

**ROLE OF AUTOMATION MANAGEMENT STRATEGIES ON REVENUE  
GROWTH OF SELECTED LAKE REGION ECONOMIC BLOC COUNTIES IN  
KENYA: MODERATING EFFECT OF POLITICAL INFLUENCE**

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DEPARTMENT OF BUSINESS ADMINISTRATION,**

**KISII UNIVERSITY**

**MARCH, 2023**

**DECLARATION AND RECOMMENDATIONS**

**DECLARATION**

I declare that this research project is my original work and has never been submitted to any other university or collage for any award

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## **DEDICATION**

This research project has been dedicated to my dear family members, my dad James Nyamora, mom Marcella Kerubo, loving wife Sarah Gesare, my lovely children Jayson and Jeremy not forgetting my niece Ashley Kerubo.

## **ACKNOWLEDGEMENTS**

To God be the Glory for the great things he has done to me. I also acknowledge my supervisors Dr. Charles Momanyi, PhD and Dr. Josephine Ondari, PhD for their tireless efforts to that this work comes this far. To my colleagues I thank for your support that you gave me at time like this whenever I needed you most. May our dear Lord bless you abundantly.

## ABSTRACT

The most important aspect of organizational management is revenue. It is the one that keeps the organization running day in day out. Thus, it is in order to manage revenue efficiently as the environments keep changing, thus adapting technology in response to the changes will greatly improve management in organizations. The goal of this study was to determine the effects of automation management strategies on revenue growth in Kenya's Selected Lake Region economic bloc counties. The specific goals were to ascertain the impact of the revenue mobilization strategy, ascertain the impact of the real-time strategy, ascertain the impact of the fraud control strategy, and ascertain the impact of the monitoring and tracking strategy on revenue growth in Kenyan county governments. The study was guided by McKinsey 7S Model, resource based view theory and organizational change management theory. Descriptive research design approach was used. The study covered 7 selected counties in the lake region economic bloc. The 331 employees who worked in revenue collection were the study's target population. 259 respondents made up the sample size, which was determined using a stratified and random sampling procedure. With the help of a closed-ended, structured questionnaire, primary data was gathered. The university supervisors and experts were consulted in order to establish the research instrument's face validity, construct validity, and content validity. Reliability was established by conducting a pilot study in Uasin-Gishu County where 26 questionnaires were administered and reliability was determined by using Cronbach Alpha coefficient of more than .746 was accepted. Data was collected, edited, and coded before being analyzed using descriptive statistics methods such as means, percentages, and standard deviations, and data was displayed as tables and figures. Pearson Product moment correlation was used to gauge the relationship's strength, and simple linear regression was used to gauge how the independent variable affected the dependent variable. The study discovered that increasing one unit of tax revenue resulted in a significant increase in revenue growth. Increase in one unit of real time report led to increase in revenue growth and it was found to be significant. An increase in one unit of fraud control led to a decrease in revenue growth and was significant. An increase in one unit of monitoring and tracking led increase in revenue growth and was found to be significant. Lastly increase in monitoring and tracking by one unit led to 1.263 increases in revenue growth and it was indicated as significant. The study concluded that: performance targets were being monitored and tracked on a daily basis, monitoring and tracking had a positive and significant relationship with political influence and revenue growth. The study recommended that revenue targets to be set in a way that they can be monitored and tracked easily in the system the study recommended that hiring and transfers should be done based on merits.

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

<b>IT</b>	Information technology
<b>ERP</b>	Enterprise resource planning
<b>IMF</b>	International monetary fund
<b>VAT</b>	Value added tax
<b>KRA</b>	Kenya Revenue Authority
<b>USA</b>	United States Of America

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background of the study**

Automation is the designation of new forms of mechanization of work that are progressively supporting automatic means used to be performed manually by men. It involves rapid and automatic processing of both technical and business information by use of electronic or digital devices with the extension of automatic controls in complex operations and business offices. Automation addresses challenges faced by many organizations globally these days by reducing cost, increasing efficiency and creation of virtual working space. Successful implementation of automation however requires more than just a system, but creation of an intelligent automation strategy that matches the goals and objectives of your firms. It should fuel the strategic process, creation of systems and identify appropriate tools for work. Though the process is quite critical it requires political will and positive political influence and engagement of employees for them to buy it in (Ngotho & Kerongo, 2014).

#### **1.1.1 Automation management strategies**

The USA was the origin of automated tax management, which later expanded to other industrialized and developing nations. Electronic tax management solutions are now available globally thanks to factors like information and communication technology, which are advancing quickly along with the trend of globalization, strengthening, and lowering prices. Because they may boost collections, electronic tax return, payment, and tax automation technologies are becoming more and more important. Best practices in equality, capacity to pay, economic efficiency, ease, and clarity should be followed while collecting taxes. Any administration in the sub-Saharan African must enhance its fiscal depth without taking on any costlier debt in order to keep up with population growth and citizen aspirations (Gidisu 2012)

Automation management strategies affect individuals in two ways: physiological and psychological functioning (social structure), causes number of social and cultural changes in individuals. If introduced it leads to a transformation of human existence and who are not prepared to changes brought by automation. The nature of new working environment may create tension increase and loneliness and also displacement may take place (Bird, 2010).

Technology provides tools that businesses may employ to enhance cost effectiveness and obtain the lowest possible worldwide tax brackets (enterprise resource planning systems, or ERP, for example, include tax functions), Joseph (2010.) In the past, businesses had the option of filing taxes electronically or on paper. Tax professionals must possess the technical know-how to satisfy the relevant tax administration requirements as several nations already employ statistical sample audit as their primary audit method. Electronic tax registers are effective in processing tax returns because they reduce the burden of tax reporting on businesses while enhancing the efficacy and efficiency of government operations by providing accurate and timely data. Furthermore, it promotes computerized tax filing accessibility, streamlines state tax work rules, and gives tax information to businesses (Magutu and Abongo 2010).

Public service delivery depends largely on information and communication technology in today's knowledge-based society. The future's primary platform for information sharing and communication is now the internet (UNCTAD, 2018). While information technologies significantly contribute to austerity, they also raise the standard of public service. Information technology's usage in one of the key areas of application is taxes fund services especially on automated taxation, electronic tax returns, and payment methods. These systems are more significance as a result of their capacity to boost tax collecting.



The efficiency, automation, and cost of tax administration are all positively impacted by revenue automation. Additionally, process automation at revenue collecting stations increases the speed of tax clearance. Among other government entities, the automation of tax-information burden is caused by expensive re-engineering costs and overstaffing (Haughton and Desmeules, 2011).

Automation of Tax-Information has helped China collect more money despite the burden of overstaffing and significant re-engineering costs faced by other government organizations. Improving growth requires making sure the appropriate amount of tax has been paid. The capacity of revenue officials to examine every single tax return filed is constrained by a lack of resources. More crucially, strong revenue collection performance is essential to advance service efficiency and regional economic development. However, research and other journal articles have revealed that the majority of governments suffer significant difficulties in their income collecting. Governments are no longer able to raise enough money to meet their budgetary goals as a result (Balunywa, 2014).

Application of technical solutions to government strategic goals in Ethiopia is a crucial first step in making the government a body capable of keeping up with the demands, expectations, and needs of the modern world. Automation of revenue administration has a favorable influence on the efficiency, automation, and cost of tax administration. Additionally, the speed of tax clearance is improved through process automation at revenue collecting stations. Any revenue authority that uses a self-assessment approach would have a significant portion of its strategy focused on locations with higher revenue risk. Revenue agencies utilize database applications to help with case management in order to reduce tax evasion. A data base is a tool for research that compiles information from multiple revenue information systems and highlights areas of risk that the audit section should explore (Amin, 2013).

In Tanzania, public services are mostly provided through information and communication technology, with the internet serving as the primary medium for future information exchange. A strong revenue structure for devolved governments is a crucial prerequisite for fiscal decentralization's success. This is so that local income mobilization, in addition to increasing revenues, has the capacity to encourage civic and administrative responsibility by building communities. Despite implementing devolution, many African states are still struggling with governance issues and inadequate service delivery capacities (Oates 2018).

An essential part of increasing revenues is making sure the appropriate amount of tax has been paid.. Revenue authorities are unable to examine every single tax return filed due to a lack of resources (Amin, 2013). Any revenue authority that uses a self-assessment approach would have a significant portion of its strategy focused on locations with higher revenue risk. Revenue authorities employ data base applications to help with case selection in order to reduce tax evasion. A data base is a tool for research that compiles information from multiple revenue information systems and highlights areas of risk that the audit section should explore (Dramod, 2014). The Registrar of Companies, the Deeds Office, and other external government or non-government data base applications institutions are also utilized. As a result, the amount of revenue collection in every economy is greatly affected by the modernization of the tax collecting system (de Wulf and Sokol, 2015).

Gichane (2017) underlined how complex Kenya's taxes structure is and urged the government to make it simpler. Even Kenya's private sector, which has access to a variety of tax professionals and advisors, believes that the nation's tax system is excessively complex. Perhaps simplicity should be the guiding principle, but taxes should also be considered.

To pay for all we do, taxes "need to be hiked," he said. According to Owino, a simpler tax system will make sure that the expense of tax administration and collection does not exceed the

actual tax collected. In order to build a more effective tax system, he advised the government to design tax policies and tax systems that are governed by certain principles. He also said that taxpayers should be ready to pay greater taxes in this regard. "Kenyans demand certain services, and we want the government to pay its employees' salaries and reasonable wages. That implies that we are unable to later complain that our taxes are too high, he remarked.

#### **1.1.1 Revenue mobilization management strategies**

The main issue in many of the devolved entities across the world is the mobilization of revenue. Having the ability to mobilize and allocate funds to lower levels of government has not always been easy (Odd-Helge and Kari, 2012). In many African nations, a lack of funding continues to be a significant obstacle to the achievement of devolution. Many of the devolved units struggle to raise sufficient amounts of money to support efficient service delivery and address local concerns of poverty and inequality (Latema, 2013).

According to Fosu and Ashiagbor (2012), several of the financially devolved units fragile and depend on aid from the federal government. Many funds would be created for carrying out development projects if local governments were able to improve their income collecting. Every government runs on revenue since it is the major source of money for all governments. The Registrar of Companies, the Deeds Office, and other government or non-government organizations that are modernizing their tax collecting systems are just a few examples of external data base solutions that are employed.

##### **1.1.1.1 Real time reports management strategies**

Real-time financial reports support decision-making by supplying pertinent and timely information. The importance of timely tax reports in policy has increased in emerging nations. For example, According to Nisar (2013), existing public taxation trends highlight the importance of

developing a taxation and collection system that includes actual financial disclosures. This is clarified through a variety of factors, including the potential advantages of taxation for government construction, the "West's" budgetary and debt crisis, and developing nations' pressing financial needs (Flossy, Wawira, Monica et al). (2017). The problem that governments in developing countries have in increasing tax revenue results in a disparity among what they could bring up and what they definitely do.

Accepting new technology and tax payment methods that are more effective at providing real-world data for planning and adjustments is one of these issues (Muita, 2011).

A timely report disproves tax fraud by a tax official or tax evasion by a taxpayer. Given the chance, the taxman's ability to collect revenues and report the true amount as expected may be damaged due to corruption and integrity difficulties. Since the custodian and beneficiary of tax evasion is also in charge of keeping the books and submitting the tax returns, taxpayers are more inclined to evade or avoid paying taxes (Maina, Ngigi and Wanguu Collins 2017).

Real-time reporting is essential for making pertinent decisions since reports are key for the development of organizational policy and decision-making (Tee et al, 2016). Companies are benefiting from lower expansion costs in nations where I-tax filing completely replaces paper filing (like South Africa), whereas this impact is negated in countries where paper filing is still used (such as Ukraine, Nepal and Kenya). Where paper submissions are still necessary and I-tax filing is adopted in addition to them (hard copies of tax returns or relevant supporting documents), ) still face difficulties. The utilization statistics are both statistically significant and significant economically. In South Africa, for instance, using I-tax filing results in an average 22.4 percent decrease in tax growth expenses (Wandugo & Wamathu, 2013).

#### **1.1.1.2 Fraud control management strategies**

Throughout history, fraud has existed and taken on a variety of forms. The prevalence of the Internet and technical advancements have made fraud easier to commit throughout the years. According to the fraud triangle, there must be pressure, reasoning, and opportunity for fraud to happen. Given their familiarity with the systems and access to sensitive information, employees may be able to perpetrate frauds thanks to advancements in technology. All that is required for them to join fraud cartels that are siphoning off the government of millions of shillings is some pressure and some justification (Cressey, 2003).

A report from the consulting company Deloitte More than half of the Sh4.1 billion (\$48.3 million) in fraud that affected Kenya's counties in 2016 went to the country's county administrations, as technology made the crime simpler. In the last year, personnel with a keen understanding of technology have devised plans to steal at least Ksh1.5 billion (\$17.64 million). This can be linked to the inability of the procedures and the staff to identify and manage fraud. Security experts claim that while the government prefers internal disciplinary procedures in situations involving employee theft, the published numbers actually represent a small part of the actual losses incurred. This means that the government needs to be vigilant and update its regulations to combat fraud (Kimani, 2013).

The risk identification, measurement, and monitoring, as well as risk control activities for each operational level, the development of trustworthy Information systems that quickly report anomalies, detailed disclosure of all operations, and activity monitoring are what fraud controls systems should emphasize (Opromolla & Maccarini, 2010).

Management and other employees have an impact on fraud control systems, which are created to guarantee that operations are functional and efficient, financial reporting is reliable, and growth is

compliant with current rules as well as regulations and rules (Spira& Page, 2003). The effectiveness of an organisation's fraud controls should be evaluated and communicated to stakeholders (Rezaee, 2015). Control environment, risk analysis, control techniques, communication and information, and monitoring activities are all part of the control process. should all be included in fraud controls (Basel Committee, 2011). To have a sufficient and effective fraud control system, several connected internal control components must be present and operating correctly (Rezaee, 2015).

The detection and prevention of fraud depend heavily on effective fraud control systems (Micro Save, 2007). The Institute of Internal Auditors stated in a report from June 2003 that "risk and control are almost inseparable like two sides of a coin, meaning that risks must first be recognized and assessed, then managed and minimized by the establishment of a robust system of internal control. Financial institutions want to increase growth, profitability, and sustainability in order to accomplish their objective and reduce the risk of failure or loss during company operations. Financial organizations must effectively manage risks through internal controls in order to carry out their job. This suggests that internal control mechanisms contribute favorably to the development, prosperity, and long-term viability of financial organizations (Kiprop, 2010).

### **1.1.1.3 Monitoring and tracking management strategies**

An essential component of an effective revenue collecting system is the monitoring and tracking of revenues. Since fiscal decentralization is a means of administrative accountability through empowering communities, governments determine the pace for its success. Because it was challenging to verify whether CGT had been paid prior to registration of the property, KRA previously found it challenging to track transactions involving transfers of property. I-tax payment services now provide simplicity in revenue collecting that significantly boosts performance and gives businesses a competitive edge. Governments must consequently enhance their target

revenue collection procedures and systems in order to meet collection goals intended to increase tax monitoring and tracking while also broadening the revenue base. However, the implementation of I-tax payment revenue collection systems is facing an increasing obstacle (Okiro, 2015).

The relevance of revenue tracking monitoring has increased as a result of developments in information technology (IT), which have opened up several options to take use of self-service technologies for significant increases in convenience and efficiency (Capergemini, 2006). The development of technology in Kenya has made it possible for small and medium-sized businesses to fill the traditional position of a service provider. The IMF states that the systems taken together strengthen efficiency, openness, and accountability in its initial assessment of Kenya's performance, which was finished at the end of January 2017. According to the IMF, fiscal developments in the first quarter of the fiscal year 2016–17 were marked by a significant improvement in tracking and monitoring of revenue and receipts of domestic VAT and excise revenues were particularly high reflecting improvements in revenue administration.

### **1.1.2 Political influence**

Political influence, which is assigned by actual power or authority on political, economic, or administrative matters in the management of a government entity's resources and affairs, is crucial to that entity's success. This is the outcome of the shareholders' assigned resources being managed skillfully. Revenue growth shows effective company governance, whereas slow growth shows inconsistent application of corporate governance standards. There is no motivation for economic growth and sustainable development without effective governance (Alamet al., 2012).

It is considered that trust and power interact intricately with one another. Power may enhance trust, but it can also erode it. For example, authorities who are powerless to stop tax evasion may be seen as less trustworthy since they cannot stop abuse of the tax system. Furthermore, the use of force could be ineffective in a cooperative environment where cooperation is synergistic. It could even have the unintended consequence of displacing trust (Feld & Frey 2012).

Numerous studies have demonstrated connections between political ideology and other economic variables, such as consumer sentiment or views and perceptions about the economy. For instance, Allen and Ng (2000) discovered a strong correlation between political party choices and economic attitudes like contentment with economic inequality or a sense of inefficacy in the economic system. Evans and Andersen (2016) discovered that political preferences had a significant influence on the general public's opinions of economics. Politics and economic concerns are also linked by consumer sentiment: Those who supported political parties that were predicted to prevail in the next elections tended to have higher levels of consumer confidence (Alam et al., 2019).

### **1.1.3 Revenue Growth of County Governments**

Governments can effectively support economic development across the world through taxes. However, many underdeveloped nations, like Kenya, experience difficulties in collecting taxes. Kenyan county governments lose millions of Shillings each year due to fraud and mistakes made during the manual tax income collecting process. Some Kenyan county governments' deployment of automated revenue collection methods has the potential to significantly increase performance. Due to its impact on governmental operations, revenue collection is crucial for every government in the globe. It plays a crucial role in fiscal management and policy in every economy. Because it



is the primary means through which government money is secured, revenue serves as the lifeblood of any government (Ngotho & Kerongo, 2014).

The development of technology in Kenya has made it possible for small and medium-sized businesses to fill the traditional position of a service provider. The relevance of i-tax has increased as a result of developments in information technology (IT), which have opened up several options to take use of self-service technologies for significant benefits in convenience and efficiency. The IMF states that the systems taken together strengthen efficiency, openness, and accountability in its initial assessment of Kenya's performance, which was finished at the end of January 2017. According to IMF, fiscal trends in the first quarter of fiscal year 2016/17 were characterized by a significant increase in revenue collection. Domestic VAT and excise revenue receipts were notably high, attributable to advancements in revenue management brought about by the i-tax and EGMS, new i-tax. measures, as well as the reinstatement of the VAT withholding tax," according to the IMF study (Capergemini, 2018).

Governments can effectively support economic development across the world through taxes. However, many underdeveloped nations, like Kenya, experience difficulties in collecting taxes. Kenyan county governments lose millions of Shillings each year due to fraud and mistakes made during the manual tax income collecting process. Some Kenyan county governments' deployment of automated revenue collection methods has the potential to significantly increase performance. Due to its impact on governmental operations, revenue collection is crucial for every government in the globe. It plays a crucial role in fiscal management and policy in every economy. Because it is the primary means through which government money is secured, revenue serves as the lifeblood of any government (Ngotho & Kerongo, 2014).

In accordance with the Global Corruption Report (2009), Kenya has significantly deteriorated from insufficient sectarian corporate governance standards in both public and private companies, putting shareholders' and stakeholders' funds at risk. This is due to the development of ineffective regulations regarding rampant corruption in both governmental and private businesses, and corporate governance. The paper also noted that ineffective participatory governance raises market volatility through a lack of transparency and by denying investors and other financial sectors access to information that is necessary for them to assess a company's performance.

The previous centralized form of government was replaced with a new devolved one under the new constitution. The decentralized government suggests that residents may quickly Access services and effectively communicate with county administration.

Collection of taxes should adhere to best practices for equality, financial capability, economic efficiency, practicality, and clarity. Any government must expand its fiscal depth in order to perform on par with the demands and aspirations of its population without incurring expensive recurrent overheads (Gidisu, 2012). More critically, efficient tax collection is essential to support county economic development and service delivery efficiency. However, research and other journal publications have revealed that the majority of governments experience significant difficulties in their revenue collection performance, failing to raise enough money to meet budget goals (Balunywa, 2014).

The necessity for the government to raise significant amounts of money through taxation to cover the nation's rising budgetary expenses is growing. It has been demonstrated that automated systems may significantly improve business operations, which can lead to higher revenue collections (Zhou and Madhikeni 2013).

A crucial step toward trying to transform authorities into an organization capable of meeting today's modern world's demands, objectives, and anticipations is finding solutions toward the strategic goals for government (de Wulf and Sokol, 2015). This study was conducted to determine the moderating function of political influence in the link between automated management systems and revenue development in the county governments of Kenya's Lake Region Economic Bloc.

## **1.2 Statement of the Problem**

Since the adoption of a new constitution and formation of county governments, a strategic move was made to adopt automated revenue management strategies in order to tremendously transform revenue collection and eventually grow targeted revenues by county governments. When these management strategies are fully employed effectively and efficiently i.e revenue mobilization is optimized, reports are timely, fraud control measures are fully strengthened and monitoring and tracking of transactions is standardized, revenue grows substantially.

Controller of budget report (2021) indicated that in the year ended June 2020 revenue target for the counties from own source was 54.9 billion while actual collection was 35.77 billion which was a decrease from 40.30 billion generated in 2019. In the year ended June 2021, the report also indicated that revenue dropped from 35.77 billion to 34.44 billions. Auditor general report (2019) indicated that Kisii county generated 507,593,030 from county own receipt, out of which only 252,359,854 was banked in the county revenue fund account and the rest was spent at source. The reports indicated big gaps between projected and actual revenue. These calls for the need to have in place effective strategies to ensure counties grow their revenue.

Owidhi (2018) studied the effects of automation strategies on revenue collection of Nakuru County Government, Kenya. The study focused on efficiency, convenience and transparency on

Revenue collection. Using a survey design, the study targeted 132 employees working with revenue department with a sample size of 69 respondents. Data was analyzed by descriptive and inferential statistics. The study did not address the issues of automation management strategies of which the current study will do. The sample size used was not enough hence results may not add up. (Okiro, 2015) studied the consequences of computer controlled tax payment techniques for revenue collection Nairobi County. By use of descriptive design, data was analyzed using both descriptive and inferential statistics. The study failed to focus on monitoring and tracking and fraud control strategies on revenue growth which the current study will do.

The cases of Nakuru, Nairobi, and the report of auditor general indicated big gaps between projected and actual revenue. These calls for the need to have in place effective strategies to ensure counties grow their revenue. Consequently, the aim of this research is to examine the role of political influence in mediating the relationship among automation management techniques and revenue growth in Lake Region economic bloc counties in Kenya.

### **1.3 Objectives of the Study**

#### **1.3.1 General Objective**

The study's overarching goal was to establish the role of automation management strategies on revenue growth of Selected Lake Region economic bloc counties in Kenya, moderating effect of political influence.

#### **1.3.2 Specific objectives**

The Specific Objectives were:

- i. To determine the role of automation management strategies on revenue growth of Selected Lake Region economic bloc counties in Kenya
  - a. To evaluate the impact of revenue mobilization strategy on revenue growth of county

Governments in Kenya.

- b. To investigate the effect of real time report strategy on revenue growth of county governments in Kenya.
  - c. To establish the effect of fraud control strategy on revenue growth of county governments in Kenya.
  - d. To assess the impact of Kenya's county governments' increased revenue on the monitoring and tracking strategy.
- ii. To establish the role of moderating political influence in the connection between automation management techniques and revenue growth in Selected Lake Region economic bloc counties, Kenya.

#### **1.4 Research hypothesis**

H0<sub>1</sub>: Automation management strategies does not affect in a statistically significant way revenue growth of Selected Lake Region economic bloc counties in Kenya

H0<sub>1a</sub>: Revenue mobilization management strategy has no statistically significant effect on revenue growth in the county governments in Kenya

H0<sub>1b</sub>: Real time reports management strategy has no statistically significant effect on revenue growth in the county governments in Kenya

H0<sub>1c</sub>: Fraud controls management strategy has no statistically significant effect on revenue growth in the county governments in Kenya

H0<sub>1d</sub>: Monitoring and tracking management strategy has no statistically significant effect on revenue growth in the county governments in Kenya

H0<sub>2</sub>: Political influence has no statistically significance moderating role in the relationship between automation management strategies and revenue growth in the county governments in Kenya

## **1.5 Significance of the Study**

To the County and National governments, the study is beneficial in that as they are increasingly exploring methods and systems to modernize and improve revenue collection it assists them come up with the best system components.

This study is crucial to the general public and country government as findings sheds light on the extent to which the automated revenue collection systems has streamlined revenue collection processes and build public trust.

The study contributes to knowledge as addition to already available literature on automation management strategies, revenue growth and political influence. Conclusions, recommendations and suggestions made from the study findings forms a basis for future researchers to identify gaps.

## **1.6 Scope of the Study**

The current study focused on automated management strategies on revenue growth, the moderating role of political influence with specific reference in; revenue mobilization, real time reports, fraud controls and monitoring and tracking management strategies. The study targeted the county treasury department which encompasses of accounts, audit and revenue collection employees. The study was conducted in the 13 out of which 7 had automated revenue collection systems namely; Kisii, Nyamira, Kisumu, Kericho, Bomet, Kakamega and Homa-Bay. The study took this population (7/13) purposively because they had automated their systems and are well informed about automation management strategies and revenue growth. A descriptive case design was adopted. The study used questionnaire to collect data from the field for analysis purposes. The study's sample size was 259 participants.

The study area, as part of Kenya's 47 counties having to work within an identical legal framework, provided a framework of what was occurring in most of Kenya's counties, so the study results c

an be extrapolated across all counties in Kenya.

### **1.7 Limitations of the study**

The study concentrated on the role of government influence as a moderator in the relationship among automated management techniques and profitability in the selected lake region economic bloc county governments. The respondents may have feared to provide full information on the topic being considered sensitive.

### **1.8 Delimitations of the study**

The investigation looked at the role of influence and power in mediating the relationship among both automated management techniques and revenue growth. The selected lake region economic bloc county governments, Kenya only at the time of the study, the researcher made inferences for use of study findings so as to reach other people and counties outside the scope of study. The research study informed Participants were informed that the data was only for educational purposes. Respondents who may have feared to provide full information on the topic being considered sensitive.

### **1.9 Assumptions of the Study**

The investigation assumes the selected County governments have adopted automated revenue collection system and that all staff has been trained on how to use it. In addition, the study assumes that, the questionnaire items meet the identified research and the questionnaire completion freely without any fear. Finally, the researcher assumed that, the study covered the period of three months as scheduled on the work plan.

### **1.10 Operationalization definition of terms**

<b>Term</b>	<b>Definition</b>
<b>Automation management</b>	Is the act of changing the way revenue is collected from manually to a more automatic system like use of electronic machines or gadgets in



<b>Strategy</b>	revenue Collection
<b>Boda boda</b>	Means of transportation service by use of motorbikes
<b>Fraud control</b>	Is said to be an a system feature that ensures that no fraudulent activity takes place in reference to revenue collection
<b>Monitoring and tracking</b>	Is a check and balance of all staff from the time of reporting on duty, transactions performed during the day and reporting of the same in the system.
<b>Political influence</b>	Is the effects caused by the super position of politicians
<b>Real time reports</b>	Are auto generated reports that are given or provided as soon as they are demanded e.g. incomes for the day
<b>Revenue growth</b>	Is the increase in county revenue from own source from one financial year to the other
<b>Revenue Mobilization</b>	Is said to be a form of campaign pulling together all taxpayers to ensure they Pay taxes promptly

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Theoretical Review**

##### **2.1.1 The McKinsey 7S Model**

Robert Waterman and Tom Peters established or created the McKinsey 7S model for the first time in the 1978–1980 period. It is a model of organizational effectiveness that is applied in organizations to examine the environment and determine whether it is accomplishing the goals it was designed to. The McKinsey 7S model is a comprehensive approach to organizational design that affects the overall direction of the business (Karami, 2015). Peters and Waterman's "Search of Excellence" was adopted by management consulting firm McKinsey as a fundamental tool. The model suggests that managers should consider the following seven fundamental parts to guarantee that a plan is successfully implemented. Strategy, organization, systems, style, personnel, shared values, and competencies are examples of these. Failure to properly consider any of these interconnected aspects is the first step toward failure. 2017 (Manage).

The theory assumes that: there are seven factors which determine organizational performance. Management can examine the effects of varying company culture, policies, strategies, structure, and technology on the organization. Each of these seven elements and their relationships with one another can be examined and analyzed (Karami, 2015).

The model has been criticized in that it does not explain the concept of organizational performance or effectiveness also it is said to have lacked enough empirical evidence to support its explanation. It ignores the importance of external environment that also may affect organizational performance like political influence (Manage, 2017).

This model is so significant in this study since it addresses issues to do with improving performance, analyzing and evaluating the future states of an organization taking into account of changes and in providing a recommendation for implementation of a strategic plan of action.

### **2.1.2 Resources Based View Theory**

Penrose initially proposed the resource-based perspective, often known as resource-advantage theory, in 1959. He argued that in order To convert a short-term comparative benefit into a long-term competitiveness, resources must be diverse and non-overlapping completely transferable (Barney, 2001).

The theory holds that a corporate can be fruitful in a highly competitive sector if it can capitalize on advantageous resources. The theory also assumes that all the resources of the firm or organization are or should be heterogeneous and immobile in terms of capability and skills from organization to the other (Kuipers, 2013)

Resource-based perspective theory detractors cite (Ministry of Planning, 2010). Other concerns include the theory's limited ability to predict outcomes, the undeveloped role of product marketplaces, and how multiple resource configurations might provide the same amount of value for the company without providing a competitive advantage. Because other factors also have an impact on performance, the argument that we should use beneficial resources is invalid. Finding resources that fulfill all organizational characteristics is likewise challenging (Heady, 2014).

This theory is pertinent to the research that it addresses organizational recourses used to put good infrastructure in place like that of networks, power also affects the operation of the centers. Introduction of automation and the shifts session has led to challenges experienced in revenue mobilization. Therefore, it is critical to have tools that can assist you. be used to strengthen infrastructures, purchase and installation of the automated tax collection systems that will make

revenue mobilization attainable and eventually revenue growth.

### **2.1.3 Organizational Change Management Theory**

The first stage in any transformation endeavor that is to be effective is to communicate the knowledge of the need for change (Shiralkar, 2016). Organizations go through a number of stages when they undergo change, according to the theory behind organizational management change. The various steps of the change process or the results of the management organization's transformation may then be linked to different strategies to promote change (Burnes, 2011).

The theory is predicated on the following assumptions: Managers can plan, organize, and control the change process to ensure that the desired performance outcomes are achieved. Leading or managing change is a formal, rotational, and structured process, and managers can plan, organize, and control the change process to ensure that the desired performance outcomes are achieved. The best way to achieve change and there is on particular methodology that can be applied in all circumstances. Managers can choose to intervene at any level when planning and implementing organizational change (Kuipers et al, 2013).

The critiques of Change management theory base their arguments on the following aspects: Misunderstanding accountability to hope, establishing a mirror rather than a target, failing to account for external context, not confirming the theory's plausibility, it's not quantifiable and cannot be calculated at all (Higgs, 2011).

The theory is applicable in the event of determining or establishing how an idea of how change can happen or when the intended impacts are in longer terms and information about is needed to inform decisions.

## **2.2 Empirical literature review**

### **2.2.1 Revenue mobilization management strategy and revenue growth**

Djawadi (2013) investigated the effects of tax mobilization and the influence of budget spending on tax growth. The study used a controlled laboratory environment to examine how trust in authority affected tax growth. To definitely disentangle any effects from factors that have been linked to tax growth from previous studies, the study used control laws for tax education, risk perception, income, and effort expended to earn the income that taxpayers reveal truthfully or underreport to the tax authority. The design of the study was a case study. When complete transparency on public expenditures is provided, as well as when taxpayers are given the opportunity to participate in the decision-making process, non-parametric statistical analyses and multivariate regressions clearly demonstrate that tax growth is higher in tax systems with low authority by offering total transparency on governmental spending and giving citizens the option to choose how their money are used. Growth does not alter when authorities are more trusted since there is a strong tax authority in place, which is shown in high audit rates. The findings have significant policy ramifications since even the ability of expressing preferences for budgetary expenditure has an impact on tax growth. The descriptive design and correlation analysis used in the current study were not used in this investigation.

In Zimbabwe, SMEs' attitudes and mobilization regarding tax growth were examined by Nyamwanza et al. in 2014. This is because, even though it's true that the informal sector has exceeded the state industry as Zimbabwe's largest employer, it does not contribute significantly to the government's coffers. due to the operators' collapse to enhance their tax deposits. A descriptive survey design was used to conduct the study of 50 Gweru-based retail establishments. Data were gathered by using interview schedules as a tool. Descriptive statistics like means and percentages were used to examine the data. The investigation discovered that little is being done

to enforce growth, that tax education is at the legal level, and that manual management of taxes has led to an increase in corruption. The research suggested that authorities use radio, television, and booklets, which were proven to be effective at increasing mobilization. To improve awareness of tax requirements and growth, the Zimbabwe Revenue Authority (ZIMRA) should also provide business people with more formal tax education. In order to break the ties of corruption, the current study employed automated mobilization in the form of teaching taxpayers. Inferential statistics were employed to make judgments.

Gitaru (2017) investigated how taxpayer mobilization affected Kenya's tax growth. An analysis of the Nairobi Central Business District's SME sector. Using descriptive analysis, data was examined. The study's findings demonstrated that stakeholder involvement, electronic taxpayer education, and print media taxpayer education all affect SMEs in Nairobi's CBD's tax revenue growth. With a correlation value of 0.810, the study came to the conclusion that stakeholder sensitization is favorably associated to taxpayer education to accurately compute tax growth. According to the report, persons concerned in tax concerns require knowledge and abilities to comprehend the many tax rules and regulations in order to increase their tax growth. Inferential analysis was not taken into account in the study, which the current study has used.

### **2.2.2 Real time reports management strategy on revenue growth**

The implications of timely reporting and tax growth on small and medium-sized businesses in Nigeria were examined by Modugu (2014). In this study, the real-time tax growth for SMEs in Nigeria is examined. In measuring the tax growth costs, the total of internal growth costs, external growth costs, and incidental expenses (including bribery/psychological costs) associated with the various tax collected by SMEs in Nigeria were used. According to one study, the average price of SMEs' overall tax increase in Nigeria is approximately N 108,594 per year. with numbers ranging from N 14,500 to N 725, 000. The average TCC for smaller SMEs was determined to be N219,

601 per year, compared to N123, 047 for bigger SMEs, indicating the existence of tax costs regressive in Nigeria. In Nigeria, SMEs that export have greater tax growth costs than SMEs that don't export. In order to lower the tax growth expenses incurred by SMEs in Nigeria, we advise tax growth simplicity and incentives.

The variables impacting the adoption of the i-tax online system by small and medium-sized firms (SMEs) in Westlands, Nairobi County, were the subject of study done by Murigu (2017), who also produced a research project on the topic. In an effort to enhance revenue administration, particularly for Small and Medium-sized Enterprises, major revenue administration changes have been championed by tax authorities across the world (SMEs). Due to their high prevalence and the informal character of their operations, SMEs present issues for tax administration. As a result, there are several options for tax avoidance. The increased use of information and communications technology by the tax authorities is a crucial component of the changes to revenue administration. The study had three specific goals: I to determine how SMEs' internet access influences their system adoption; II to ascertain how SMEs' notions of the i-Tax online system influence their system adoption; and III to ascertain how the i-Tax system knowledge and technical proficiency of SMEs affects their system adoption. The research was intended to be descriptive in nature. There were 120 SMEs in Westland as a whole, out of which 73 SMEs were chosen as the sample size. The surveys were completed by 62 of the sample's respondents, which represents an 85% response rate. The SMEs believed that the I-Tax online system was beneficial based on the study's findings. The survey also discovered that the SMEs believed their privacy would not be violated if they used the online method. Furthermore, the internet approach would make the process of submitting tax returns simpler. The majority of SMEs, according to the report, used the internet in-house and thought the service's monthly cost was reasonable. However, it was discovered that the expenses of purchasing and maintaining computer hardware were rather considerable.

Additionally, it was challenging to secure funding for the business's critical Information Technology (IT) infrastructure.

Gabriel (2012) investigated the impact of bookkeeping reports evaluation on financial performance. The purpose of the study was to investigate the impact with double entry results on financial performance. The study included 70 participants from Norway University. The study found out that double entry reporting is used to analyze expenditure and income. Therefore, there is connection between book keeping reports and financial performance but the study never accepted the accounting control practices and financial accountability.

Lfedolapo (2012) investigated the impact of financial statements on business growth. The study used descriptive statistics and found out that role of accounting records had more percentage on financial performance. The coefficient of correlations indicated that there is positive connection between accounting records and financial performance of the company. The practices of book keeping improve efficiency of financial performance from operating activities. It revealed that book keeping is important for financial services in determination of financial income and expenditure. However, the research failed to investigate the impact of automated real time reports and revenue growth.

Ikechukwu (2012) carried out a study of timely records and financial performance. The study used adopted survey design with 345 respondents from manufacturing firms in Nigeria. The study used analysis of variance with coefficient of determinations. The study's findings revealed a significant correlation between disclosures and firm financial results. Financial reports demonstrate the progression of accurate income statement. The study revealed that accounting keeping records gives complete income statements, it concluded that group account record



improve efficiency of decision making in seeking to enhance financial performance of companies but the study did not analyze the effect of accounting automated reports in relations to the effect of revenue growth which this study will discuss.

Bititei (2011) studied the effect the relationship between appraisal performance and timely accounting records in Canadian firms. The study used combination descriptive research design. The study employed 113 respondents from wholesale shops. To establish the results of the study, a simple method of stratified sampling was used. the descriptive statistics and correlations. The study indicated that accounting records affect appraisal performance of shops. The findings from the study show that performance is the capacity to increase accounting standard in relations to performance. Book keeping analyze financial statement from comparing books of accounts which is used to deal with financial positions in a given period. The use accounting books provide simple analytical information of financial performance of the company for managerial decision making but the study did not discuss the effect of real time reports and revenue growth which is discussed by this study.

Avaro (2015) studied the effect of financial reports on book keeping in Japan. The cross sectional survey design and correlation analysis were used in the study. The goal of the study was to determine whether there was a correlation between financial performance and reporting implications in 17 Japanese companies. There were 78 negative correlations found in the study, proving that there is no connection between financial implications and financial performance. The study revealed that most firms ensure accurate reports are made to control and analyze theoretical nature of accounting entries put in practice. Therefore, there is connection between reporting implication and financial accountability which was evaluated by this study.

Reedain (2014) conducted research on the contribution of real time reports in the financial

performance in India, New Delhi University. The study's goal was to determine how policy recording accounts and performance affected each other. The study used case study design from 2010 to 2012 and published records of accounts. The study also used regression analysis and correlations. The study discovered a substantial beneficial connection among timely reports and achievement. The preparation of budgets depends on the entry of accounting records from accounting framework. The study failed to agree on the effect of real time reports on revenue growth which was assessed by this study.

Guay and Weber (2013) examined research on the impact of timely reporting on financial performance. The study adopted descriptive statistics from 74 sampled respondents selected at random. The study's research showed that there existed a correlations effect in most of the organization had adopted accounting entries to detect fraud. Responsibility predicts average error of accounting entries of the organization. This leaves a gap that needs to be filled. This study therefore focused on this gap of defining the effect of real time reports on revenue growth.

Kantor (2005) analyzed the development of quality management reports and book keeping in china. The study aims to establish the development of automated management reports on book keeping. The study found that the principle of management of reports has changed the adoption of bookkeeping in various practices. The study has indicated that some quality management like costing systems and marginal costing has not been highly favored through business information systems. The study emphasized on limitation of real time recording costs for sound bookkeeping enabling accounting practices. The study did not analyze the accurate method of providing financial reports and accountability. Automation management strategy enables managers to get relevant –real time information for meaning financial reporting and decisions.

### **2.2.3 Fraud control strategy management strategy on revenue growth**

Njenga and Osiemo (2013) looked at how fraud control management affected the effectiveness of organizations with a focus on deposit-taking microfinance institutions in Kenya. The study's direction was determined by the following precise goals, together with anti-fraud laws, corporate governance guidelines, fraud control tools, and internal control systems, as well as their impact on the performance of Kenya's deposit-taking microfinance firms. The study used stratified sampling, and the sample was made up of members of the top management, middle level management, and lower level management of the eight deposit-taking microfinance companies' head offices. Both primary and secondary data were employed in the investigation. While main data was gathered from the respondents using a semi-structured questionnaire, and secondary data from the CBK (2012) report. Analyses were done both qualitatively and quantitatively. According to the report's results, the majority of companies had anti-fraud measures in place. The analysis found that the institutions' anti-fraud policies and codes of conduct policies are different and distinct from one another. Employees of the institution received anti-fraud training, and management provides staff updates on the incidence and expense of fraud. The results also showed that the institutions have rules and procedures that are written down and properly conveyed to all workers, and that personnel are aware of what constitutes fraud in all deposit-taking microfinance products, Anti-fraud policies have a significant impact on how well a business performs.

Munyua (2013) concentrated on operational response techniques for Kenyan commercial banks' management of payment card fraud. All KCDCA members were surveyed as a component of the study. This was deemed appropriate given that KCDCA member banks play an important role in implementing measures aimed at avoiding payment card theft and in issuing cards that are accepted globally. Descriptive statistics and correlation analysis were used to analyze the data.

Commercial banks, according to the survey, have used a variety of operational measures to reduce payment card fraud, protect cardholder data, and monitor and respond to events that compromise occur. To combat payment card fraud, Kenyan commercial banks employ a variety of operational response techniques, such as enabling strong authentication, providing chip and pin cards, sending transaction notifications, complying with PCIDSS, and deploying fraud prevention and detection systems. The tactics are used in different ways, which explains why, as of October 2013, only a few banks in Kenya supply chip cards or have real-time fraud control tools. The study, however, was limited since it only looked at credit card theft.

The efficiency of the fraud prevention measures used by Co-operative Bank of Kenya Limited was examined by Wanyama (2012). An in-depth analysis of the efficiency of the Co-operative Bank of Kenya's fraud response tactics was the goal of this case study. Using an interview guide, the primary data was gathered. The interview guide's open-ended questions made it possible for the researcher to gather comprehensive qualitative data. Continuous prose was used to convey the facts. Interviews with each of the six potential managers resulted in a 100% response rate. The investigation came to the conclusion that ineffectual tactics are inadequate for combating fraud. The scope of the study was restricted because it only looked at one bank.

A fraud control strategy was carried out by Kimani (2011) for the Barclays Bank of Kenya. The research sought to increase the Bank's understanding of fraud as well as to offer prevention, detection, reporting, and resolution procedures. According to the author, fraud costs the ordinary firm on average 5-7% of its yearly gross income. The most prevalent kind of fraud is the theft of assets, which might include cash, tangible goods, and/or services. The majority of scams are discovered thanks to information submitted by either customers, suppliers, or insiders.

Omondi conducted a study on the effects of forensic accounting expertise on fraud control, detection, and preventative measures in Kenyan commercial banks (2013). The goal of this study was to identify the primary areas where forensic accounting operations are used by examining how they influence fraud prevention and detection among Kenyan commercial banks, the most common type of fraud. A questionnaire was chosen as the study's preferred data collection strategy. According to study results, using forensic accounting services improved fraud detection and prevention. 47 participants were selected from 16 Kenyan commercial banks for the study, which used a descriptive research survey methodology. With the aid of social science statistical software, the data was examined. (SPSS). According to the study's findings, banks' use of forensic accounting services increased fraud prevention in commercial banks, with the largest application being to improve the quality of financial reporting. Fraudulent expenditure claims were the most frequent kind of fraud in the banking industry.

#### **2.2.4 Monitoring and Tracking management strategy on Revenue Growth**

In order to determine how monitoring and tracking designs affect banks' capacities Ewa and Udoayang (2012) conducted research on employee fraud, worker lifestyle, as well as fraud detection in Nigeria. Thirteen Nigerian banks were surveyed using a Four Point Likert Scale to gather data, which was then examined with the aid of percentages and ratios. The study's findings on how monitoring affects employee attitudes toward fraud show that a good internal control mechanism discourages staff fraud, whereas a subpar one exposes the system to fraud and provides staff members with the opportunity to commit fraud. The study came to the conclusion that the banking industry needs an internal control system that is effective and efficient to reverse the downward trend. The research consequently advised banks in Nigeria to modernize their internal control plans and pay close attention to the staff members' personal habits since this might be a symptom of fraud.

In Nairobi, Kakucha (2009) assessed the effectiveness of the existing monitoring and control measures. Between September 2007 and June 2009, the quantitative study was carried out, utilizing a sample of 30 small businesses from the National Social Security Fund (NSSF) Register of Kenya. Primary information from the managers was gathered through interviews with the small company's management and a review of internal control-related documents. According to the study, there are problems with the monitoring and control systems, varying in severity from one organization to another. The majority of the organizations assessed lacked both an appropriate information flow and a risk analysis, which are essential components of monitoring and control. The study also showed that little knowledge existed among the sample population about what made up an efficient system of monitoring and control. It was also found that there is a negative correlation between an enterprise's age and the effectiveness of its monitoring and control system as well as a negative correlation between an enterprise's resource holdings and the shortcomings of its monitoring and control system. It was advised that forums and seminars be used to educate small business owners on what makes for an efficient and successful system of monitoring and management.

Using a sample of fifty (50) NGOs, Michina (2011) conducted research on the effects of monitoring and tracking on the operational effectiveness of NGOs in Nairobi. A questionnaire with both open-ended and closed-ended questions was used to collect the data. The study found that the top management makes decisions on how funds obtained from donors and other financiers are to be allocated and dispersed to the beneficiaries, which means that monitoring and tracking in the NGOs based in Nairobi are greatly influenced by the organizational structure. Additionally, the second-ranked monitoring and tracking aspect impacting NGOs' operational effectiveness was financial management. As a result, NGOs with sound financial management were discovered to be in a position to draw in a variety of funding sources for their activities, necessitating the

efficient use of the resources at their disposal. NGOs with well-organized organizational structures also have well-organized policies and processes for carrying out operations. The results also shown significantly improved operational effectiveness. The results also demonstrated that large, well-known NGOs had significantly improved operational efficiency, which prompted funding partners to watch and follow these organizations.

According to Wainaina's (2011) research on the Kenya Polytechnic University College's monitoring and tracking functions, management must rely on monitoring techniques in place of being physically present at the scene of operations in order to carry out decisions and control the activities for which she would ultimately be responsible. In light of this, it is believed that the management of corporate resources requires the deployment of effective monitoring systems. Any organization's management creates internal control processes to distribute, oversee, and ensure the efficient use of resources in order to achieve the overall corporate goals. Monitoring systems were discovered to be critical for preventing and detecting fraud as well as protecting the institution's both intangible and tangible assets. This is accomplished by appropriate documentation and authorization procedures.

### **2.2.5 Political influence on revenue growth**

Alam et al. (2012) conducted research on the impact of politics on German revenue growth. The study concentrated on political influence, which is defined as actual power or authority over political, economic, or administrative decision-making in the administration of resources and governmental affairs. The survey methodology was used in the study, and the sample size was 67 SMEs. Descriptive and non-linear statistics were utilized in the investigation. According to the study, politics has an impact on revenue development since shareholders' assigned resources are managed skillfully. Revenue growth shows effective company governance, whereas slow growth

shows inconsistent application of corporate governance standards. There is no drive for economic growth and sustainable development without effective government.

Feld & Frey (2012) investigated how political sway affected multinational corporations' revenue growth in Nigeria. The study used a descriptive design, and correlation and linear regression analysis were used to examine the data. The study looked at research-hypothesized literature from the target of 27 listed manufacturing companies. According to the study, trust and power are thought to interact intricately with one another. Power may enhance trust, but it can also erode it. For example, authorities who are powerless to stop tax evasion may be seen as less trustworthy since they cannot stop abuse of the tax system. Furthermore, the use of force could be ineffective in a cooperative environment where cooperation is synergistic. It could even have an unforeseen effect.

Allen and Ng (2000) investigated the links between political sway and economic expansion in Africa's emerging nations between 1964 and 2014. 32 nations were sampled for the study using a survey approach. Findings showed a strong correlation between political party preferences and economic opinions such contentment with economic inequality or the belief that an economic system is ineffective.

In Kenya, the consequences of politics, tax changes, and economic growth were examined by Evans and Andersen in 2016. Design for a case study was used. Non-linear regression analysis and multi-segment regression were used for data analysis. The study discovered that political choices had a significant influence on lay economic perceptions. Consumer emotion also connects political and economic concerns: individuals who connected with political parties that had chances of winning the next elections tended to boost consumer confidence.

### **2.3 Summary of research gaps**



Djawadi (2013) studied the Impact of Tax mobilization and Budget Spending Influence on Tax growth. The study used case study design. Non-parametric statistical analyses as well as multivariate regressions were used. The current study will adopt descriptive design and correlation analysis which this study failed to use.

Nyamwanza *et al* (2014) analyzed SMEs' Attitudes and mobilization toward Tax Growth in Zimbabwe. Using descriptive survey design, the research was done on 50 businesses in the retail sector in Gweru. Interview schedules were used as a tool for gathering data. Thus the current study uses automated mobilization in form of educating taxpayers and cut links of corruption. Inferential statistics will be used to draw conclusions.

Gitaru (2017) investigated the effects of taxpayer involvement on Kenyan tax growth. All SMEs in the Nairobi CBD Tax area were targeted. Data was gathered by distributing pretested survey questions to the owners of SMEs. The descriptive method was used to analyze the data. The previous study did not include inferential analysis, which will be used in the current study.

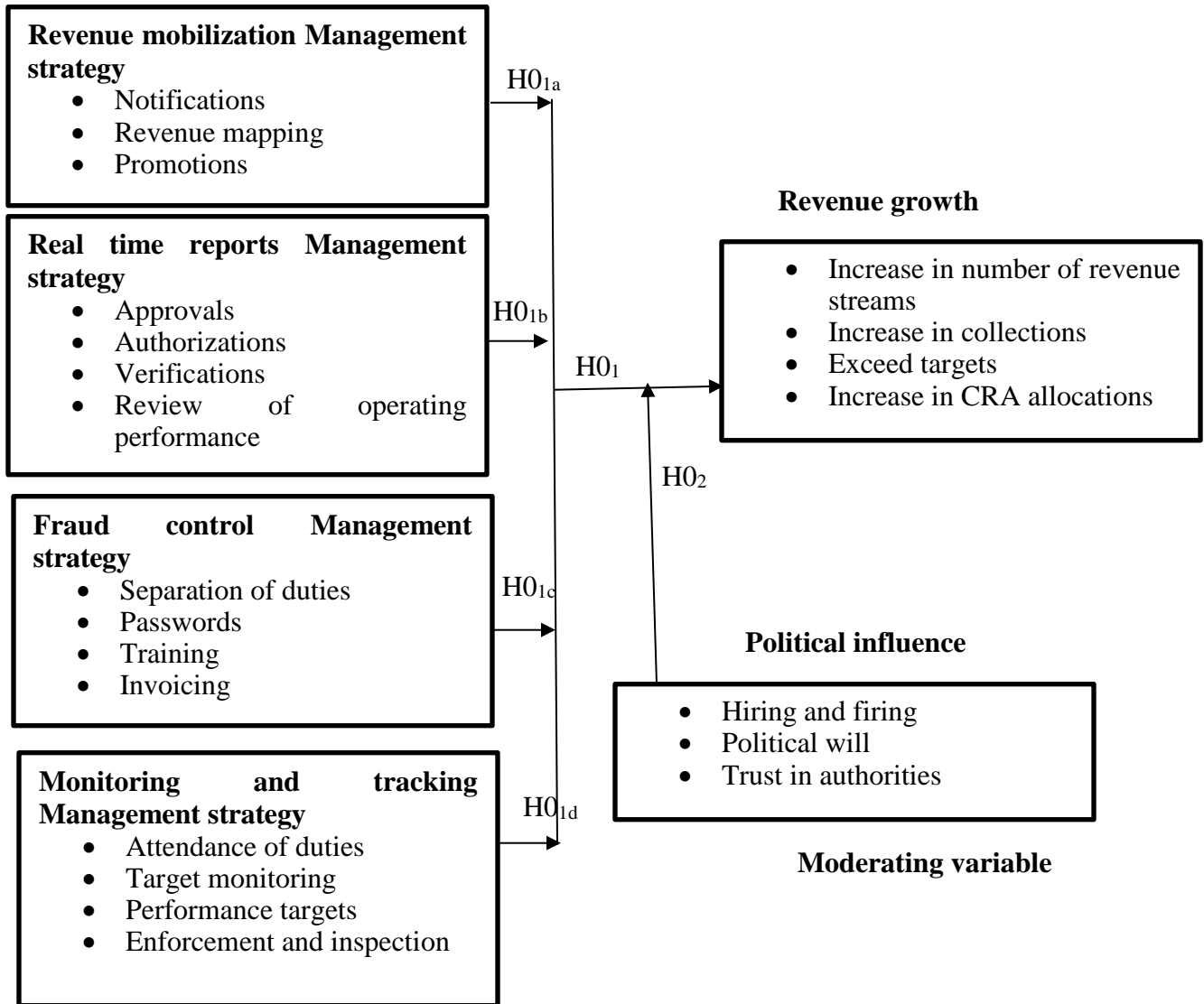
Bititei (2011) studied the effect the relationship between appraisal performance and timely accounting records in Canadian firms. The study used combination descriptive research design. The study employed 113 respondents from wholesale shops. To determine the results of the study, a simple method of stratified sampling was used. descriptive statistics and correlations, but the study did not use regression analysis and also failed to discuss the effect of real time reports and revenue growth which is discussed by this study.

## 2.4 Conceptual Framework

**Independent variable**

**Dependent variable**

**Automation Management Strategies**



**Figure 2.1. Conceptual Framework**

**Source: researcher (2022)**

Revenue mobilizations as an automated management strategy that is set to grow revenues do ensure that, clients are given notification reminders through messages to perform their obligation also it performs revenue mapping making it easy for taxpayers to comply, thus revenue mobilization grows collection.

Real time reports on revenue activities or transactions as provided in the revenue collection automated systems ensure that; for every single transaction the system asks for approval, user authorization, verifications of details before actualization and reviewing of operating performance. Thus ensures no cash is collected and not reported in time hence revenue growth.

Association of certified fraud examiner 2010 indicated that a typical organization loses up to 5% of their annual revenue to fraud. This involves matters of billing, expense reimbursement, check tempering payroll and cash at hand of which officers may take advantage of. With automation of revenue systems as a management strategy, there is separation of powers, strong passwords are used, staff training on fraud related and automated invoicing. Controlling all this forms of fraud leads to revenue growth will be attained.

Monitoring and tracking increases revenue, it enables the government to which areas of revenue brings in more or less revenue. This ensures that revenue officers report on duty in time, monitor their targets, and track down performance targets on a daily basis and making enforcement and inspection easy leading to revenue growth. It includes daily reconciliations on banking and track monitor and ensure all collected are banked.

Political influence shows the role of politics in revenue collection which means it can lead to positive or negative results on revenue. Politic plays a key role in county government hiring process while others are fired on the same grounds. Politicians can also interfere legally and illegally with some revenue streams like (Boda Boda) not to pay revenue or pay less. Also they can pass laws regulating on how revenue is being collected and budgets which may or may not allow the usage of automation management strategy to grow revenues.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design**

The research design used in the study was descriptive. The practice of expressing the situation as it is known as a descriptive design. The descriptive research approach was suitable since it explains how to obtain the information under investigation as it is and thoroughly investigate it. It entails questioning the responder about their perceptions of occurrences that they personally experienced (Wambugu, 2016). It is advantageous in that it enables the collecting of substantial amounts of data via questionnaires from the general public (Micheni, 2011).

#### **3.2 Study area**

The study was conducted in the lake region economic bloc county governments. This county consists of: Bomet, Kericho, Nyamira, Kisumu, Homabay, Kisii, and Kakamega Counties. Geographically the study area is located to the western part of Kenya and it will be appropriate since it has the required data for the study. Seven of these counties in this region have adopted automated revenue collection systems thus forming the best population for the study.

#### **3.3 Target population**

The target population is a total population of study elements that were used by the researcher to generalize the result (Wambugu, 2016). The target population was 331 employees comprising of 7 Chief Officers and 38 Directors from treasury, 66 auditors, 103 accountants and 117 revenue officers working with the 7 counties in the lake region economic bloc. The said respondents were selected because they are involved in revenue generation activities.

**Table 3.1 Target population**

<b>Counties</b>	<b>CO</b>	<b>Directors</b>	<b>Auditors</b>	<b>Accountants</b>	<b>Revenue officers</b>	<b>Total</b>
Bomet	1	5	6	11	15	<b>38</b>
Kericho	1	6	8	14	14	<b>43</b>
Nyamira	1	4	11	17	16	<b>49</b>
Kisumu	1	7	9	15	16	<b>48</b>
HomaBay	1	4	12	17	15	<b>49</b>
Kakamega	1	6	13	16	19	<b>55</b>
Kisii	1	6	7	13	22	<b>49</b>
<b>Total</b>	<b>7</b>	<b>38</b>	<b>66</b>	<b>103</b>	<b>117</b>	<b>331</b>

**Source: Lake Region Economic Bloc Counties HRM Records (2022)**

### **3.4. Sample and Sampling Design**

Sampling is method used to select a sample from a general population which represents the whole population. Sampling methods are required to eliminate bias during the selection process. Good sampling can allow for the reduction of cost in gathering samples (Mugenda & Mugenda, 2013).

#### **3.4.1 Sample Size**

A study population is a carefully chosen portion of the population being studied that represents the entire population under study (Wambugu, 2016). A sample is a portion of the population being studied that has been statistically represented (Oso and Onen, 2018). This was determined using Yamane's (1967) formula, which is shown below.

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

Where,

n=Sample Size

N=Populations,

1=Constant

N-population=331,

e-error margin=0.

Resulting to 181

The remaining 30% of the sample size will be introduced as follows to account

for non-response:

$181 + (100/70 \text{ of } 181) = 259$

As a result, 259 people were approached for the study.

**Table 3.2 Sample size**

Counties	CO	Directors	Auditors	Accountants	Revenue officers	Total
Bomet	1	4	5	9	12	31
Kericho	1	5	6	11	11	34
Nyamira	1	3	9	13	12	38
Kisumu	1	5	7	12	12	37
HomaBay	1	3	9	13	12	38
Kakamega	1	5	10	12	15	43
Kisii	1	5	5	10	17	38
<b>Total</b>	<b>7</b>	<b>30</b>	<b>51</b>	<b>80</b>	<b>91</b>	<b>259</b>

Source; Researcher (2022)

### 3.4.2 Sampling Frame

The sample size can be chosen from the following list of sampling elements. A sampling frame is a property that allows the researcher to identify and include every single element in the survey (Saunders, Lewis, & Thornhill, 2009 as cited in Njeru, 2013). The sample frame for this research were all 7 chief officers and sampled employees from 38 directorates, 66 auditors, 103 accountants and 117 revenue officers in the department of treasuries.

### **3.4.3 Sampling procedure**

A procedure is defined as a sequential process that results in the accomplishment of a specific goal. (Mugenda and Mugenda 2003). Choosing the right sources and sampling techniques are essential for any research project. In this case, census sampling will be used for Cos, and a stratified and straightforward random sampling method was used to choose the respondents.

## **3.5 Data collection**

The information that the investigator collected for evaluation in order to draw conclusive results for the study is referred to as data (Mugenda and Mugenda, 2003). This study relied on primary data collected from the field via questionnaires.

### **3.5.1 Instrumentation**

The main data collection instrument was structured questionnaire which consisted of closed ended questions. Questionnaire is used since it collects in-depth information with specific answers. The instrument was to have two sections; section A for demographic information and section B was having study variables in form of a Likert scale. This is with an aim to expose into details the county governments in terms of their aspects of automation management strategies and revenue growth trend.

#### **3.5.1.1 Validity**

The accuracy, significance, and technical soundness of the research instrument are all considered components of instrument validity (Mugenda and Mugenda 2003). Validity was defined as the extent to which a test measures what it is intended to assess by Kimberline and Wintersterine in 2008. In light of this, surveys are considered legitimate when they successfully assess the targeted variables. The researcher consulted university supervisors and experts who proofread the questionnaire and advise on any adjustments that were needed in order to ensure face validity, construct validity, and the research instruments' content validity.

### 3.5.1.2 Reliability

Reliability is the consistency of the assessment, or the degree to which a test consistently measures the same thing when administered to the same subjects and under the same circumstances. (Kimberline and Wintersterine, 2008). A pilot study with 26 (10% sample size) questionnaires was conducted in Uasin-Gishu County. The outcome is shown in table 3.3.

**Table 3.3 Reliability Statistics**

<b>Cronbach's Alpha</b>	<b>No of Items</b>
.785	6

**Source: field data (2022)**



To ensure reliability, the researcher calculated the Cronbach Alpha (measure of internal consistency) Co-efficient and was found to be 0.785 which was accepted as reliable (above .7)

### **3.5.2 Data Collection procedure**

After approval from ascertaining the research authorization letter from the University, the researcher will apply for NACOSTI permit. Copies of the research permit will be supplied to the office of the county commissioners in the six counties to be authorized to carry out a study in those areas. For each county the researcher was to visit the headquarter offices to get the permission to distribute the questionnaires among the employees under study. This means that a sample of 226 respondents will be asked to respond to the study questions.

### **3.6 Data Analysis**

To analyze data, the study will use descriptive statistical methods by use of means, maximum, minimum, percentages and standard deviation and data will be presented inform of tables and figures. To determine the magnitude of the connection between the study variables, a Pearson product-moment correlation evaluation will be used. To test the effect of variables under the following concepts, simple linear and hierarchical regressions were used.

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

Where,

Y =revenue growth

X<sub>1</sub>= revenue mobilization

X<sub>2</sub>=real time reports

X<sub>3</sub>=fraud control

X<sub>4</sub>=monitoring and tracking

$\beta_0\beta_1\beta_2\beta_3\beta_4$ =regression coefficient off our independent variables

$\epsilon$ =error term

Multiple regression analysis was used in the study to determine the mediating role of political influence on the correlation among automation management strategies and revenue growth. The regression model is defined as follows:

$$Y = \beta_0 + Z(\beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4) + \epsilon$$

Where,

Y =revenue growth

$X_1$ = revenue mobilization

$X_2$ =real time reports

$X_3$ =fraud control

$X_4$ =monitoring and tracking

Z= Moderating variable

$\beta_0\beta_1\beta_2\beta_3\beta_4$ =regression coefficient off our independent variables

$\epsilon$ =error term

### **3.7 Assumptions of linear regression**

Diagnostic test will try to establish whether data obtained from the field were normally distributed. This diagnostic test is important because most of the inferential statistics will be based on the assumption that the data on which they are use is normally distributed. The initial data analysis will be performed using the following methods: normality, linearity, homoscedasticity (heteroscedasticity), and mult-collinearity tests.

#### **3.7.1 Normality assumption**

To detect all deviations from normality, normality tests are typically performed using the Kolmogorov-Smirnov test. The normality hypothesis is disproved when the p-value is higher than or equal to 0.05. Wilk and Shapiro (1965) in (Magara, 2020).

#### **3.7.2 Heteroscedasticity assumption**

Heteroscedasticity is a fundamental assumption in the linear regression model. This means that the conditional probability of the disturbance term stays unchanged across all observations, according to Gujarati (2004). That is, the variance of each standard error is the same for all explanatory variable values. Heteroscedasticity refers to the situation in which previous error terms influence other terms, which contradicts hypothesis testing that the error has a constant variance (Ngugi 2014). The park test will be used in the study to detect heteroscedastic problems. A Park Test will be performed to check for Heteroscedasticity. A variable will be declared having no Heteroscedasticity when its value of Park test is less than or equal to 2

### **3.7.3 Multicollinearity Assumption**

Multicollinearity indicates the existence of linear relationship between variables. According to Ahmad (2013), to determine whether or not multicollinearity exists in the study variables, the researcher will employ the use of Variance Inflation Factor (VIF) method. Multicollinearity is said to exist when the value of VIF is more than 4.0. When the value of VIF is less than 4.0, it means that each of the independent variables is testing different concepts.

### **3.7.4 Autocorrelation assumption**

Autocorrelation refers to a situation where the errors are serially uncorrelated (Kimani, 2015). This test will be done by use of Durwin model (Verbeek, 2012).

The research's hypotheses will be tested using the student's t-test while, ANOVA shall be used at the 95% level of significance, test the overall model's significance.

### **3.7.5 Test of linearity**

The linear correlation model is approximately linear. This model is distinguished from simple linear regression by the inclusion of multiple explanatory variables. This is used when the primary outcomes must have a linear correlation to every one of the response variable while accounting for the other response variable (Masira, 2018).

### **3.8 Ethical Consideration**

A questionnaire will be prepared in such a way that there will be no space of naming respondents or requiring them to indicate their names. Further, respondents will be required to act will be treated as optional, this will be informed by their consent and their confidentiality that will be guaranteed, basically explaining the reason for replacing respondents who do not wish to respond to state in the sample size and sample selection above.

The information obtained will be kept confidential and used solely for academic purposes.

## CHAPTER FOUR

### DATA ANALYSIS, INTERPRETATION AND DISCUSSIONS

#### 4.1 Response rate

The response rate is the number of respondents (people) who filled out and returned the study questionnaire as a percentage of the total sample size. Out of the of the 259 questioners administered, 192 were successfully filled and returned in the manner shown in table 4.1

**Table 4.1 Responserate**

	Frequency	Percentage	Cum
Returned	192	74.13	74.13
Unreturned	67	25.87	100
Total	259	100	

**Source: Field data (2022)**

From table 4.1 the field data response rate was 74.13% and non-response was 25.87%, the researcher considered this a significant representation of the study population for analysis and making conclusions. It shows the willingness of the respondents in taking part on the study.

#### 4.2 Respondents demographics

##### 4.2.1 Age of respondents

The study sought out to know the level of productivity and technological knowhow by using the age bracket of the respondents and the result was as represented in table 4.2

**Table 4.2 Age of respondents**

Age bracket	Frequency	Percent	Valid Percent	Cumulative Percent
18-30	46	24.0	24.0	24.0
31-40	43	22.4	22.4	46.4
41-50	54	28.1	28.1	74.5
51and above	49	25.5	25.5	100.0
Total	192	100.0	100.0	

**Source: field data (2022)**

The study revealed in table 4.2 that the majority of the respondents were aged between, 41-50 (28.1%) followed by 51 and above (25.5%), 18 to 30 (24%) and 31 to 40 (22.4%) were the minority. This indicated that most employees were in their productive age bracket and able to understand the issues under study.

#### 4.2.2 Respondents gender

The study looked at the gender of the respondents to ascertain whether counties adhere to the gender quality rule, and the findings are presented in table 4.3.

**Table 4.3 Gender of respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
	female	75	39.1	39.1	39.1
Valid	male	117	60.9	60.9	100.0
	Total	192	100.0	100.0	

#### Source; field data (2022)

Findings from table 4.3 indicated that most employees in the lake region economic bloc counties in the department of revenue collection were male with 60.9% while female occupies 39.1%. This was in line with the 2010 constitution which provide for gender equality.

#### 4.2.3 Level of education

The research aimed at assessing respondents' level of understanding of topical issues by analyzing their educational level, and the results are shown in table 4.4.

**Table 4.4 Education level**

	Frequency	Percent	Valid Percent	Cumulative Percent
certificate	36	18.8	18.8	18.8
diploma	57	29.7	29.7	48.4
undergraduate	72	37.5	37.5	85.9
Valid masters	17	8.9	8.9	94.8
PhD	10	5.2	5.2	100.0
Total	192	100.0	100.0	

**Source: field data (2022)**

From table 4.4 showed that most respondents were found to be holding bachelor's degrees (37.5%) followed by those holding diplomas (29.7%), certificates by (18.8), masters by (8.9%) and lastly those with doctorate degrees by (5.2%). This indicated that respondents had requisite knowledge to answer questions and understanding of the topical matter of research.

#### **4.2.4 Experience**

The research aimed to determine respondents' of experience level in order to determine familiarity with county government income systems, and the results are tabulated in table 4.5.

**Table 4.5 Years of Service at County Government**

	Frequency	Percent	Valid Percent	Cumulative Percent
2 years and below	40	20.8	20.8	20.8
3-5	55	28.6	28.6	49.5
6-8	68	35.4	35.4	84.9
9 and above	29	15.1	15.1	100.0
Total	192	100.0	100.0	

**Source: field data (2022)**



The results indicated that most respondents had an experience of 6 to 8 years (35.4%) followed by those with 3 to 5 years (28.6%), 2 and below years (20.8%) and minority had 9 and above years of experience (15.1%). This indicates that most employees in the field were recruited recently with the inception of county governments hence familiarized with county government revenue setups.

### **4.3 Descriptive analysis**

The study explained the automation management strategies on revenue growth in the selected lake region economic bloc counties in Kenya; moderating effect of political influence. Using a 5 point likert scale, respondents were asked to indicate the extent they agreed or disagreed with given statement concerning the study variables whereby 1 stood for strongly disagreed, 2 for disagreed, 3 neutral, 4 agreed and 5 stood for strongly agreed. Results were tabulated and measured by use of minimum, maximum, means and standard deviation where 1 to 2 means disagreement, 3 neutral and 4 to 5 means agreement with the aspect or statement made regarding the specific variable.

#### **4.3.1 Revenue mobilization**

The goal of the study was to assess how revenue mobilization tactics affected the increase in county government revenue in Kenya. Table 4.6 displays the results of a question asking respondents to rate how much they agreed or disagreed with various aspects of revenue mobilization.

**Table 4.6 Revenue mobilization**

Statement	N	Min	Max	Mean	S.D
Revenue mobilization is achieved through trainings	192	1	5	3.43	1.401
Automated notifications sent to taxpayers at some intervals	192	1	5	3.04	1.365
Revenue is mapped according to a stream and sources	192	1	5	3.66	.964
Taxpayers get motivated paying through a system	192	1	5	3.55	.948
Every shilling collected must be reported and banked daily	192	1	5	3.47	1.087
Valid N(listwise)	192				

**Source: field data (2022)**

The study results in table 4.6 revealed that according to the respondents in the lake region economic bloc were neutral as: revenue in most counties was mapped according to a stream and sources as indicated with a mean of 3.66 and SD of .964. Taxpayers get motivated paying through a system with a mean of 3.55 and SD of .948. Every shilling collected was reported and banked on a daily basis with a mean of 3.47 and SD of 1.087. Revenue mobilization was achieved through trainings with a mean of 3.43 and SD of 1.401 while automated notifications were sent to taxpayers at some intervals scored the lowest with a mean of 3.04 and SD of 1.365. This shows that most counties have adopted the mobilization strategy but the extent of use or implementation is moderated or not fully in use however important it may seem to be.

### 4.3.2 Real time reports

The purpose of the study was to ascertain how much real time reports as an automation management strategy is adopted or used by county governments in the lake region economic bloc to grow their revenues as represented in table 4.7

**Table 4.7 Real time reports**

	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Std. De</b>
Review of operating performance is instant	192	1	5	3.71	1.425
Authorization of every transaction by a designated officials	192	1	5	3.61	1.134
Client verification codes are provided through sms	192	1	5	2.36	1.459
Every transaction must be approved instantly for it to be effective	192	1	5	2.22	1.200
Valid N(listwise)	192				

**Source: field data (2022)**

Table 4.7 indicated that in regard to real time reports generated, respondents were neutral with review of operating performance is instant with a mean of 3.71 and SD of 1.425, and were also neutral with authorization of every transaction being done by designated officials with a mean of 3.61 and SD of 1.134. On the other hand, respondents disagreed with the use or adoption of client verification codes being provided through text messages with a mean of 2.36 and SD of 1.459 and lastly they disagreed with every transaction must be approved instantly for it to be effective with a mean of 2.22 and SD of 1.2. This indicated that there was some aspect of real time reporting used as an automation management strategy to a moderate extent.

### 4.3.3 Fraud control

The study assessed the effect of theft control strategy on revenue growth, and the results were tabulated using mean and standard deviation, as shown in table 4.8.

**Table 4.8 Fraud control**

Aspect of fraud control	N	Min	Max	Mean	Std. Dev
Employees are trained on how to detect system fraudsters	192	1	5	4.08	1.139
The system do auto generate invoices	192	1	5	4.04	1.239
There is separation of roles, duties and responsibilities among county employees within the system	192	1	5	3.41	1.295
To control fraud the system uses strong passwords to access	192	1	5	2.37	1.300
ValidN(listwise)	192				

**Source: field data(2022)**

The study indicated that responded were in agreement that as a strategy of fraud control employees were trained on how to detect system fraudsters with a mean of 4.08 and that the system do auto generate invoices with a mean of 4.04. On the other hand, respondents were neutral with the aspect of separation of roles, duties and responsibilities among county employees within the system with a mean of 3.41. With a mean of 2.37, respondents were opposed to using strong passwords to access the system as a defense against fraud. The study's findings suggested that fraud is used as a controlling strategy.

#### 4.3.4 Monitoring and tracking

The purpose of the study was to assess the level of use of monitoring and tracking strategies in automation management to increase revenue, and the results are shown in table 4.9.

**Table 4.9 monitoring and tracking**

	N	Min	Max	Mean	Std. Dev
Performance targets have been monitored and tracked on a daily basis	192	1	5	4.01	1.206
My attendance to duty has been punctual due to System logs register	192	1	5	3.87	1.139
It has been easy to monitor and track employee Reporting time	192	1	5	3.38	.973
Enforcement and inspections has been made effective	192	1	5	2.66	1.124
Revenue targets have been monitored and tracked Easily in the system	192	1	5	2.03	1.197
Valid N(listwise)	192				

**Source: field data (2022)**

From the study results in table 4.9 it was indicated that performance targets were been monitored and tracked on a daily basis with a mean of 4.01, employee attendance to duty has been punctual due to system logs register with a mean of 3.87, it was easy to monitor and track employee reporting time with a mean of 3.38. However, respondents disagreed to the extent to which enforcement and inspections was been made effective with a mean of 2.66 and Revenue targets being monitored and tracked easily in the system with a mean of 2.03. This indicated that monitoring and tracking strategy was present but not fully implemented.

#### 4.3.5 Political influence

The research sought to determine how much political factors influence revenue growth, and the findings are shown in table 4.10.

**Table 4.10 Political influence**

	N	Min	Max	Mean	Std. Dev
Hiring of county employees is based on political affiliation	192	1	5	4.03	1.075
Political will positively affects tax payers' altitude to pay tax	192	1	5	3.88	1.117
Politics influence regional balance	192	1	5	3.87	1.120
Corrupt governments affects revenue growth	192	1	5	3.71	1.021
Politicians influence collections from some revenue streams	192	1	5	3.70	1.441
Transfers and rotations are based on politics	192	1	5	3.52	.965
Valid N(listwise)	192				

**Source: field data (2022)**

Study result in table 4.10 indicated that hiring of county employees was based on political affiliation with a mean of 4.03, Political will positively affected tax payers' altitude to pay tax with a mean of 3.88, politics influenced regional balance with a mean of 3.87, corrupt governments affected revenue growth with a mean of 3.71, politicians influenced collections from some revenue streams with a mean of 3.70 and transfers and rotations were based on politics with a mean of 3.52. This shows that politics has a role in relation to governance is concern and affects revenue to moderate extent

**4.3.6 Revenue growth**

The study sought to ascertain the rate of revenue growth, and the results are shown in table 4.12.

**Table 4.11 Revenue growth**

	N	Min	Max	Mean	Std. Dev
The county has been able to increase the number of revenue streams	192	1	33	4.19	2.340
Revenue collection has increased over the past	192	1	5	3.76	1.062
Able to increase county revenue allocation	192	1	5	3.51	1.003
We were able to meet revenue set targets	192	1	5	3.15	.852
Valid N(listwise)	192				

**Source; field data (2022)**

The study in table 4.11 indicated that counties were able to increase the number of revenue streams with a mean of 4.19, revenue collection had increased over the past 3.76, were able to increase county revenue allocation with mean of 3.51 and were able to meet revenue set targets with a mean of 3.15. This indicated that revenue growth stagnated despite having strategies in place.

#### **4.4 Inferential analyses**

To draw assumptions The study employed study variables, correlation and multiple regression modeling, as shown below.

##### **4.4.1 Correlation Analysis**

The purpose of the study was to determine the role of political influence in the correlation between automation management strategies and revenue growth. The strength of the relationship between the study variables was assessed at a significant level of 5% using Pearson product moment correlation. The results of the field experiment are displayed in Table 4.12.

**Table 4.12 Correlations analysis**

		RM	RTR	FC	M&T	PI	RW
RM	Pearson Correlation	1					
	Sig.(1-tailed)						
	N	192					
RTR	Pearson Correlation	.035	1				
	Sig.(1-tailed)	.313					
	N	192	192				
FC	Pearson Correlation	.444**	.169**	1			
	Sig.(1-tailed)	.000	.010				
	N	192	192	192			
M & T	Pearson Correlation	.461**	.135*	.798**	1		
	Sig.(1-tailed)	.000	.031	.000			
	N	192	192	192	192		
PI	Pearson Correlation	.475**	.043	.458**	.526**	1	
	Sig.(1-tailed)	.000	.276	.000	.000		
	N	192	192	192	192	192	
RW	Pearson Correlation	.410**	.199**	.313**	.642**	.331**	1
	Sig.(1-tailed)	.000	.003	.000	.000	.000	
	N	192	192	192	192	192	192

\*\* . Significant correlation exists at the 0.01 level(1-tailed).

\* . Significant correlation exists at the 0.05 level(1-tailed).

**Source: field data (2022)**

Table 4.12 did reveal that revenue mobilization had a positive and significant moderate relationship with: fraud control ( $r=.444$ ;  $p<.05$ ), monitoring and tracking ( $r=.461$ ;  $p<.05$ ), political influence ( $r=.475$ ;  $p<.05$ ) and revenue growth ( $r=.410$ ;  $p<.05$ ). However, the relationship with real time reports was positive, weak and insignificant ( $r=.035$ ;  $p>.05$ ). Real time reports had a weak positive significant relationship with: fraud control ( $r=.169$ ;  $p<.05$ ), monitoring and tracking ( $r=.135$ ;  $p<.05$ ) and revenue growth ( $r=.199$ ;  $p<.05$ ). However, the relationship with political influence was weak positive but insignificant ( $r=.043$ ;  $p>.05$ ). Fraud control had a strong positive and significant relationship with monitoring and tracking ( $r=.798$ ;  $p<.05$ ), moderate positive and significant relationship with political influence ( $r=.458$ ;  $p<.05$ )



and weak positive and significant relationship with revenue growth ( $r=.313; p<.05$ ). Monitoring and tracking had a positive moderate and significant relationship with political influence ( $r=.526; p<.05$ ) and revenue growth ( $r=.642; p<.05$ ) and finally political influence had a weak positive significant correlation with revenue growth ( $r=.331; p<.05$ ).

#### **4.4.2 Diagnostic tests**

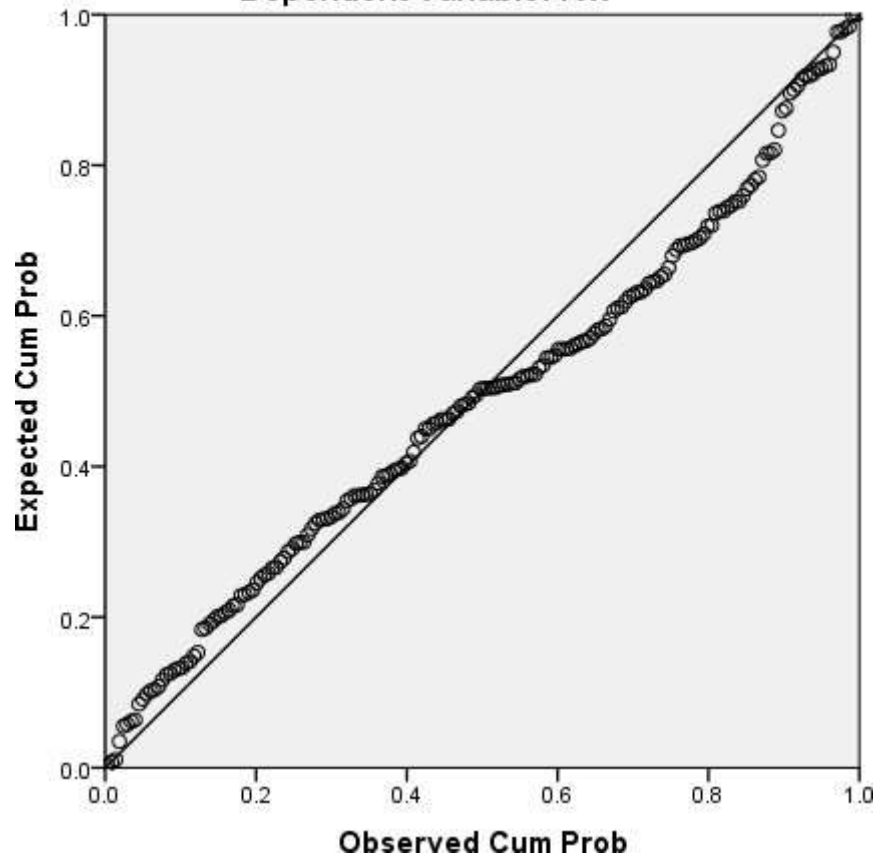
Before performing the actual regression analysis, the regression hypotheses (linearity, homoscedasticity, and normality) were tested. The data supported all of the assumptions, including linearity, which indicated the existence of a causal connection among the dependent variable (revenue growth) as well as the independent variable (automation management strategies), collinearity, which assessed the homoscedasticity for variation in the population with a constant error term, the independence of the explanatory variables, and the normality of revenue growth and error terms. The following were the test results:

##### **4.4.2.1 Normality Test**

The revenue growth and error terms' normality assumptions were tested by projecting a predicted probability plot. When the residuals of a regression distribution is normal, normality exists. When the predict variables have a straight line relationship with the outcome variable, the relationship is said to be linear, as illustrated in the figure below.

### Normal P-P Plot of Regression Standardized Residual

Dependent Variable: RW



**Figure 4:1 Normal plot**

From the figure 4.1, it is determined that there was normal distribution by confirming to the diagonal normality line, as a result, the error terms were assumed to be from a normally distributed population.

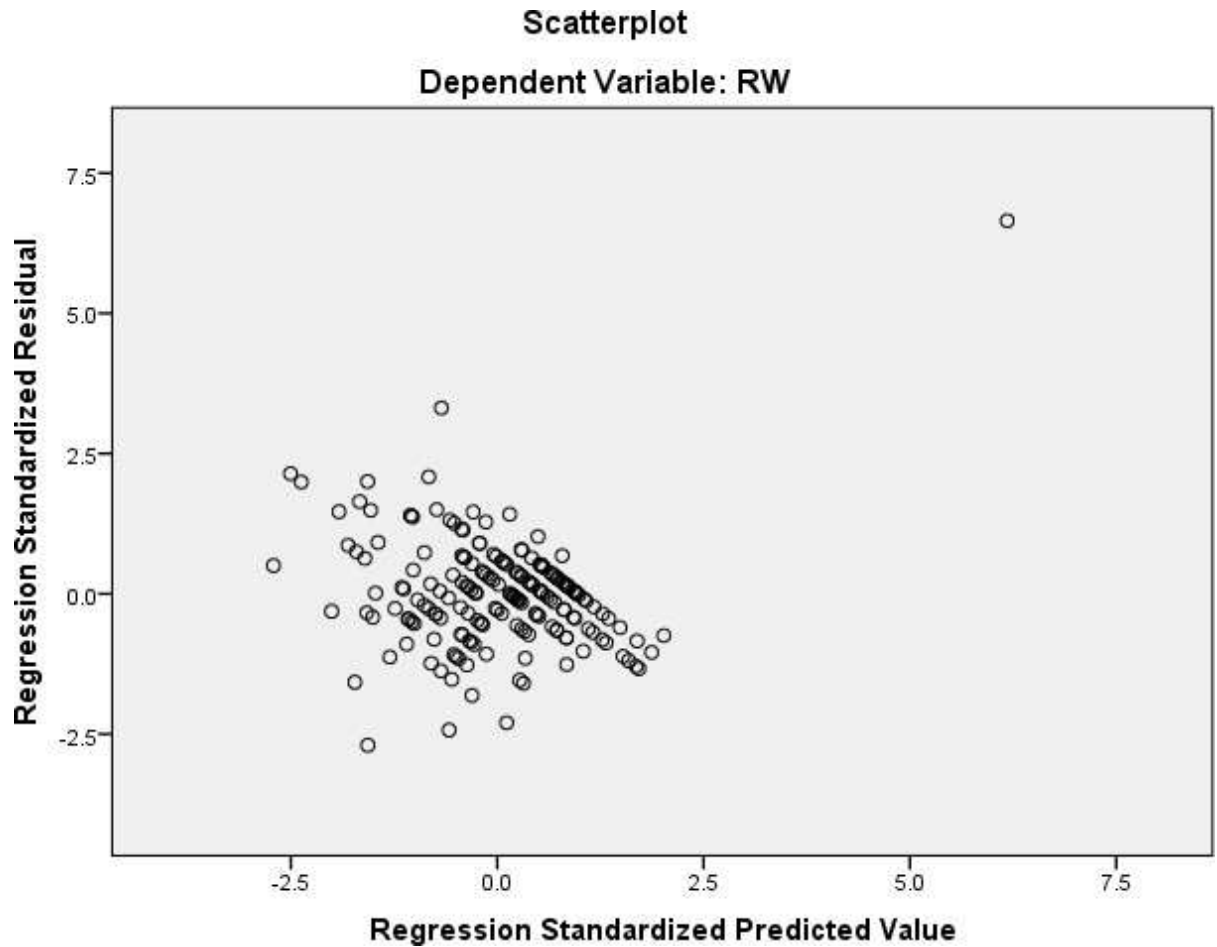
#### 4.4.2.2 Homoscedasticity Test

If data looks like a shotgun blast of randomly dispersed data, it is said to be homoscedastic.

Heteroscedasticity is the inverse. It tests whether the residuals are equally distributed or they

tend to bunch together at some value and other values spreader a part (homogeneity of variance).

The results were as in the following figure.



**Figure 4.2 Homoscedascity**

Figure 4.2 showed that the residuals were equally distributed and tended to bunch together at some point or values hence the assumption of homoscedascity is ascertained to prove that error was from a normally distributed data.

**4.4.2.3 Multicollinearity Assumption**

Multicollinearity refers to when the predictor variables are highly correlated with each other which leads to incorrect inferences. It can be measured by use of correlation coefficients or Variance Inflation Factors (VIF). Multicollinearity is said to exist when Pearson correlation coefficient is above .8 (strongly correlated) which was not the case. By use of VIF should be below 10 and the best case is below 5 as shown in table 4.13

**Table 4.13 Multicollinearity Coefficients<sup>a</sup>**

Model	Collinearity Statistics		
		Tolerance	VIF
1	RM	.770	1.299
	RTR	.969	1.032
	FC	.352	2.844
	M&T	.349	2.864
	RM	.701	1.427
2	RTR	.969	1.032
	FC	.351	2.847
	M&T	.327	3.058
	PI	.654	1.530

**Source: field data (2022)**

Dependent Variable: revenue growth

From the results, it is indicated that  $VIF < 5$  and tolerance  $> .1$  this means that each of the independent variables tested different concepts.

#### **4.4.3 Simple Regression Analysis**

A regression analysis was carried out to assess the impact of automation management techniques on revenue growth, as well as the moderating role of political impact.

##### **4.4.3.1 Revenue Mobilization**

The research sought to ascertain the effects of resource mobilization on revenue growth in Kenya's Lake Region economic bloc. The stated null hypothesis was  $H_0$ : Revenue mobilization management strategy has no statistically significant effect on revenue growth in the county governments in Kenya. To measure this effect, the study used simple linear regression with the

stated model  $Y = \beta_0 + \beta_1 X_1 + \varepsilon$  and the results were as shown in the tables below.

**Table 4.14 Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.410 <sup>a</sup>	.168	.163	.741

**Source: field data (2022)**

a. Predictors:(Constant), RM

Results in table 4.14 found that 16.8% of revenue growth was explained by revenue mobilization while the rest 83.2% can be explained by other factors.

To determine the model fitness and hypothesis testing the study used ANOVA analysis and the result were as in table 4.19

**Table 4.15 ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	21.015	1	21.015	38.312	.000 <sup>b</sup>
1	Residual	104.217	190	.549		
	Total	125.231	191			

**Source: field data (2022)**

a. Dependent Variable: RW

b. Predictors:(Constant), RM

The results in table 4.15 showed that, using the F test, F calculated (F=38.312) was greater than F critical (3.89) and was found to be significant (p.05), indicating that the model was fit to measure the effect of independent variable on dependent variable and that revenue mobilization had a statistically significant effect on revenue growth, indicating that the stated null hypothesis was rejected. The study also concurred with that of Nyamwanza *et al* (2014) who argues that tax mobilization through education enhances understanding of tax obligations and leads to growth. Also Gitaru (2017) indicate that taxpayer education, print media, stakeholder engagement does

influence tax growth and recommended that stakeholder sensitization is positively related to the taxpayer education and should be utilized and more resources but in to facilitate the same. To determine the effect of revenue mobilization on revenue growth the study used regression coefficients and results were as shown in table 4.16

**Table 4.16 Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.912	.286		6.680	.000
1 RM	.507	.082	.410	6.190	.000

**Source: field data (2022)**

a. Dependent Variable: RW

Results in table 4.16 revealed that when revenue mobilization is increased by one unit, revenue growth increases by 41%. Hence the simple regression model resulted was  $Y=1.912+.41X_1+\varepsilon$

#### **4.4.3.2 Real time report**

The study sought to determine the effects of real time reports on revenue growth in Lake Region economic bloc, Kenya. The stated null hypothesis was  $H_{02}$ : real time reports management strategy has no statistically significant effect on revenue growth in the county governments in Kenya. To measure this effect, the study used simple linear regression with the stated model  $Y=\beta_0+\beta_2X_2+\varepsilon$  and the results were as shown in tables 4.17, 4.18 and 4.19

**Table 4.17 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.199 <sup>a</sup>	.040	.034	.796

**Source: field data (2022)**

a. Predictors:(Constant), RTR

Results in table 4.17 indicated that 4% of revenue growth was explained by revenue mobilization while the rest 96% can be explained by other factors out of the scope.

The study used an ANOVA analysis to determine the model's fitness and conduct hypothesis testing, and the results are shown in table 4.18.

**Table 4.18 ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	4.948	1	4.948	7.816	.006 <sup>b</sup>
1	Residual	120.284	190	.633		
	Total	125.231	191			

**Source; field data (2022)**

a. Dependent Variable: RW

b. Predictors:(Constant), RTR

The result indicates F calculated (F=7.816; F, critical 3.89: P<.05) and was significant this shows that the model was fit to measure the effects of real time reports management strategies on revenue growth. On the same basis the null hypothesis was rejected. This implied that real time reports had a statistically significant effect on revenue growth. Several studies have supported these sentiments for instant Murigu (2017) found that online filling would ease tax returns process, cost cutting, do not infringe taxpayers' rights and gives timely reports that led to revenue growth.



To determine the effect of real time reports on revenue growth and the model the study used Regression coefficients and results were as shown in table 4.19

**Table 4.19 Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.399	.452		5.306	.000
1 RTR	.421	.151	.199	2.796	.006

**Source: field data (2022)**

a. Dependent Variable: RW

Results in table 4.19 revealed that when real time reports are increased by one unit, revenue growth increases by 19.9% leading to  $Y = 2.399 + .199X_2 + \epsilon$  was the explaining model.

#### 4.4.3.3 Fraud control

The study sought to ascertain the impact of fraud control on profitability in Kenya's Lake Region economic bloc. The stated null hypothesis was  $H_{03}$ : Fraud control management strategy has no statistically significant effect on revenue growth in the county governments in Kenya. To measure this effect, the study used simple linear regression with the stated model  $Y = \beta_0 + \beta_3 X_3 + \epsilon$  and the results were as shown in tables 4.20, 4.21 and 4.22

**Tables 4.20 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.313 <sup>a</sup>	.098	.093	.771

**Source: field data (2022)**

a. Predictors:(Constant), FC

Results in table4.20 indicated that 9.3% of revenue growth was explained by revenue mobilization

while the rest 90.7% can be explained by other factors.

To determine the model fitness and hypothesis testing the study used ANOVA analysis and the result were as in table 4.21

**Tables 4.21 ANOVA<sup>a</sup>**

<b>Model</b>		<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
	Regression	12.272	1	12.272	20.642	.000 <sup>b</sup>
1	Residual	112.959	190	.595		
	Total	125.231	191			

**Source: field data (2022)**

a. Dependent Variable: RW

b. Predictors:(Constant), FC

The result indicates F calculated (20.642; F-critical 3.89  $p < .05$ ) and was significant this shows that the model was fit to measure the effects of fraud control on revenue growth and that fraud control had a statistically significant effect on revenue growth thus the stated null hypothesis was rejected. In support of these findings, Omondi (2013) indicated that forensic fraud control led to increased claim prevention and enhanced the quality of financial performance.

To determine the model showing effect of fraud control on revenue growth the study used regression coefficients and results were as shown in table 4.22

**Tables 4.22 Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.129	.340		6.263	.000
1 FC	.442	.097	.313	4.543	.000

**Source: field data (2022)**

a. Dependent Variable: RW

Results in table 4.22 revealed that when fraud control is increased by one unit, revenue growth increases by 31.3% resulting into a new model as  $Y = 2.129 + .313X_3 + \varepsilon$

**4.4.3.4 Monitoring and tracking**

The study sought to determine the effects of monitoring and tracking on revenue growth in Lake Region economic bloc, Kenya. The stated null hypothesis was  $H_{02}$ : monitoring and tracking management strategy has no statistically significant effect on revenue growth in the county governments in Kenya. To measure this effect, the study used simple linear regression with the stated model  $Y = \beta_0 + \beta_4 X_4 + \varepsilon$  and the results were as shown in tables 4.23, 4.24 and 4.25

**Table 4.23 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.642 <sup>a</sup>	.413	.410	.622

**Source: field data (2022)**

a. Predictors:(Constant), M&amp;T

Results in table 4.23 found that 41.3% of revenue growth was explained by monitoring and control while the rest 58.7% can be explained by other factors out of study scope.

To determine the model fitness and null hypothesis tested the study used ANOVA analysis and the result were as in table 4.24

**Table 4.24 ANOVA<sup>a</sup>**

	<b>Model</b>	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
1	Regression	51.682	1	51.682	133.511	.000 <sup>b</sup>
	Residual	73.549	190	.387		
	Total	125.231	191			

**Source: field data (2022)**

a. Dependent Variable: RW

b. Predictors:(Constant),M&amp;T

The result in table 4.24 indicates F (133.511; F-critical;3.89  $p < .05$ ) and was significant this shows that the model was fit to measure the effects of monitoring and tracking management strategies on revenue growth since critical F was less that calculated F. On the same note the stated null hypothesis was rejected that implied that monitoring and tracking had a statistically significant effect on revenue growth in Lake Region economic counties bloc, Kenya. In support of these findings Ewa et al (2012) effective and efficient monitoring systems are necessary to prevent the malice hence increase revenue in the banks. Wainaina (2011) found that monitoring systems had significant role in the detection and prevention of fraud as well as the safeguarding of corporate assets to determine the effect of monitoring and tracking on revenue growth and its model the study used regression coefficients and results were as shown in table 4.25

**Table 4.25 coefficients<sup>a</sup>**

<b>Model</b>	<b>Unstandardized Coefficients</b>		<b>Standardize d Coefficients</b>	<b>t</b>	<b>Sig.</b>
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>		
(Constant)	.879	.244		3.601	.000
1 M&T	.784	.068	.642	11.555	.000

**Source: field data (2022)**

a. Dependent Variable: RW

Results in table 4.25 revealed that when monitoring and tracking is increased by one unit, revenue growth increases by 64.2%. 35.8% of revenue growth can be attributed to other factors outside the scope of study. The study model was  $Y = .879 + .642X_4 + \varepsilon$

#### 4.4.4 Multiple regression analysis

The general objective for this study was to establish the role of automation management strategies on revenue growth of Selected Lake Region economic bloc counties in Kenya. The stated null hypothesis  $H_{01a}$ : Automation management strategies had no statistically significant effect on revenue growth of Selected Lake Region economic bloc counties in Kenya. The hypothesis was tested in the following model  $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$  and the result were as indicated in table 4.26

**Table 4.26 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.760 <sup>a</sup>	.578	.569	.532

a. Predictors:(Constant),M&T,RTR,RM,FC

**Source: field data (2022)**

The result indicated that automation management strategies had a strong positive relationship with revenue growth (R is .76). The study model also indicated that 57.8% of revenue growth is determined by automation management strategies while 42.2% will be determined by other factors out of the study scope.

The model's fitness was assessed using ANOVA, and the results are shown in table 4.27.

**Table 4.27 ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	72.405	4	18.101	64.077	.000 <sup>b</sup>
	Residual	52.826	187	.282		
	Total	125.231	191			

a. Dependent Variable: RW

b. Predictors:(Constant),M&T,RTR,RM,FC

**Source: field data (2022)**

The result indicates F calculated 64.077; F-critical 1.97;  $p < .05$ ) and was significant this shows

that the model was fit to measure the effects of automation management strategies on revenue growth. The said null hypothesis was dismissed because the calculated F was greater than the F critical. This indicates that strategies for managing automation were found to significantly affect revenue growth.

To determine the effects of independent variable on the dependent variable regression coefficients were generated and the result was as shown in table 4.28.

**Table 4.28 Regression Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
	(Constant)	.379	.374		1.013	.312
1	RM	.260	.067	.210	3.879	.000
	RTR	.336	.102	.159	3.289	.001
	FC	-.876	.113	-.620	-7.746	.000
	M&T	1.245	.098	1.019	12.682	.000

a. Dependent Variable: RW

**Source: Field data (2022)**

The result indicated that holding all other factors constant revenue growth was at 37.9% (.379). An increase in one unit of revenue mobilization led to 21% increase in revenue growth and was significant. Increase in one unit of real time report led to 15.9% increase in revenue growth and it was found to be significant. An increase in one unit in fraud control led to a decrease in revenue growth by 62% and was significant. An increase in one unit monitoring and tracking led to 101.9% of revenue growth and was significant. Due to this, a multiple regression model was created to demonstrate how automation management strategies affected revenue growth.

$$Y = .379 + .21X_1 + .159X_2 - .62X_3 + 1.019X_4 + \varepsilon$$

#### **4.4.5. Hierarchical regression analysis**

The purpose of the research was to find out the significance of political clout in the connection between automation management strategies and revenue growth. The null hypothesis stated that political influence had no statistically significance moderating role in the relationship between

automation management strategies and revenue growth in the county governments in Kenya. Hierarchical regression analyses is of the model  $Y=\beta_0+Z(\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4)+\epsilon$  was conducted to measure this effect and gave the following results.

**Table 4.29 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.760 <sup>a</sup>	.578	.569	.532
2	.761 <sup>b</sup>	.579	.568	.532

**Source: field data (2022)**

b. Predictors:(Constant), PI, RTR, RM, FC, M&T

The result indicated that 57.8% of revenue growth is determined by automation management strategies and 42.2% will be determined by other factors. On the other side automation management strategies having been moderated by political influence determines 57.9% of revenue growth and 42.1% was determined by other considerations outside the study's limits.

Table 4.34 shows the results of an analysis of variance to determine model fitness.



**Table 4.30 ANOVA 2<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	72.405	4	18.101	64.077	.000 <sup>b</sup>
	Residual	52.826	187	.282		
	Total	125.231	191			
2	Regression	72.547	5	14.509	51.225	.000 <sup>c</sup>
	Residual	52.684	186	.283		
	Total	125.231	191			

**Source: field data (2022)**

a. Dependent Variable: RW

b. Predictors:(Constant),PI,RTR,RM,FC,M&T

The result indicated that the model was fit to determine the effect of dependent variable, moderating variable and independent variable ( $F= 51.225$ ,  $F\text{-critical}1.88$   $P.<05$ ).  $F$  calculated was greater than  $F$  critical and was significant thus the stated null hypothesis was rejected. This implied that political influence had a significant role in the relationship between automation management strategies and revenue growth in Lake Region economic bloc counties in Kenya. Several studies have found links among political view and economic domains like economic views and opinions or consumer sentiment. Allen and Ng (2000) discovered, for example, that political party preferences were closely related to economic beliefs such as perceived inefficacy in a capitalist model or satisfaction with economic inequalities. Ngotho & Kerongo, (2014) stated that successful implementation of automation however requires more than just a system, but creation of an intelligent automation strategy that matches the goals and objectives of your firms. It should fuel the strategic process, creation of systems and identify appropriate tools for work. Though the process is quite critical it requires political will and positive political influence and engagement of employees for them to buy it in.

According to Feld and Frey (2012), trust and power are supposed to interact in a complex way. Power can build trust, but it can also destroy it: authorities who are unable to use force to combat tax evasion may be perceived as less dependable because they are unable to prevent tax evasion. Alam (2012) found that politics affects tax revenue growth insignificantly. Also Evans (2016) indicated that economic perceptions were strongly affected by political preferences. Finally, Allen (2000) did indicate that politics is closely related to economic performance or non-performance.

The goal of the study was to identify the theoretical framework that best explains how political influence influences the relationship between automaton management techniques and revenue growth. The outcomes of the multiple regression study are shown in table 4.31.

**Table 4.31 Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.379	.374		1.013	.312
	RM	.260	.067	.210	3.879	.000
	RTR	.336	.102	.159	3.289	.001
	FC	-.876	.113	-.620	-7.746	.000
	M&T	1.245	.098	1.019	12.682	.000
2	(Constant)	.430	.382		1.128	.261
	RM	.275	.070	.222	3.908	.000
	RTR	.334	.102	.158	3.263	.001
	FC	-.873	.113	-.618	-7.706	.000
	M&T	1.263	.102	1.034	12.435	.000
	PI	-.045	.064	-.042	-.709	.479

a. Dependent Variable: RW

Source: field data (2022)

The result indicated that holding all other factors constant, revenue growth was at .43 (40%). Revenue mobilization when increased by one unit led to .222 increases in revenue growth. One-unit increase in real time reports led to .158 increases in revenue growth. One-unit increase in fraud control led to .618 decreases in revenue growth. And increase in monitoring and tracking by one unit led to 12.435 increases in revenue growth.

$$Y = .43 + .275X_1 + .334X_2 - .873X_3 + 1.263X_4 - .045Z + \varepsilon$$

**Table 4.32 Summary of hypothesis testing**

S/N	Hypothesis	F test	Rule
		Significance	
H0 <sub>1</sub>	Automation management strategies has no statistically significant effect on revenue growth in the county governments in Kenya	P<.05	Rejected
H0 <sub>1a</sub>	Revenue mobilization management strategy has no Statistically significant effect on revenue growth in the county governments in Kenya	P<.05	Rejected
H0 <sub>1b</sub>	Real time reports management strategy has no statistically significant effect on revenue growth in the county Governments in Kenya	P<.05	Rejected
H0 <sub>1c</sub>	Fraud controls management strategy has no statistically significant effect on revenue growth in the county Governments in Kenya	P<.05	Rejected
H0 <sub>1d</sub>	Monitoring and tracking management strategy has no statistically significant effect on revenue growth in the County governments in Kenya	P<.05	Rejected
H0 <sub>2</sub>	Political influence has no statistically significance moderating role in the relationship between automation management strategies and revenue growth in the county Governments in Kenya	P<.05	Reject

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Summary of research findings

The study sought to assess the effects of automated management strategies on revenue growth, the moderating role of political influence in Lake Region economic bloc counties in Kenya. Specifically, the study focused on; revenue mobilization, real time reports, fraud controls and monitoring and tracking management strategies. The study targeted the county treasury department which encompasses of accounts, audit and revenue collection employees. The study was conducted in the 13 out of which 7 have automated revenue collection systems namely; Kisii, Nyamira, Kisumu, Kericho, Bomet, Kakamega and Homa Bay. The study took this population because they are well informed about automation management strategies and revenue growth. A descriptive case design was adopted.

Demographically The majority of respondents, according to the study, were between the ages of 41 and 50 and those aged between 31-40 were the minority. Also it was found that most employees in the lake region economic bloc counties in the department of revenue collection were male with 60.9% while female occupies 39.1%. Most respondents were found to be holding bachelor's degrees while those with doctorate degrees were the least. Lastly the results indicate that most respondents had an experience of 6 to 8 years while few had 9 and above years of experience.

Assessing the impact of revenue mobilization strategy on the expansion of county governments' revenue was the study's primary goal. The study results revealed that revenue in most counties was mapped according to a stream and sources. Taxpayers get motivated paying through a system. Every shilling collected was reported and banked on a daily basis. Revenue mobilization

was achieved through trainings while automated notifications were sent to taxpayers at some intervals scored the lowest. Revenue mobilization had a positive and significant relationship with fraud control, monitoring and tracking, political influence and revenue growth. However, the relationship with real time reports was positive but weak and insignificant. An increase in one unit of revenue mobilization led to the rise in revenue growth was significant, so the null hypothesis was rejected.

The study was conducted to find out the effect of real time report strategy on revenue growth of county governments in Kenya. It was found that in regard to real time reports generated, respondents were neutral with review of operating performance is instant, and were also neutral with authorization of every transaction being done by designated officials. On the other hand, respondents disagreed with the use or adoption of client verification codes being provided through text messages and lastly they disagreed that every transaction must be approved instantly for it to be effective. Real time reports had a positive significant relationship with fraud control, monitoring and tracking and revenue growth. The relationship with political influence was positive but insignificant. The study found that responded were in agreement that as a strategy of fraud control employees were trained on how to detect system fraudsters and that the system do auto generate invoices. On the other hand, respondents were neutral with the aspect of separation of roles, duties and responsibilities among county employees within the system. However, respondents disagreed with the use of strong pass words in accessing the system as a way of controlling fraud. The study results indicated that fraud controlling strategies were adopted. Fraud control had a positive and significant relationship with monitoring and tracking, political influence and revenue growth. An increase in one unit of fraud control led to a decrease in revenue growth and was significant. This led to a rejection of the null hypothesis.

The study sought to evaluate the effect of the monitoring and tracking strategy on revenue

growth of county governments in Kenya. From the data analyzed study found that performance targets were been monitored and tracked on a daily basis, employee attendance to duty were been punctual due to system logs register, it was easy to monitor and track employee reporting time. However, respondents disagreed to the extent to which enforcement and inspections was been made effective and Revenue targets being monitored and tracked easily in the system. Monitoring and tracking had a positive and significant relationship with political influence and revenue growth.

The study sought to establish the moderating role of political influence in the relationship between automation management strategies and revenue growth in Selected Lake Region economic bloc counties, Kenya. The study found that hiring of county employees was based on political affiliation, Political will positively affected tax payers' altitude to pay, politics influenced regional balance, corrupt governments affected revenue growth, politicians influenced collections from some revenue streams and transfers and rotations were based on politics. Political influence had positive significant correlation with revenue growth. With the role of political influence, revenue mobilization when increased by one unit led to increase in revenue growth and was significant. One-unit increase in real time reports led to increase in revenue growth and was significant. One-unit increase in fraud controlled to decrease in revenue growth

and it was found to be significant. And lastly increase in monitoring and tracking by one unit led to increase in revenue growth and it was indicated as significant.

## **5.2 Conclusions**

The study sought to assess the effects of revenue mobilization strategy on revenue growth in the lake region economic bloc. From the study findings it was concluded that revenue in most counties was mapped according to streams and sources and also taxpayers were motivated by paying through an automated tax system. The study also concluded that revenue mobilization had a positive and significant relationship with fraud control, monitoring and tracking, political influence and revenue growth. Lastly the study concluded that revenue mobilization had a statistically significant positive affect revenue growth.

The study also sought to determine the effects of real time reports on revenue growth in Lake Region economic bloc counties. From the descriptive analysis, the study concluded that there were instant reviews done for operating performance. Study also concluded that real time reports had a positive significant relationship with fraud control, monitoring and tracking and revenue growth. The relationship with political influence was positive but insignificant. Finally, the study concluded that real time reports had a statistically significant positive effect on revenue growth.

Thirdly the study sought to examine the effect of fraud control strategy on revenue growth in the lake region economic bloc counties. Based on descriptive analysis the study did conclude that employees were trained on how to detect system fraudsters. Correlation analysis concluded that fraud control had a positive and significant relationship with monitoring and tracking, political influence and revenue growth. And finally from regression analysis it was concluded that fraud control had a statistically significant negative effect on revenue growth.



The study also sought to find out the effects of monitoring and tracking strategy on revenue growth in Lake Region economic bloc counties in Kenya. The study concluded that: performance targets were being monitored and tracked on a daily basis, monitoring and tracking had a positive and significant relationship with political influence and revenue growth. Also monitoring and tracking had a statistically significant positive effect on revenue growth.

Finally, the study sought out to establish the effects of automation management strategies on revenue growth in Lake Region economic bloc counties in Kenya, the moderating role of political influence. The study concluded that: hiring, transfers and rotations of county employees were based on political affiliation. Political influence had positive significant correlation with revenue growth. Political influence has statistically insignificant negative effect in the relationship between automation management strategies and revenue growth in selected lake region economic bloc counties in Kenya. The research therefore

### **5.3 Recommendations**

#### **5.3.1 Recommendations for policy**

On revenue mobilization strategy on revenue growth the study recommended that counties should encouraged to adopt automated systems as a mean of motivating taxpayers hence increasing revenue collection hence revenue growth. On real time reports and revenue growth the study recommended that systems should be improved to enhance instant approval of every transaction. Based on fraud control, the study recommended that strong passwords should be developed for used to avoid illegal access to the systems as a way of controlling fraud. Finally, on monitoring and tracking, the study recommended that revenue targets to be set in a way that they can be monitored and tracked easily in the system. The role of political influence indicated that hiring of county employees was based on political affiliation while transfers and rotations were based on political affiliations and the study recommended that this should be done based on

merits.

### **5.3.2 Further study**

The study focused on automation management strategies on revenue growth in selected lake region economic bloc in Kenya with reference with the role of political influence. The study proposes a further study to be done on factors affecting taxpayer capacities on revenue growth. Further study can be conducted on other management strategies that are related to revenue growth and also a similar study can be done on other counties apart from lake region economic bloc.

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## **APPENDICES**

### **APPENDIX I: INTRODUCTION LETTER**

To whom it may concern,

County government

PO Box,

Kenya

Dear Sir/Madam

#### **RE: REQUEST FOR PERMISSION TO COLLECT DATA**

I am Otuke Wishlay a student from Kisii University pursuing a Masters' Degree in Business Administration (Strategic management option). I humbly ask for permission to carry out my research, which is necessary for the degree, on the moderating effect of political influence in the relationship between automation management strategies and revenue growth in Lake Region economic bloc county governments. I ask for permission to use a structured questionnaire to gather information from your employees. The information gathered will only be used for academic purposes and will be handled with the utmost discretion.

I believe that my request will be taken into account. Many thanks

**Yours faithfully**

**Otuke Wishlay**

## APPENDIX II: QUESTIONNAIRE

Please indicate whether you strongly disagree, disagree, don't know, agree, or agree with a strong majority by checking the corresponding box. For the purposes of this study, your name and other forms of identification are not required.

### SECTION A: PERSONAL INFORMATION

#### 1. Age:

18-30 years ( )      31-40 ( )      41-50 Years ( )      51and above ( )

2. Gender:      Female ( )      Male ( )

#### 3. Education Level

Certificate ( )      Diploma ( )      undergraduate ( )  
masters ( )      PhD ( )

#### 4. Years of Service at County Government

2 years and below ( )      03-05 years ( )

06- 08 years ( )      Above 9 years ( )

## SECTION B: REVENUE MOBILIZATION MANAGEMENT STRATEGY

Please rate your agreement with the following statements regarding revenue mobilization strategies on a scale of 1 strongly disagree, 2 disagree, 3 disagree, 4 agree, and 5 strongly agree using a five-point likert system.

No.	Statement	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
1	Revenue mobilization is Achieved through trainings					
2	Automated notifications sent To taxpayers at some intervals					
3	Revenue is mapped according to a stream and sources					
4	Taxpayers get motivated Paying through a system					
5	Every shilling collected must Be reported and banked daily					

### SECTION C: REALTIME REPORTS MANAGEMENT STRATEGIES

On five point likert please indicate the extent to which you agree with the following statements on real time reports strategies where 1 strongly disagree, 2 disagree, 3 neutral, 4 agree and 5 strongly agree

No.	Statement	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
1.	Every transaction must be Approved instantly for it to be effective					
2.	Authorization of every transaction by a designated officials					
3.	Client verification codes are Provided through sms					
4	Review of operating Performance is instant					

**SECTION D: FRAUD AND CONTROL MANAGEMENT STRATEGY**

Please rate your agreement with the following statements regarding fraud and control strategy on a scale of 1 strongly disagree, 2 disagree, 3 disagree, 4 agree, and 5 strongly agree using a five-point likert system.

<b>No.</b>	<b>Statement</b>	<b>Strongly Disagree</b> <b>1</b>	<b>Disagree</b> <b>2</b>	<b>Neutral</b> <b>3</b>	<b>Agree</b> <b>4</b>	<b>Strongly Agree</b> <b>5</b>
1	There is separation of roles, duties and responsibilities among county employees within the system.					
2	To control fraud, the system uses Strong passwords to access					
3	Employees are trained on how to Detect system fraudsters					
4.	The system generates invoices					



## SECTION E: MONITORING AND TRACKING MANAGEMENT STRATEGY

Please rate your agreement with the following statements regarding the monitoring and tracking strategy on a scale of 1 strongly disagree, 2 disagree, 3 disagree, 4 agree, and 5 strongly agree using a five-point likert system.

No.	Monitoring and tracking strategy	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
1	My attendance to duty has been punctual due to system logs register					
2.	Revenue targets have been monitored and tracked easily in the system					
3.	Performance targets have been monitored and tracked on a Daily basis					
4	It has been easy to monitor and Track employee reporting time					
5.	Enforcement and inspections Has been made effective					

**SECTION F: POLITICAL INFLUENCE**

Please rate your agreement with the following statements regarding political influence strategy on a scale of 1 strongly disagree, 2 disagree, 3 disagree, 4 agree, and 5 strongly agree using a five-point likert system.

<b>No.</b>	<b>Political influence</b>	<b>Strongly Disagree 1</b>	<b>Disagree 2</b>	<b>Neutral 3</b>	<b>Agree 4</b>	<b>Strongly Agree 5</b>
1	Hiring of county employees is Based on political affiliation					
2	Politics influence regional balance					
3	Political will positively affects taxpayers' altitude to pay tax					
4	Corrupt governments affects Revenue growth					
5	Transfers and rotations are Based on politics					
6	Politicians influence collections from some revenue streams					

**SECTION G: REVENUE GROWTH**

Please rate your agreement with the following statements regarding revenue growth on a scale of

1 strongly disagree, 2 disagree, 3 disagree, 4 disagree, 5 disagree, and 5 strongly agree.

<b>NO</b>	<b>Statements</b>	<b>Strongly Disagree 1</b>	<b>Disagree 2</b>	<b>Neutral 3</b>	<b>Agree 4</b>	<b>Strongly Agree 5</b>
1	The county has been able to increase the number of Revenue streams					
2	Revenue collection has Increased over the past					
3	We were able to meet Revenue set targets					
4	Able to increase county Revenue allocation					

**Thank you**

**APPENDIX III: AUTHORIZATION LETTER**

  
**KISII UNIVERSITY**

P. O. Box 408-40200  
KISII, KENYA.  
[www.kisiiuniversity.ac.ke](http://www.kisiiuniversity.ac.ke)

Telephone : 020 2610479  
Facsimile : 020 2491131  
Email : [commerce@kisiiuniversity.ac.ke](mailto:commerce@kisiiuniversity.ac.ke)

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**SCHOOL OF BUSINESS AND ECONOMICS**  
OFFICE OF THE COORDINATOR, POST-GRADUATE PROGRAMMES

Ref: KSU/SBE/CBM12/10082/10

Monday, 1<sup>st</sup> August, 2022.

The Director,  
National Commission for Science, Technology &  
Innovation (NACOSTI)  
NAIROBI.

Dear Sir,

REF: APPLICATION FOR A RESEARCH PERMIT FOR WISLAY OSEKO  
OTUKE REG. NO. CBM12/10082/10.

The above named is An MBA student in our institution who intends to carry out a Research. The intended study is titled; "Role of Automation Management Strategies on Revenue Growth of Selected Lake Region Economic Bloc Counties in Kenya: Moderating effect of Political Influence."

The purpose of this letter is to request you to give him a research permit to enable him conduct the research.

Thank you,


  
01 AUG 2022

Dr. Joshua Wafula, PhD  
COORDINATOR, POST-GRADUATE PROGRAMMES






JW/ab

---

KISII UNIVERSITY IS ISO 9001:2008 CERTIFIED



**APPENDIX IV: NACOSTI PERMIT**

 <b>REPUBLIC OF KENYA</b>	 <b>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY &amp; INNOVATION</b>
Ref No: <b>542973</b>	Date of Issue: <b>17/August/2022</b>
<b>RESEARCH LICENSE</b>	
	
<p><b>This is to Certify that Mr.. WISLAY OSEKO OTUKE of Kisii University, has been licensed to conduct research in Bomet, Kisii, Kisumu, Migori, Nyamira, Siaya, Uasin-Gishu, Vihiga on the topic: ROLE OF AUTOMATION MANAGEMENT STRATEGIES ON REVENUE GROWTH OF SELECTED LAKE REGION ECONOMIC BLOC COUNTIES IN KENYA: MODERATING EFFECT OF POLITICAL INFLUENCE for the period ending : 17/August/2023.</b></p>	
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## INTERNATIONAL JOURNALS OF ACADEMICS & RESEARCH (IJARKE Business & Management Journal)

### Influence of Automation Management Strategies on Revenue Growth of Selected Lake Region Economic Bloc Counties in Kenya

Wishlay Otuke, Kisii University, Kenya  
Dr. Charles Momanyi, Kisii University, Kenya  
Dr. Josephine Ondari, Kisii University, Kenya

#### Abstract

The purpose of this study was to find out the effects of automation management strategies on revenue growth of Selected Lake Region economic bloc counties in Kenya. Specific objectives were; to establish the effects of revenue mobilization strategy; to determine the effects of real time strategy; the study was guided by McKinsey 7S Model, resource based view theory and organizational change management theory. Descriptive research design approach was used. The study covered 7 selected counties in the lake region economic bloc. The target population for the study was 331 employees involved in revenue collection. A stratified sampling technique was used to identify a sample size of 259 respondents. Primary data was collected using closed ended structured questionnaire. The study found that an increase in one unit of revenue mobilization led to increase in revenue growth and it was significant. Increase in one unit of real time report led to increase in revenue growth and it was found to be significant. An increase in one unit of fraud control led to a decrease in revenue growth and was significant. An increase in one unit of monitoring and tracking led increase in revenue growth and was found to be significant. Lastly increase in monitoring and tracking by one unit led to increases in revenue growth and it was indicated as significant. The study concluded that: performance targets were been monitored and tracked on a daily basis, monitoring and tracking had a positive and significant relationship with revenue growth. The study recommended that revenue targets to be set in a way that they can be monitored and tracked easily in the system the study recommended that hiring and transfers should be done based on merits.

**Key words:** *Revenue Growth, Revenue Mobilization, Real Time Reports*

#### 1. Introduction

Automation is the designation of new forms of mechanization of work that are progressively supporting automatic means used to be performed manually by men. It involves rapid and automatic processing of both technical and business information by use of electronic or digital devices with the extension of automatic controls in complex operations and business officers. Automation addresses challenges faced by many organizations globally these days by reducing cost, increasing efficiency and creation of virtual working space. Successful implementation of automation however requires more than just a system, but creation of an intelligent automation strategy that matches the goals and objectives of your firms. It should fuel the strategic process, creation of systems and identify appropriate tools for work. Though the process is quite critical it requires political will and positive political influence and engagement of employees for them to buy it in (Ngotho & Kerongo, 2014).

Automation management strategies affect individuals in two ways: physiological and psychological functioning (social structure), causes number of social and cultural changes in individuals. If introduced it leads to a transformation of human existence and who are not prepared to changes brought by automation. The nature of new working environment may create tension increase and loneliness and also displacement may take place (Bird, 2010). Technology offers tools companies can use to maximize cost effectiveness and achieve the best tax rates globally (enterprise resource planning systems, or ERP, for example, include tax functions), Joseph (2010.) In the past, companies could file taxes in either soft or hard copy. Now, they are more likely to be required to file electronic returns, as this enables tax authorities to audit tax filings electronically as well. Some countries already use statistical sampling audit as their principle audit tool, so tax professionals must have the technical competence to meet the associated tax management demands. Effectiveness of Electronic Tax Registers in processing of Tax returns; Electronic tax Registers reduce the tax-reporting burden on businesses while improving the efficiency and effectiveness of government operations, provides timely and accurate tax information to businesses, increases the availability of electronic tax filing, and models simplified state tax employment laws (Magutu and Obongo 2010).

In today's knowledge based world, providing public services are heavily depend on information and communication technologies. The internet has simply become the basic information communication and sharing area of the future (UNCTAD,



**APPENDIX VI: LAKE REGION ECONOMIC BLOCK MAP**



## APPENDIX VII: PLAGIARISM REPORT

### ROLE OF AUTOMATION MANAGEMENT STRATEGIES ON REVENUE GROWTH OF SELECTED LAKE REGION ECONOMIC BLOC COUNTIES IN KENYA: MODERATING EFFECT OF POLITICAL INFLUENCE

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