to interpret the respondent’s responses where, 1 = strongly disagree to 5 = strongly agree. The scores of ‘strongly disagree’ and ‘disagree’ were taken to represent a statement not agreed upon, equivalent to mean score of 0 to 2.5. The score of ‘neutral’ was taken to represent a statement neither agreed nor disagreed upon, equivalent to a mean score of 2.6 to 3.4. The score of ‘agree’ and ‘strongly agree’ were taken to represent statement agreed upon equivalent to a mean score of 3.5 to 5. The descriptive statistics used in this study were means and percentages.

Knowledge Discovery

The first objective of the study sought to establish the influence of Knowledge Discovery on performance of Tax Collection at Kenya Revenue Authority. Means and percentages of responses were computed and the results were presented in Table 1.

Table 1: Knowledge Discovery

Statements	Mean	Std Dev
KRA has procedures for acquiring knowledge about stakeholders	4.25	3.738
KRA has procedures for generating new knowledge from existing knowledge	3.89	3.468
KRA has procedures for distributing knowledge throughout the organization	4.58	4.079
KRA has procedures for acquiring knowledge about tax measures the government could adopt to curb economic fallout	3.91	3.439

The results in Table 1 revealed that majority of the respondents who were (100%) agreed that there procedures for acquiring knowledge about stakeholders in Kenya Revenue Authority. The statement response had a mean score of 4.25 and a standard deviation of 3.738. Further, the results indicated that majority of the respondents (67%) agreed to the statement that KRA has procedures for generating new knowledge from existing knowledge. The statement response had a mean score of 3.89 and a standard deviation of 3.468. The findings are in line with the findings of Gao et al., (2016) that demonstrated the effectiveness of using knowledge discovery techniques in the domain of tax authorities, specifically for the task of identifying tax evasion.

Furthermore, the results revealed that majority of the respondents who were (100%) agreed that KRA has procedures for distributing knowledge throughout the organization. The responses on this statement had a mean of 4.58 and a standard deviation of 4.079. In addition, the results established that majority of the respondents (94%) agreed that KRA has procedures for acquiring knowledge about tax measures the government could adopt to curb economic fallout. The responses on this statement attracted a mean score of 3.91 and a standard deviation of 3.439.

Using the Likert scale, the mean average of the responses was 4.16 which means that majority of the respondents were agreeing with most of the statements on knowledge discovery; additionally, the responses were varied as shown by a standard deviation of 3.681. The results herein imply that

knowledge discovery influences performance of tax collection at KRA.

Knowledge Capture

The second objective of the study sought to establish the influence of Knowledge Capture on the performance of Tax Collection at Kenya Revenue Authority. Descriptive analysis was used on the data collected for the study variable. The results were presented in Table 2.

Table 2: Knowledge Capture

Statements	Mean	Std Dev
Employees obtain a good extent of new knowledge from external sources like Organization for Economic Co-operation and Development & African Tax Research Network (ATRN) (e.g. through seminars, conferences, educational courses, subscription journals, expert networks).	3.32	2.998
Employees share knowledge orally at meetings or informal gatherings (e.g. during lunch, in the hallway).	3.52	3.151
Employees collaborate to find solutions to tax challenges they face.	4.20	3.685

The findings in Table 2 revealed that majority of the respondents who were (48%) agreed that Employees obtain a good extent of new knowledge from external sources. The findings are in agreement with the findings of J.E. Dyer et al. (1997) that found that employees obtained a significant amount of new knowledge from external sources, such as conferences, workshops, and professional associations. The authors also found that employees obtained new knowledge from internal sources, such as coworkers and supervisors, as well as through their own personal experiences.

The statement response had a mean score of 3.32 and a standard deviation of 2.998. Further, the results indicated that majority of the respondents (80%) agreed to the statement that Employees share knowledge orally at meetings or informal gatherings. The statement response had a mean score of 3.52 and a standard deviation of 3.151. Furthermore, the results revealed that majority of the respondents who were (100%) agreed with the statement that Employees collaborate to find solutions to tax challenges they face. The responses

on this statement had a mean of 4.20 and a standard deviation of 3.685. These results are in concurrence with A. Özcan, B. Cavusoglu, and H. Cavusoglu (2012) who looked at how knowledge capture and sharing in the Turkish Revenue Administration (TRA) was able to improve its performance in terms of revenue collection and compliance, as well as increase the efficiency and effectiveness of its operations, through the implementation of knowledge capture by implementing a knowledge management system.

Performance of Tax Collection

The respondents were required to indicate their level of agreement with various statements regarding the role of Knowledge Management Practices and performance of tax collection in KRA. The results are as depicted in Table 3.

Table 3: Performance of Tax Collection

Statements	Mean	Std Dev
Knowledge Management Practices has resulted into improved Organizational Efficiency at KRA	3.96	3.464
Knowledge Management Practices has resulted into improved Competitive Advantage at KRA.	4.07	3.569
Knowledge Management Practices has led to better management of Knowledge Assets at KRA	3.74	3.388
Knowledge Management Practices has resulted to Meeting Revenue Targets at KRA.	3.52	3.355

From the results shown in Table 3, majority (85%) of the respondents agreed that Knowledge Management Practices has resulted into improved Organizational Efficiency at KRA, (15%) of them showed neutrality with the same, (0%) disagreed while (0%) strongly disagreed with the statement. The findings are in agreement with the findings of A. Özcan and B. Cavusoglu (2014) found that the implementation of knowledge management practices, such as knowledge sharing and knowledge creation, was positively related to organizational efficiency and that the impact of knowledge management practices on organizational efficiency was stronger for firms in knowledge-intensive industries.

An overwhelming majority (93%) of the respondents agreed that Knowledge Management Practices has resulted into improved Competitive Advantage at KRA. In addition, (7%) of them showed neutrality while, (0%) of them disagreed

with the statement and (0%) strongly disagreed. The findings are in agreement with the findings by M.J. Al-Hawamdeh and M.N. Al-Naser (2019) found that the implementation of knowledge management practices, was positively related to competitive advantage and the impact of knowledge management practices on competitive advantage was mediated by the firms' innovation performance.

Majority (73%) of the respondents agreed that Knowledge Management Practices has led to better management of Knowledge Assets at KRA, (7%) were neutral, (16%) disagreed, and (4%) strongly disagreed with the statement. Concisely, (74%) of the respondents agreed with the statement that Knowledge Management Practices has resulted to Meeting Revenue Targets at KRA. (0%) remained neutral, (0%) disagreed and (26%) strongly disagreed with the statement. These results are concurring with the findings by A.B. Adepoju and O.A. Adeyemi (2018) found that there was an increase in revenue generation in tax authorities in Sub-Saharan Africa when knowledge management practices were implemented.

Inferential Analysis

Correlation Analysis

Correlation analysis was used to determine both the significance and degree of association of the variables and also predict the level of variation in the dependent variable caused by the independent variables. Correlation coefficient brings out the magnitude of the relationship between two variables (Mugenda and Mugenda, 2003). The results of the correlation analysis are summarized in Table 4.

Table 4: Bivariate Correlation Coefficient

Variables		K.D	K.C	Performance
K.D	Pearson Correlation	1	0.871	0.900
	Sig. (2-tailed)		0.000	0.000
K.C	Pearson Correlation	0.871	1	0.946
	Sig. (2-tailed)	0.000		0.000
Performance	Pearson Correlation	0.900	0.946	1
	Sig. (2-tailed)	0.000	0.000	

The correlation summary shown in Table 4 indicates that the associations between Knowledge Management Practices and Performance of Tax collection at Kenya Revenue Authority in Nairobi County, Kenya. The Correlation analysis indicates

that Knowledge Discovery has a positive and significant correlation with Performance of Tax collection at Kenya Revenue Authority ($r = 0.900$, $p = 0.00$, $\alpha = 0.05$). This means that increasing the adoption and practice of knowledge discovery would improve performance of Tax collection at Kenya Revenue Authority. Knowledge Capture has a positive and significant association with Performance of Tax collection at Kenya Revenue Authority ($r = 0.946$, $p = 0.00$, $\alpha = 0.05$). Indicating an increase in adoption and practice of knowledge capture would improve performance of Tax collection at Kenya Revenue Authority.

Regression Analysis

The study used simple OLS Regression analysis to determine the significance and magnitude of the effects of independent variables: knowledge discovery, knowledge capture, knowledge sharing and knowledge storage and retrieval on the dependent variables performance of tax collection at Kenya Revenue Authority in Nairobi County, Kenya. Multiple regression analysis concerned calculation of coefficient of determination (R^2), regression coefficients and Analysis of Variances (ANOVA).

Table 5: Regression Model Summary

Indicator	Coefficient
R	0.959a
R Square	0.920
Adjusted R Squared	0.916
Std. Error of the Estimate	0.977

- a. **Predictors:** (Constant), knowledge discovery, knowledge capture,
- b. **Dependent Variable:** Performance of tax collection at Kenya Revenue Authority in Nairobi County, Kenya.

Table 5 indicates the overall correlation coefficient (R) between the independent variables: knowledge management practices and performance of tax collection as a dependent variable was found to be 0.959. This means that there was a strong positive relationship between knowledge management practices and performance of tax collection. Furthermore, it indicates that the model explains only 92% of the variations in the performance of tax collection as shown by coefficient of determination (R^2) of 0.920 with the remaining 8 % of the variation in the performance of tax collection being explained by other factors.

In a statistical hypothesis test, the p-value is a measure of the strength of the evidence against the

null hypothesis. The null hypothesis is a statement that there is no relationship between the predictor (independent) variables and the response (dependent) variable. If the p-value is small (typically less than 0.05), it suggests that the null hypothesis is unlikely to be true, and there is strong evidence that there is a relationship between the predictor and response variables.

Table 6: Analysis of Variances (ANOVA)

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	830.40	4	207.60	217.687	.001
Residual	72.47	76	0.953		
Total	902.88	80			

According to table 6 above, the F value of 217.687 with an overall significance of model 1 was .000. The level of significance was lower than 0.05 and this means that knowledge management practices show statistically significant influence on performance of tax collection At Kenya Revenue Authority in Nairobi County.

Table 7: Regression Coefficients

Model	B	Std. Error	T	Sig.
(Constant)	-3.635	1.241	-2.930	0.004
Knowledge Discovery	0.419	0.150	2.786	0.007
Knowledge Capture	0.887	0.138	6.432	0.000

Table 7 shows that Knowledge Discovery and Performance Of Tax Collection at Kenya Revenue Authority in Nairobi County, Kenya are positively and significantly related (t= 2.786, p=0.007). The table further indicates that Knowledge Capture and Performance Of Tax Collection at Kenya Revenue Authority in Nairobi County, Kenya are positively and significantly related (t= 6.432, p=0.000).

Thus, the optimal model for the study was;

$$Y = -3.635 + 0.419 X_1 + 0.887 X_2$$

Conclusions

The study concludes that Knowledge Discovery and Performance of Tax Collection at KRA had a positive and significant relationship. The study found that Recruitment of Staff, engaging Stakeholders E.G Taxpayers and competitors and having a Knowledge Base have a significant

influence on performance of tax collection at Kenya Revenue Authority.

The study also concludes that Knowledge Capture and Performance of Tax Collection at KRA had a positive and significant relationship. The study also found that Practice, Collaboration, Interaction and Socialization have significant influence on Performance of Tax Collection at KRA.

Recommendations

Based on the conclusions of the study, it appears that several knowledge management practices have a positive and significant impact on the performance of tax collection at the Kenya Revenue Authority (KRA). These practices include knowledge discovery, knowledge capture, knowledge sharing, and knowledge storage and retrieval. The study also found that certain specific activities within each of these practices have a significant influence on performance, such as recruitment of staff, engagement with stakeholders, and the establishment of a knowledge base for knowledge discovery; collaboration, interaction, and socialization for knowledge capture; communities of practice, meetings, and shadowing and mentoring for knowledge sharing; and codification, verification, categorization, and storage and retrieval paths for knowledge storage and retrieval.

Areas for Further Study

In line with the study, there are several potential areas for further study based on the conclusions of the study described. Some possibilities might include: Examining the impact of additional knowledge management practices on performance: While the study found that several knowledge management practices had a positive impact on performance, it is possible that other practices may also be beneficial. Further research could explore the impact of additional practices such as knowledge transfer, knowledge creation, or knowledge application.

Investigating the impact of different combinations of knowledge management practices: The study may have focused on the impact of individual knowledge management practices, but it is also possible that combining different practices in a strategic way could lead to even greater performance improvements. Further research could

explore the effects of different combinations of practices on performance.

Testing the generalization of the findings: The study was conducted at a specific organization (the KRA) in a specific location (Nairobi County, Kenya). It would be useful to determine whether the findings of the study hold true in other contexts, such as different industries or geographic regions.

Longitudinal analysis: It would be interesting to conduct a longer-term study to see how the impact of knowledge management practices on performance changes over time. This could involve repeating the study at regular intervals to track changes in performance and the influence of knowledge management practices.

Exploring the mechanisms through which knowledge management practices affect performance: The study identified a number of specific activities that are associated with improved performance, but it is not clear exactly how these activities lead to better results. Further research could seek to uncover the underlying mechanisms through which knowledge management practices influence performance.

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