

**EFFECT OF ORGANIZATIONAL FACTORS ON ELECTRONIC TAX
SYSTEM USAGE BY EMPLOYEES OF KENYA REVENUE AUTHORITY IN
NAIROBI COUNTY, KENYA**

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DECLARATION

Declaration by Candidate

This research project is my original work and has not been presented for a degree in any other University. No part of this research project may be reproduced without the prior written permission of the author and/or Moi University.

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Declaration by Supervisors

This research project has been submitted for examination with my approval as University Supervisor.

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DEDICATION

I dedicate this work to my children Telvin, Robert, Kyle and Elyana. I also dedicate to my Dad Jackson Munuve, Mum Agnes Munuve and to my siblings David, Roselyn, Richard and Tot for their continuous prayers and support as I undertook my studies and this project. May the blesings of the Almighty God be upon you always.

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ABSTRACT

The usage of the electronic tax system by the Kenya Revenue Authority employees is very low and institution has not yet exploited the full potential of the system. This study sought to investigate the effect of organizational factors on electronic tax system usage by employees of Kenya Revenue Authority. Specific objectives were to determine the effect of training, management support, incentives and KRA policy on electronic tax system usage by employees of Kenya Revenue Authority. The study was anchored on the theory of reasoned action and Technology Acceptance Model. Explanatory research design was employed. The target population was 1546 Kenya Revenue Authority employees within Nairobi County. Simple random sampling was used to select a sample of 317 respondents. Structured questionnaires were used to collect data. Data was analyzed using descriptive and inferential statistics. Results revealed an R-square value of 46.7%. Findings further indicated that training ($\beta= 0.183$, $P<0.05$) had a positive and significant effect on electronic tax system usage; management support ($\beta= 0.173$, $P <0.05$) had a positive and significant effect on electronic tax system usage; incentives ($\beta= 0.15$, $P <0.05$) had a positive and significant effect on electronic tax system usage; and KRA policy ($\beta= 0.387$, $P<0.05$) had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. The study concluded that the most significant predictor of electronic tax system usage was KRA policy, training, management support and incentives in that order. The study recommended that Kenya Revenue Authority management should organize frequent trainings on electronic tax system usage; focus on enhancing resource allocation, management involvement, and monitoring and evaluation; focus on enhancing: bonuses, salary increment, promotions and recognition; and focus on enhancing clarity, appropriateness, and efficiency of KRA policy. The study makes significant contribution to policy, theory and practice in the field of tax administration.

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ABBREVIATIONS AND ACRONYMS

CBK:	Central Bank of Kenya
CBS:	Community Based System
CIT:	Corporate Income Tax
ETRs:	Electronic Tax Registers
ICMS:	Integrated Customs Management System
ICT:	Information and Communication Technology
IRBM:	Inland Revenue Board Malaysia
KRA:	Kenya Revenue Authority
NACOSTI:	National Council for Science Technology and Innovation
PEU:	Perceived Ease of Use
PLS:	Partial Least Squared Method
PU:	Perceived Usefulness (PU)
SADC:	Southern African Development Community
SMEs:	Small and Micro Enterprises
TAM:	Technology Acceptance Model
TPB:	Theory of planned behavior
TRA:	Theory of Reasoned Action
U.S:	United States
UK:	United Kingdom

OPERATIONAL DEFINITION OF TERMS

Electronic tax system usage- the usage of the tax system is concerned with the user adoption and acceptance to use the electronic tax system developed by the KRA in various e-Government processes such as tax filing (Muturi & Kiarie, 2015).

KRA policy- is the choice by the state government as to what taxes to levy, in what amounts, and on whom, which may influence employee's usage of e-tax system (Pere & Theuri, 2019).

Incentives- refer to benefits that employee receive to encourage them to utilize e-tax system such as bonuses, promotions and recognition (Nazir, Wang, Akhtar, Shafi & Nazir, 2015).

Management support-is defined as the extent to which the organization management is involved into the planning and implementation of the e-tax system. It is measured in terms of resource allocation, involvement and monitoring & evaluation (Gupta et al., 2004).

Training- is defined as equipping employees with the necessary technical skills to facilitate usage of e-tax system. It is measured in terms of number of trainings, type of trainings and level of awareness (Armstrong, 2006).

CHAPTER ONE

INTRODUCTION

1.0 Chapter Overview

This chapter covers the study's background, problem statement, research aims and hypotheses, study importance, and scope. The aim of this research was to investigate the effect of organizational factors on electronic tax system usage by employees of Kenya Revenue Authority (KRA).

1.1 Background of the Study

Automation simplifies the settlement of legal trades, improves tax control efficiency, and ensures revenue collection. This type of automation is referred to by the tax office as electronic tax returns or electronic filing. It is used to demonstrate a system for submitting tax documents to tax authorities electronically (paperless) (Mativo, Muturi & Nyang'au 2015). Other scholars describe it as a computerized tax administration system specifically designed to handle general tax administration of KRA policies, assessments, filing of returns, and processing of claims and refunds. The aim is to reduce costs for taxpayers in charge of the Kenya Revenue Authority (KRA), improve tax collection and eliminate inefficiencies associated with the costs of transferring taxpayers to KRA offices in order to do business and provide taxpayers with a system that reduces their compliance costs (Monica, Gregory & Namusonge, 2017).

Such a system is very beneficial for the government, as it avoids many of the mistakes that taxpayers make when filing documents manually and, by comparing data, helps prevent tax evasion (Durham, Manly & Ritsema, 2014). A data house developed using electronic tax returns can enable tax examiners to analyze returns in greater depth and enable policy makers to develop more equitable and effective strategies (Lukwata,

2011). Thus, it is very paramount for a tax system to incorporate the employees of an organization in bid to improve the acceptability and perception of the system by the employees (that is improving the knowledge of the employees). Knowledge of taxation in general is an understanding of the basic concepts of a country's public tax policy (Newman, Mwandambira, Charity & Ongayi, 2018). Understanding the tax policies of citizens of a country, let alone employees of a particular organization, determines compliance with the tax system. Tax knowledge of various small and medium-sized enterprises is an important element in the voluntary taxation system, especially in determining the right tax liability (Baru, 2016). Therefore, the current study aimed to analyze the determinants of the use of the electronic tax system by employees of the Kenyan tax office.

Taxation is necessary for long-term economic growth, and tax administration is an important role of a successful country. Taxation also aids the government's accountability to the people. Governments have a higher duty to make economic judgments that are clear and accessible when they spend taxpayer money (World Bank, 2013).

With the rapid advances in information and communication technology that the world continues to experience, the proper functioning of tax collection and administration systems remains a challenge for many government agencies. Tax authorities face the challenge of maintaining a modern and responsive tax administration system to enable faster, user-friendly and cost-effective tax collection (Mandola, 2013). For example, Chile faced several obstacles since the beginning of e-filing. Taxpayers have limited access to the internet, and taxpayers are reluctant to use the new system because they are unfamiliar with technology and see it as a threat to their profession. In addition, the

KPP's information technology system was unable to cope with the huge SPT excess, especially in the days leading up to the deadline (World Bank, 2013).

Tax authorities around the world use electronic tax return systems (electronic filing) to make tax administration and compliance more efficient. However, resistance and under-utilization of e-filing technology remains a major problem and still plagues various tax authorities that have adopted e-filing systems (Ling & Fatt, 2008). In Malaysia, according to (World Bank, 2013), only about 80% of electronic filing systems are working successfully as planned. Most electronic filing documents use electronic filing for convenience; Faster filing speed and confidence in tax returns. Some who for some reason do not use electronic archiving effectively, such as: B. Bad servers (delayed and slow internet) usually stop using the system (Santhanamery & Ramayah, 2012). Tallaha, Shukor, and Hassan (2014) show that perceived utility, perceived ease of use, and perceived subjective norms are positively related to individual intentions to use electronic filing. Although electronic filing is believed to offer greater benefits not only to tax authorities but also to taxpayers, its use is still low in developing countries, including Malaysia.

The electronic filing system integrates KRA policies, tax preparation, tax returns, and tax payment processing. Hence, taxpayers avoid the hassle of going to the tax office and making long queues by making declarations when it is convenient for them. In this regard, some tax authorities have accepted the changes and adopted an electronic filing approach. From the American experience, the biggest advantage/benefit of an electronic tax system (from a taxpayer perspective) is that it reduces the recovery time from an average of 12 weeks to about 3 weeks. Refunds can even be deposited directly into the taxpayer's bank account. As an added incentive, some e-filing service providers

also offer a service where tax-qualified customers can apply for a direct bank loan for the amount of an expected IRS check. As a result, customers can receive a refund (less than bank and preparation fees) within three days of submission (Lukwata, 2011).

As a result of technology advancements, tax systems in emerging countries and industrialized economies confront new difficulties and opportunities. Malaysia's ongoing electronic payment and tax system improvements highlight how and under what circumstances technology can benefit tax authorities and taxpayers. Chile's Internal Revenue Service was the country's first governmental entity to use internet technology, far ahead of most other government services. The computerized method is designed to make tax compliance easier while reducing direct contact with taxpayers. Chile is presently one of the few economies to have achieved a near-total adoption of electronic technology. In 1998, the first online tax returns were filed.

The introduction of Electronic Tax Registers (ETRs) in Kenya (in 2004) was initially controversial and met with strong opposition from businesspeople. Traders argue that ETR places an additional burden on taxpayers, especially taxpayers with other sales and VAT reporting systems. Others believe that implementation costs are large and permanent due to tax reasons, that certain ETRs are ineffective, and that suppliers are unresponsive. KRA responded with tenacity, as well as an intensive information, education, and communication campaign to encourage the adoption of ETR, as well as a facilitation program in which taxpayers purchase ETR and subsequently obtain a VAT refund. However, despite initial objections, many retailers recognize that ETR is useful for controlling sales in their stores and this has proven to be a win-win for KRA and the business community (Mativo, Muturi & Nyang'ow, 2015).

Electronic tax collection in developing countries has recently become increasingly prominent in government policy debates. Recent changes in public taxes, according to Fatt and Khin (2011), highlight the necessity for tax assessment and collection systems that include internet services. The potential benefits of taxes for state buildings, independence from foreign aid, the tax consequences of trade liberalization, financial and debt crises in Western countries, and the acute financial needs of developing countries.

According to Pippin and Tosun (2014), most households in the United States are required to file tax returns and thus, even if they are not very familiar with tax laws and government policies, people are already familiar with filing and paying taxes. Furthermore, unlike other cases where people may choose electronic services over traditional services such as e-commerce or online banking, taxation is highly difficult, and most taxpayers aren't experts. Furthermore, electronic filing raises concerns about security and secrecy, as well as taxpayers' hatred and distrust of the IRS and the government in general. Finally, e-filing research brings together a variety of fields, including information systems, public finance, public administration, public administration policy, and accounting (taxes).

Governments in underdeveloped nations confront significant obstacles in collecting tax revenues, resulting in a disparity between what they can and do collect. One of these problems, according to Muturi and Kiarie (2015), is the adoption of new technology and tax payment systems that successfully reduce losses. The Electronic Tax Administration System, which has been used by the Kenya Tax Agency and has been throughout the world for the last 30 years, is one of the technologies it boasts.

Understanding how citizens perceive and experience taxes, according to Fjeldstad, Schulz-Herzenberg, and Hoem Sjursen (2012), can provide a fundamental diagnosis of the political reality of tax change. To broaden the tax base, it's important to understand how citizens interact with the tax system, including whether or not they believe they pay taxes, how much they actually pay, how they feel about tax administration and enforcement, and whether or not their tax behavior is related to how they feel about the country. Surveys of present and prospective taxpayers' attitudes and views can also help tax authorities detect perceived flaws in the tax system and target high-risk taxpayers more effectively. Ade, Rossouw and Gwatidzo (2018) find that CTR rates, VAT rates, and government tax policies have a significant impact on how tax revenues are presented, particularly in the South African Development Community (SADC).

According to Newman et al. (2018), tax knowledge is a critical component of voluntary compliance in the tax system, particularly when calculating suitable tax obligations. Tax knowledge is the most influential element in determining taxpayer behavior in satisfying the requirements of the self-assessment scheme, according to studies conducted in Malaysia (Loo, 2016; Loo et al., 2014). This has been proven empirically, and it is backed up by a number of other research, like Al-Ttaffi, Bin-Nashwan, and Amrah (2020), which show that tax knowledge leads to increased compliance. According to his findings, 97 percent of respondents are tax-savvy, and Malaysian SMEs are tax-compliant. Harris and Zhou (2013), researching tax knowledge among SMEs in the UK, divide tax knowledge into two aspects, namely knowledge acquired through general or formal education as a natural subject and specialized knowledge focusing on potential tax avoidance options. His findings show that UK SMEs are tax literate and almost all are familiar with tax rules.

Although an online tax payment system is provided to make it easier for taxpayers to pay their taxes electronically through the tax authority website, taxpayers in Malaysia do not use this system even though they have existed in the community for two years. As a result, recognizing the elements that influence taxpayer adoption of this system is critical in order to improve the current online tax payment system and expand its reach. Incorporating additional factors such as subjective norms, self-efficacy, perceived dependability, and availability of information in the research framework as predictors of the usage of electronic control systems, Othman (2012) used the Technology Acceptance Model (TAM).

In Kenya in particular, Kariuki and Njeru (2019) find that an inefficient tax system is a problem that leaves gaps for tax evasion, particularly among retailers. Small and medium-sized enterprises are important engines of economic growth in both developing and developed countries, and tax compliance is considered important for the country's economic development given the role of tax revenues in national development. In this way, many governments have adopted administrative measures such as fines, sanctions, tax rates and tax audits to enforce tax compliance, which have been shown to have a significant impact on tax compliance for small and medium-sized businesses. These factors have contributed significantly to the perception of taxpayers and therefore this study attempts to shed more light on the determinants of the use of the electronic tax system by Kenyan tax officials.

The Kenya Revenue Authority was founded by a law passed by Parliament in 1995, Section 469 of the Kenya Act, which took effect on July 1, 1995. The Kenya Income Authority (KRA) is in charge of collecting revenue on behalf of the Kenyan government. The Authority's main functions are to assess, collect, and report all income

in accordance with written laws and certain provisions of written laws, to advise on matters relating to the administration and collection of income in accordance with written or certain laws and regulations, and to carry out other functions related to receipts that the Minister may direct (KRA, 2019).

KRA has taken a thorough and integrated approach to modernizing its systems, particularly in the customs domain (a transformation that started with ensuring that the challenges of handling import and export cargo are reduced to make local and international businesses more efficient). Kenyan businesses have historically faced various trade restrictions, both domestically and internationally. Because of the complex procedures, transactions frequently take longer to complete. KRA has put in place systems to ensure that local firms and cross-border trade thrive. KRA also automates its system to eliminate customs difficulties that stymie cross-border commerce (KRA, 2019).

Various customs reform schemes have been implemented to enhance trade, including the implementation of the single window idea through the Community Based System project (CBS). In addition, the Integrated Customs Management System (ICMS) was adopted by KRA, which greatly decreases the time required to process goods at the port of entry. Unlike the old Simba system, ICMS allows KRA to receive a cargo declaration before the ship arrives at the port (KRA, 2019). These among other strides made by the Kenya Revenue Authority indicate the efforts made with regard to system automation. Thus, it warrants the current study to seek to assess the determinants of electronic tax system usage by employees of KRA.

1.2 Statement of the Problem

The competence and efficiency of a government in a country has been challenged by its ability to automate its services (Cheruiyot et al., 2015). The technological innovation has been an important matter in tax and revenue collection. The automation of governmental protocols have made the process of tax revenue collection easier by bringing the previously manual, inaccurate and long paper transactions close to the public (Barati & Bakhshayesh, 2015).

Many tax authorities around the world are adopting electronic tax systems. In an effort to provide seamless service to its customers, KRA uses cutting-edge technology for revenue collection, information management, and communication. However, the successful use of the electronic control system by employees is very low and KRA will continue to use the full potential of the system (Lokarach & Rugami, 2019). The Cytonn report (2019) shows that about 90% of electronic control system implementations are delayed or over budget, and the success rate of system implementation is only about 33%. This is clear indication of prevailing problem relating to the use of electronic tax system among employees.

Previous studies have been conducted on factors influencing technology adoption and usage. Barati and Bakhshayesh (2015) examine the challenges of introducing an electronic tax system in India. Because it was undertaken in a place other than Kenya, this study reveals a contextual gap. This makes it impractical to summarize his findings to fit the local context. Okiro (2015) examines the effect of electronic payment systems on revenue collection. The study presented a conceptual gap as it focused on revenue collection as the dependent variable. The dependent variable in this study is electronic tax system usage. The current study therefore sought to fill the knowledge gaps by

investigating the effect of organizational factors on electronic tax system usage by employees of Kenya Revenue Authority.

1.3 Research Objectives

1.3.1 General objective

The general objective of this study was to investigate the effect of organizational factors on electronic tax system usage by employees of Kenya Revenue Authority.

1.3.2 Specific objectives

1. To determine the effect of training on electronic tax system usage by employees of Kenya Revenue Authority.
2. To examine the effect of management support on electronic tax system usage by employees of Kenya Revenue Authority.
3. To analyze the effect of incentives on electronic tax system usage by employees of Kenya Revenue Authority.
4. To evaluate the effect of KRA policy on electronic tax system usage by employees of Kenya Revenue Authority.

1.4 Research Hypotheses

H₀₁: Training has no significant effect on electronic tax system usage by employees of Kenya Revenue Authority.

H₀₂: Management support has no significant effect on electronic tax system usage by employees of Kenya Revenue Authority.

H₀₃: Incentives have no significant effect on electronic tax system usage by employees of Kenya Revenue Authority.

H₀₄: KRA policy has no significant effect on electronic tax system usage by employees of Kenya Revenue Authority.

1.5 Significance of the Study

The outcomes of the research may be important to the e-government officials and decision makers in Kenyan Counties to better position their strategies to motivate and improve the levels of employees' satisfaction in these programs. The goal of automation was to alleviate the morale of the users by enhancing business operations. Thus, if the KRA does not appreciate the advantages of new technology, it means that it would continue to lose out on the quality of its workforce as well as reducing the confidence of the team.

In general, this research provides important information for tax authorities to improve and enrich their online services in general and online tax payment systems in particular. This study can also help KRA implement policy recommendations to be competitive by strengthening the adjustment of gaps left by the tax system to improve services of KRA employees to the community.

Finally, this study can be important for Kenyan scholars and researchers as it provides the basis for future recommendations and accumulation of empirical literature. Academics, scientists, and researchers can evaluate the findings of this study and update existing knowledge on the topic.

1.6 Scope of Study

The study investigated the effect of organizational factors on electronic tax system usage by employees of Kenya Revenue Authority. These factors included: training, management support, incentives and KRA policy. The study targeted KRA employees who provided first-hand information about the factors hypothesized by the study to

affect their electronic tax system usage. For convenience of data collection, the study was based in Nairobi County. The study was anchored on Theory of Reasoned Action and Technology Acceptance Model. The study was conducted between 2021 and 2022.

CHAPTER TWO

LITERATURE REVIEW

2.0 Chapter Overview

This chapter presented review of related literature on the determinants of electronic tax system usage by employees of Kenya Revenue Authority. The first part of the literature discussed the basic concepts of the study variables. The chapter also discussed the theoretical review from which the study borrows its principles. The literature proceeded with the empirical literature by reviewing previous studies related to the study topics and variables. From the empirical review, the study derived various knowledge gaps that need to be addressed.

2.1 Concept of Electronic Tax System Usage

The KRA electronic control system is a system intended to replace the KRA online system. Namely, a web-based and secure application system that provides an integrated and automated internal tax administration solution that provides taxpayers with web-based KRA PIN policies, declaration submissions, KRA payment policies to enable tax payments and status inquiries using real data, possible. temporary monitoring of accounts (Waweru 2013). So, the use of the tax system is related to the acceptance and approval of consumers to use the electronic tax system developed by KRA in various e-government processes, such as B. tax returns to use. It also includes the use of internet technology, World Wide Web and software for various tax administration and compliance purposes (Muturi & Kiarie, 2015).

2.2 The Concept of Organizational Factors

2.2.1 Training

According to Armstrong (2006), the contribution of human resources to change typically necessitates the correct tasks, structures, procedures, and systems. Change is a continual process that can be implemented in small steps and must be reviewed on a regular basis. This is true in terms of electronic control system application and utilization. It is not a one-time activity, but rather one that necessitates ongoing improvement of systems, skills, and processes in order to fulfill its objectives. 2005 IMF research on VAT rebates indicated that successful reform required strong commitment from the government and key partners. Automation may necessitate new or refurbished offices, as well as hardware, software, internal communication systems, and links to external networks. It may also necessitate network setup and wireless connectivity. In addition, extensive training and capacity building for tax officers and taxpayers must accompany technological deployment.

2.2.2 Management Support

This relates to how involved senior management is in the development and execution of the electronic tax system. Leadership participation will be boosted if there is involvement from the top. Management involvement, according to Gibson, Kleinberg, and Raghavan (1998), is important to successful IT planning. The responsibility of management in adopting and teaching consumers about the benefits of the e-tax system is critical (Gupta et al., 2004).

2.2.3 Incentives

Employees' attitudes toward technology must be changed by tax authorities. The term "reward" or "incentive" refers to the rewards that employees obtain as a result of their

employment (Mottaz, 1988). Incentives are critical for generating and maintaining employee engagement and achieving high performance standards. Employee efficiency and performance are also improved as a result of incentives, resulting in increased organizational success (Wang, 2004). It is a reliable indicator of high-quality human resource management methods in a variety of company settings (Nazir, Wang, Akhtar, Shafi & Nazir, 2015).

By integrating these practices with incentive tools, incentive systems might motivate staff to adopt new technologies (Talukder, 2012). Salary, benefits, and intangible rewards are frequently utilized as incentives to motivate employees to use new technology and improve their satisfaction and performance (Balassanian & Wignaraja, 2006). One of the organizational hurdles to technology adoption is a lack of incentives (Atkin, Chaudhry, Chaudry, Khandelwal & Verhoogen, 2017).

2.2.4 KRA policy

Kenya has a broad tax system, including income tax, value added tax (VAT), import duties and excise taxes. KRA has various departments dealing with this tax and has the right to audit companies to ensure that they are paying the correct taxes (Pere & Theuri, 2019). Tax systems in many countries include taxes that are calculated based on simplified accounting or using indirect methods to assess tax liability. Certain tax sets, methods and methods of calculation include special tax treatment in the national taxation system, which is symbolized by the concept of presumptive taxation. This concept also includes a method of monitoring or adjusting obligations related to regular tax payments, as an alternative to accruals based on taxpayers' financial statements (Makedonskiy, 2005).

2.3 Theoretical Review

2.3.1 Theory of Reasoned Action

The theory of action of reason (TRA) was developed by Ajzen and Fishbein (1980). It consists of three constructs known as behavioral intentions, attitudes, and subjective norms. One's behavioral intention, according to this view, is a component of one's attitude toward subjective behavior and rules. A person's motive or anticipation to behave in a given way is known as behavioral intention. Attitudes, on the other hand, involve differing beliefs about behavioral outcomes, whereas subjective norms are concerned with the perceived social expectations of different people and the desire to fulfill those expectations. Frankly, a person's desire for a certain behavior/behavior is expected from the mood of the behavior mentioned and how others should perceive them when the behavior is performed (Ajzen & Fishbein, 1980).

TRA is still widely recognized as a generalized model that does not clearly state beliefs that apply to specific behaviors. He proposed that individual behavior is driven by the goal of completing a particular activity. Ajzen and Fishbein (1980) proposed the use of modular significance sentences for the population obtained through casual beliefs derived from the population test agent. Rational action theory has also been effectively linked several times to predicting behavioral and intentional fulfillment. The real model is when TRA was used by Fredricks and Dossett (1983) to predict exam training, which predicts the behavior and expectations of people using different types of technology.

The primary purpose of TRA, according to Doswell, Braxter, Cha, and Kim (2011), is to comprehend a person's voluntary behavior by studying the primary underlying stimulus for action (Montano & Kasprzyk, 2015). The theory works with certain suppositions. It expects that customers act reasonably, accumulate and break down data

deliberately. It was likewise discovered that dependent on this discerning basic leadership, customers would assess the risk of that activity and settle on their subsequent stages.

TRA theory is relevant to this study because it affects employee behavior in relation to the introduction and use of electronic control systems. Based on the theory, employees are expected to act reasonably and rationally with regard to their decision to use electronic tax system. Further, the theory explains that the behaviour of individuals could be influenced by fundamental factors. This study evaluated the role of training, management support, incentives and KRA policy in influencing employees' decision to use electronic tax system. The theory therefore underpinned the variables: training, management support, incentives and KRA policy, their hypothesized link to usage of electronic tax systems.

2.3.2 Technology Acceptance Model

Davis (1986) established the Technology Acceptance Model (TAM), which is tailored to the user acceptance model of a system or information technology. Davis' thesis is based on earlier work by Fishbein and Eisen, who developed the Theory of Reasonable Action (1975). Since then, the hypothesis has expanded to account for numerous facets of technological occurrences. Hale, Hausholder, and Green (2002) also succeeded in underlining the model's usefulness in describing the long-term challenges connected with technology adoption in a synergistic way. The Technology Adoption Model (TAM) has risen to prominence as the most often used model for analyzing consumer acceptance factors (Davis, 1986).

Venkatesh and Davis (2000) proposed an extended model called TAM2 which attempts to identify external variables that affect perceived utility. These variables include

subjective norms, the influence of others on user decisions; Image, consumer's desire to maintain a favorable position, among others; Relevance of work, degree of application of technology; product quality, among others (Venkatesh & Davis, 2000). That is, the theory is used to explain the general determinants of computer adoption, which leads to the explanation of user behavior for end users and consumer populations across diverse computing systems. Two specific beliefs are included and tested in the basic TAM model: perceived utility (PU) and perceived ease of use (PEU) (PEU). Consumer acceptability of technology is frequently studied using this concept. According to TAM, an individual's attitude toward system use is influenced by perceived utility (PU) and perceived ease of use (PEU), which drives behavioral intentions to use the system, which determines actual system use (Venkatesh & Davis, 2000).

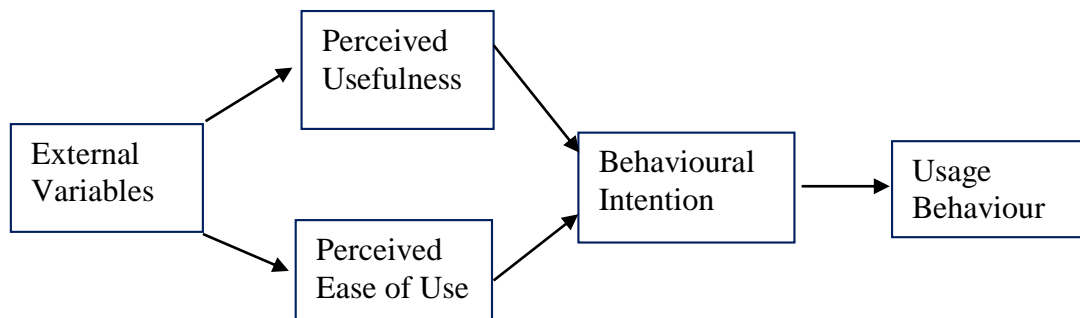


Figure 2.1: Technology Acceptance Model

Source: (Davis, Bagozzi and Warshaw, 1989)

Perceived Usefulness (PU) is defined as the degree to which a person believes that using a particular system will improve one's performance (Davis, 1989), and Perceived Ease of Use (PEU) is defined as the degree to which a person believes that using a particular system will be simple to implement (Davis, 1989). Because the easier a system is to use, the more valuable it is, perceived ease of use is assumed to influence perceived utility. This construct reflects a user's subjective assessment of a system, which may or

may not be representative of objective reality. When users don't find the system beneficial or simple to use, it loses adoption. Individual conduct is thus motivated by behavioral goals and is a result of the individual's attitude toward the behavior and subjective norms connected to behavioral performance, as described by Surendran (2012). Individual acceptance behavior is explained using the technological acceptance model, which is based on the theory of plausible action.

TAM can be applied in this study because it explains the origin of technology from the use of electronic control systems by workers. This theory bases its rationale on consumers' perceived usefulness, perceived ease of use, and behavioral intentions. This study examined the perception of KRA employees towards electronic tax system usage. The theory therefore supported the dependent variable, that is, electronic tax system usage.

2.4 Empirical Review

2.4.1 Training and Electronic Tax System Usage

In Narok County, Abdullahi (2016) examined the spread of innovation theory and adoption of e-government by medium-sized enterprises in Kenya. The results show that Narok County, in contrast to the central government, is slow to accept technology-based transactions. Issues such as system integration and insufficient bandwidth were identified as other factors affecting the provision of e-government services in the area. Therefore, for the effective implementation of the e-government strategy, the district should restructure the existing organizational model, roles, responsibilities, training, and employee needs. Employee training courses lead to the successful implementation of e-government. This study finds that the lack of adequate training poses a significant challenge to e-government adoption. This study recommends treating the transition to

e-government services as a process of reform and restructuring, and not just as a computerized administrative process. Therefore, to transition the system effectively, districts should borrow ideas from other regions or districts that have successfully implemented similar e-government projects.

Nyareru et al. (2017) analyzed the actors influencing the adoption and use of electronic tax registers by small and medium-sized enterprises in Nakuru, Kenya. Compliance costs, training, tax compliance, and perceptions were the main predictors used when adopting an explanatory design with a target population of 680 SMEs. The stratified random sample included a sample of 197 participants who were administered a semi-structured questionnaire. The results show that online tax filing eliminates the cost of manual filing, is available to purchase and install ETR, and requires continuous system improvements. There is a significant relationship between the cost of compliance, training, level of tax compliance with the effectiveness of the implementation and use of ETR. Therefore, the small number of transactions makes ETR complicated, online VAT filing eliminates manual filing fees, training SMEs in ETR and compliance with tax requirements increases public confidence. Online filing of VAT returns should become easier and more efficient, regular training for SMEs on the ETR system should be carried out, unregistered SMEs should be registered and tax laws should be more enforced.

Macharia (2014) examined the reasons behind the introduction of Value Added Tax (VAT) in social commerce in Kenya. The analysis was traced back to a 10-year presentation line using a descriptive study design. In addition, the survey focused on 1402 respondents (KRA CEO, middle managers and technical staff). The study was limited to 420 respondents using simple random sampling and stratified random

sampling technique. Middle management findings reveal that KRA has challenges in managing and enforcing social taxes. The survey of CEOs and middle managers found that CRA conducted training on the introduction of VAT in social commerce. Based on these results, KRA conducted training which was supported by a reduction in staff turnover. The study finds that one of the main reasons non-compliance is not encouraged is that most users of social trading staff are unfamiliar with VAT laws and regulations.

Gitaru (2017) looked at the impact of taxpayer education on tax compliance in Nairobi SMEs. Descriptive and inferential statistics were employed in the data analysis. A questionnaire was used to collect nominal and sequential data, which was subsequently analyzed quantitatively using the Statistical Package for Social Sciences. The findings of the study reveal that e-learning for taxpayers, print media training for taxpayers, and stakeholder involvement all have an impact on SME tax compliance. Tax compliance of below-average SMEs should be increased through rigorous taxation, according to this study. Those involved in tax problems need knowledge and abilities in interpreting numerous tax rules and regulations in order for SMEs to enhance their tax obligations. Tax compliance procedures must be simplified because it is often difficult for SMEs, particularly those who do not keep good records and do not understand tax regulations, to decrease compliance expenses in both cash and time.

Jaime Platero, Benito Hernandez, and Duarte Rodriguez (2017) investigated the impact of training on the use of information and communication technology (ICT) in microbusinesses. This study looked at 148 small businesses in Spain with fewer than ten employees. The survey was carried out both in person and over the phone. Questionnaires are created and distributed to management and employees of the

organization. The data is used to generate the probit model. The study's findings appear to suggest that specialised ICT training for employers (rather than their overall level of training) minimizes the detrimental consequences of aging employers' use of ICT.

Alkaria and Alhassan (2017) investigated the impact of early computer science teachers' in-service learning on the acquisition of programming abilities and attitudes toward teaching programming using an e-learning platform. The study's sample included 40 high school computer science teachers. They were split into two groups: the control group had 20 teachers and the experimental group had 20 teachers. A competency test in the Scratch programming language plus an evaluation of attitudes toward programming education make up the training tool. The teachers were checked after the experimental treatment at the end of the second semester, and the results revealed a statistically significant difference in the average outcomes of the performance tests in favor of teaching the experimental group with the electronic learning platform.

In an integrated theory of technology adoption and use, Harris, Mills, Fowson, and Johnson (2018) looked at the consequences of learning. A considerable positive association exists between learning reactions and behavioral intentions to utilize information technology, according to an analysis of components for technology acceptance and their congruence with established learning paradigms. Furthermore, the findings demonstrate that enabling environments play a role in mediating the link between learning responses and intention to use.

Hassan (2020) sought to understand public relations professionals' perceptions of the usefulness of cutting-edge training programs in developing public relations professionals' work in Egyptian and Bahraini government institutions. The survey was

conducted using a survey methodology and a questionnaire on a sample of 210 persons. The results revealed that training on modern technology in Egyptian and Bahraini government institutions has achieved many advantages that have led to the development of public relations practitioner's skills.

Employee training and experience were evaluated by Karunaratne and Abeyratne (2020) in the adaptation of computerized support management systems. In this study, a cross-sectional design was adopted. Users of CMMSs made up the study's population. Structured equation modeling approaches were mostly used in the analysis. The findings suggest that training has an impact on a complicated system's usability and usability.

Nyambweke (2020) assessed the effect of change management on ICT system adoption in semi-governmental institutions in Kenya. The impact of staff training on the adoption of ICT systems was one of the study's specific objectives. A descriptive research design is used in this study. The target group consists of 300 employees from the NHIF headquarters. A sample size of 90 people was chosen using a basic stratified random selection procedure. A systematic questionnaire was used to obtain primary data. Descriptive statistics, such as mean values, frequencies, and percentages, are used to examine quantitative data. The data was analyzed using SPSS. Staff training had a favorable and significant impact on the implementation of ICT systems in Kenyan semi-government entities, according to the findings.

Farias and Resende (2021) assessed the impact of training on the adoption of new systems and the relationship between the impact of training and adoption of new technologies on the frequency of system use by users at federal universities. Participants from one institution answered an online questionnaire two months after training in the

new system. There were 288 respondents, who were workforce at a Brazilian Federal Institutes of Higher Education and who were sampled from a population of six thousand public employees through convenience and non-probabilistic sampling. Correlation, linear regression, and ANOVA with post hoc test were performed to test the relationship between variables. The results showed that the greater the acceptance of the new system, the stronger the perceived training effect.

Pongsakdi, Kortelainen, and Veermans (2021) investigated the impact of digital pedagogy training on the attitudes of unemployed teachers to digital technology. 98 teachers from primary and junior secondary schools in Southern Finland filled out a self-assessment questionnaire. Both the before and after tests were completed by 22 teachers. The findings suggest that the impact of digital pedagogical training is dependent on teacher ICT confidence. Instructors with low confidence in using ICT show a gain in confidence following the training, whereas teachers with strong confidence in using ICT show no significant change in confidence. Furthermore, the results revealed that instructors in the high-confidence group required less post-training ICT help, but teachers in the low-confidence group required no change in ICT support.

The impact of education quality, service quality, information system quality, and information quality on the use of information systems was investigated by Zeroual, Ouairiti, and Jaouad (2021). The data was acquired using a quantitative technique and the creation of a structured questionnaire. The sample includes 256 Moroccan users of information technology in the retail industry. The sampling technique is simple and straightforward. The data in this study was analyzed using Partial Least Squares (PLS). The results showed that the quality of education had a positive and significant effect on

usage, indicating that education or perceived quality plays an important role in adopting new technologies, leading to certain uses of information systems.

Robinson, Siegel, and Liao (2021) conducted a pilot study to examine whether successful adoption of digital technology requires additional investment in skills. The study found information about whether the company uses any of the three digital technologies of interest (AI, robotics, big data), whether the company offers in-house training, and whether the company has recruiting issues. The research was conducted remotely using a study software package. The study was conducted using Qualtrics, an online research tool. The study found evidence that new technologies require additional investment in skills and that companies believe that new technologies and employee training are important for productivity.

Sahoo, Sahoo, Mishra, and Pattanayak (2022) evaluated the effect of e-learning on employee performance in the IT industry. The survey is based on IT industry executives and responses are collected through a questionnaire. This study uses a structural equation model to show that e-learning does not play a significant role in employee performance.

Granic (2022) intended to uncover the most essential characteristics that influence and consistently predict the successful adoption of educational technology through a systematic review. A total of 47 research published between 2003 and 2021 were critically analyzed after a search of recognized journals based on the Web of Science (WoS) database was conducted endlessly. Self-efficacy, subjective norms, happiness (perceived), supportive conditions, anxiety (computer), system accessibility and technology) complexity of the most common prognostic factors (precursors)

influencing educational technology adoption were among the many predictors, grouped thematically into consumer aspects, task and technological aspects, and social aspects.

2.4.2 Management Support and Electronic Tax System Usage

In Nairobi, Kenya, Gor (2015) investigated the factors that determine the development of an online tax filing system. The study used a descriptive research design. The adoption of an online tax filing system by the ordinary Kenyan taxpayer is closely related to success, complexity, compatibility, system support, observability, administrative support, and social networking, according to this study. These elements had the biggest impact on supporting social systems when considered together, followed by perceived simplicity of use and finally perceived innovation benefits. This study, however, has a significant flaw in that it does not focus on KRA employees.

Njeri (2016) investigated the elements that influence the Kenya Tax Authority's development and use of an online tax filing system. In North Nairobi, stratified random sampling was utilized to recruit registered taxpayers who had migrated to the online tax filing system from 2014, as well as those who had not switched from manual tax filing. Data was collected using a semi-structured questionnaire. Employees rated security (including dangers from encryption, hacking, and tax checks) as very critical while implementing and utilizing an online tax filing system, according to the survey. The key reasons for adopting and using an online tax reporting method were recognized as media education, internet connection and software use, lack of technical help, and ICT support. The introduction and use of an online tax filing system are also influenced by the organizational structure. As a result, it's established that user characteristics, security, organizational settings, and technology all play a part in the KRA online tax reporting system's adoption and use.

Chen, Jubilado, Capistrano, and Yen (2015) looked at citizens' willingness to use e-government websites in the context of the Philippines' online tax filing system, using the IS success model as a whole. Furthermore, this research looks at factors including faith in technology, trust in government, trust in e-government websites, and previous experience with government services, all of which serve as key predecessors to the model. The findings reveal that trust in technology, trust in government, and previous experience all have an impact on trust in e-government websites, which in turn has an impact on all three aspects of IP quality. Information quality has been found to have the most constant and significant impact on perceived usefulness and satisfaction of these three aspects, indicating that these, together with service quality and system quality, are the most important for taxpayers to use the system.

Ndombi (2012) examined the challenges faced by organizations implementing an integrated tax management system (ITMS), with particular reference to KRA. Challenges include management commitment, selecting personnel to perform the installation, dealing with worker resistance to change, expensive information system packages, among others. Organizations must be aware of the benefits of ITMS in order to take steps to address these technological, organizational, and business difficulties. To solve this challenge, you'll need a well-defined roadmap that explains where you are now, where you're headed, and what tradeoffs you'll have to make along the way. The findings of this study are meant to give ITMS management a better understanding of the potential problems they may face, as well as effective strategies to lessen the likelihood of implementation failure.

Using structural equation modeling, Sitompul (2016) evaluated the impact of technology usability, executive support, and user interaction on HR information system

performance. Data was gathered through a combination of online and face-to-face surveys. For data collection, HRIS users were emailed a questionnaire with four instruments. The survey included 222 HRIS users from selected commercial organizations in the Philippines and Indonesia. According to the findings, senior management support is a crucial aspect that adds significantly to HRIS performance success. Furthermore, it was discovered that senior management support has an indirect impact on HRIS effectiveness through other criteria such as technology usability and user engagement.

With a sample of 278 textile enterprises in Pakistan, Sheikh, Shahzad, and Ku Ishak (2017) used Smart PLS 3.0 to assess the influence of market orientation, executive support, technological opportunism, and mediating effects of e-marketing use on textile productivity. Self-administered questionnaires were utilized to collect cross data. The PLS-SEM approach is used to test the hypothesis in this study. The findings of the study reveal that management support moderates the association between market orientation and the adoption of e-marketing.

The effect of administrative support and user participation on the performance of information systems and the execution of undergraduate programs in private universities was investigated by Lahuddin, Modding, Semmaila, and Lamo (2018). With a total sample sampling method, this study was conducted in Makassar, Indonesia, with a population of 202 undergraduate programs. The results of the structural equation model analysis utilizing AMOS version 21 as a research instrument show that management assistance has a substantial impact on information system installation success.

Mkonya, Jintian, Nanthuru, and Jinyevu (2018) investigate the impact of management support and individual factors on the adoption of accounting information systems in Tanzania, as well as their impact on the quality of accounting data. The research focused on Tanzanian non-governmental organizations (NGOs) functioning in a variety of fields. Users of accounting information and accounting information systems in various NGO projects in Tanzania were asked to fill out a questionnaire. Management assistance had a major impact on the deployment of accounting information systems, according to the findings.

In the context of senior management support (TMS) and the use of e-marketing, Sheikh, Rana, Inam, Shahzad, and Avan (2018) investigated the moderating impacts of trading partners (TP) and competitive pressure (CP) (UEM). Data was gathered from marketing managers working for Pakistani textile industries mostly in the Punjab and Sindh provinces. The cluster-proportional sampling technique was used for sampling. The data in this study was analyzed using structural modeling. Senior management support is directly associated to the adoption of e-marketing, according to the findings.

Klitsie (2018) investigated the effect of executive support in the use of new digital technologies on employees' perceptions of productivity and creativity. A survey was conducted under 94 employees from an accounting firm working at different lines of services; accounting, business support, tax and consulting. Participants were asked about their experiences with top management support using new technologies, their perceptions on job performance, job creativity and their intrinsic motivation to use new digital technologies. The results indicate that top management support has a significant and positive effect on using new digital technologies.

In the context of social innovation, Hsu, Liu, Tsou, and Chen (2018) looked at the relationship between openness to technology adoption, executive support, and service innovation. The survey used data from a survey of 176 Taiwanese information technology (IT) organizations; the IT manager was chosen as the data gathering source. Complex data analysis challenges have been solved using partial least squares analysis. The relationship between openness to technology adoption and service innovation appears to be facilitated by operational management assistance, according to empirical research.

Edwards (2019) looked into the techniques used by certain middle managers to increase their employees' resistance to technological change. Semi-structured interviews with five participants from local government organizations in the Southwest United States, as well as a review of organizational documents, were used to gather data. The five Yin phases of data analysis, as well as methodical triangulation and topic discovery, are all included in the data analysis process. The results show that supporting technological change management leads to increased acceptance of change among employees.

In respect to the United Nations World Food Programme, Abdikadir Hassan (2019) aimed to discover the elements that influence the acceptance of e-procurement in an organization. The goal of this research is to determine how expenses, staff training, management support, and organizational policies influence the adoption of e-procurement in a company. A descriptive research design and a stratified random sample approach are used in this study. The workforce in the organization, which includes senior management, middle management, and support personnel, with a target population of 140 individuals, is the study's target population. This study selects a sample size of 70 employees using a stratified sampling technique that divides the target

population into strata. The questionnaire serves as a survey instrument. Data were analyzed according to frequency and descriptive statistics. Based on the results of the study, management support has an effect on e-government acceptance.

Hwang (2019) assesses the influence of executive support on the successful implementation of information systems. Building on lessons from previous meta-analyses, this study reanalyses the literature to support management with a larger sample size while controlling for the impact of variance on the overall method and problems in measuring system success. The results once again confirm the significant and significant influence of senior management support on the success of the system. Sugandini, Margahana, and Rahatmavati (2020) looked into the elements that influence digital technology adoption, which is mediated by the desire to use it. A poll of respondents is used in this survey. 210 SMEs in the Special Region of Yogyakarta and South Sumatra, Indonesia, were utilized as samples. Structural equation modeling was utilized to analyze the data. According to the findings of this study, management support is an internal organizational factor that influences the adoption of digital technology for social media marketing.

Silva, Correia, de Araújo Machado and de Oliveira (2020) analyzed the influence of organizational factors in the introduction of information systems at the Federal University of Campina Grande. This study takes a quantitative approach using a study at the Federal University of Campina Grande (UFCG) using structural equation modeling with Software R. The results confirm the positive impact of executive support on perceived convenience and utility.

Hertati, Safkaur, and Simanjuntak (2020) examined the impact of management involvement on the successful implementation of management accounting information

systems and their impact on management decision making. The target group of this research are related unit managers in small and medium enterprises in Indonesia. The unit of analysis is the functional unit of small and medium enterprises in Indonesia. The survey data was collected by sending a questionnaire through the company's email address. Data analysis was performed using SEM Lisrel statistical software. The results of the study indicate that management involvement has an effect on the success of the management accounting information system and its impact on management decision making.

Sanusi and Johl (2021) analyzed the impact of senior management involvement and support on the implementation of IPR risk management in the corporate sector. This study uses the narrative method to review the literature that critically analyzes the importance of senior management involvement and support for information systems risk management in business organizations. Related information was obtained from Scopus, Web of Science, Research Gate and Google Scholar. The commitment and support of senior management has proven to play an important role in the implementation of IP risk management, from budget approval, policy formulation, team recruitment, monitoring and monitoring to assessment.

Molino, Cortese, and Ghislieri (2021) investigated the factors that influence the adoption of technology in the workplace. Focus groups were employed in the qualitative study to gather perspectives of 14 important roles in organizations embracing Industry 4.0. The quantitative poll included 263 employees who completed a questionnaire at the same company. Both work resources, such as managerial support, and role clarity, according to the research, are antecedents to technology adoption, which is linked to job engagement.

Marei, Daoud, Ibrahim, and Al-Jabaly (2021) looked into the technological, organizational, and environmental (TOE) elements that influence major enterprises' adoption of e-procurement systems in Jordan, as well as if senior management support influences the link between these aspects. TOE was lowered, and e-government procurement was used. Companies registered in the Jordanian division of the main multinational enterprises make up the population. It was collected via questionnaires, and data was analyzed using PLS. Facilitating senior management support was discovered to be positively connected to relative strength and organizational readiness, but adversely related to complexity.

Salah, Yusof, and Mohamed (2001) investigated the factors that influence perceptions of customer relationship management in Palestinian SMEs. The relationship between variables of compatibility, IT infrastructure, complexity, relative advantage, security, executive support, customer pressure, and competitive pressure was investigated using a quantitative approach. The questionnaire was aimed to gather information from 420 Palestinian SMEs. The survey was completed and returned by 331 people. The measurement and structural models were estimated using the partial quadratic structural equation model technique (PLS-SEM). The findings and conclusions of this study show that executive support has a beneficial impact on CRM adoption.

From the perspective of instructors, Ebarido, Padagas, and Tuazon (2021) explored the effects of management and regulatory support on cloud adoption. A validated scale was administered to 176 teachers using the Theory of Reasoned Action, and a Partial Least Square Structural Equation Model was used to assess a set of hypotheses. According to the findings, management support has a beneficial impact on behavioral intentions to use cloud technology.

In the context of Jordanian small and medium-sized firms, Lutfi (2022) investigated the factors that influence accountants' continuous intention to utilize Accounting Information Systems (AIS) (SMEs). This is a cross-sectional study of SMEs that have implemented AIS in its entirety. The Extended Unified Theory of Technology Adoption and Use (UTAUT) and Senior Management Support (TMS) models are used to create the proposed study framework. The findings reveal that management support has a considerable and unfavorable impact on accountants' intentions to use accounting information systems in the long run.

2.4.3 Incentives and Electronic Tax System Usage

Hammouri and Abu-Shanab (2017) examined the factors that affect employee satisfaction with the e-control system. As a result, this study reveals that the system's success is determined by workers' satisfaction with the electronic tax system, as well as their social features, with an emphasis on Jordan's electronic tax system from the workers' perspective. Employee comments about their satisfaction with the system were gathered using a quantitative approach. This research employed a 47-employee sample and a 29-item instrument. Employee satisfaction is influenced by perceived ease of use, IT background, incentives, and social impact, according to the findings. Officials appeared to be impacted by their social rank and upbringing, according to the findings. The findings of this study imply that if an e-control system is difficult to use, it will not be used. To guarantee that the computerized tax system is simple to use, tax authorities must collaborate closely with system and software developers. Increasing consumers' ITB and moving them away from the social system (peers and supervisors) will also improve their contentment.

Mandola (2013) looked at the characteristics that influence medium and small taxpayers' adoption and usage of ITMS, concentrating on individuals who operate in the Nairobi Central Business District. A target population of 660 taxpayers was chosen, and given the huge number of registered taxpayers in Nairobi's central business district, an overall sample of 245 was chosen as representative to constitute the study's focus. A total of 11 tax consultants were also questioned. The survey was conducted using a descriptive survey design. The stratified sampling technique was employed to generate a sampling frame that ensured that the study included a diverse range of respondents. Self-completed questionnaires and interview instructions were used to collect data. The survey results show that the majority of taxpayers consider the development of ITMS in relation to the perception of e-filing technology as a useful idea that motivates them to comply with their tax obligations. However, they believe KRA has not taken sufficient action to encourage more taxpayers to fully adopt the system.

In Thailand, Bhuasiri, Zo, Lee, and Ciganek (2016) investigated the factors that influence a citizen's decision to use an electronic tax filing and payment system. To construct a model to explain user acceptance of e-government services, the integrated theory of technology acceptance and use is combined with the theories of self-determination, perceived risk, and perceived reliability. The results of a large-scale survey of Thai taxpayers demonstrate that implementation timing, facilitating circumstances, social impact, and perceived credibility are all critical variables. Expected productivity and effort are heavily influenced by perceived autonomy and competence (EE). Surprisingly, perceived risk and EE did not influence consumer intentions.

Gil-Lafuente (2016) investigated the impact of incentives on e-commerce behavioral intentions. A questionnaire was employed to obtain empirical data for this investigation. Exploratory factor analysis was used to test the scale for assessing the variables. The hypotheses were examined using the findings of a forgotten effects analysis on behavioral intention precursors to use t-commerce. The findings reveal that while there is no direct link between incentive and behavioral intention to use t-commerce, there is a link between incentive and behavioral intention to use t-commerce via precedent.

Based on a trial conducted in rural Cambodia, Usmani, Steele, and Jeuland (2017) assessed whether economic incentives increase household adoption and use of energy technology. The results suggest that while economic incentives can significantly increase the uptake and use of new technologies for environmental health, reduced pressure on the environment or appropriate livelihoods is not guaranteed.

Soto, Barnes, Eori, Beck, Balautis, Sanchez, and Gomez-Barbero (2018) used a survey of 971 European farmers to look into the factors that influence PAT acceptance and non-acceptance, emphasizing on the role of incentives in influencing adoption. By studying the impact of financial and non-financial incentives and attitudes on technology results, this study adds to past behavioral patterns used to PAT adoption. This study uses Poisson regression without inflation. The results show that non-adopted parents differ from adoptive parents and prefer financial and non-financial incentives, while adoptive parents only support incentives around a limited set of incentives. The results show that there is an acceptance gradient among certain groups of farmers that identify specific needs but also respond to different incentives.

Zhao, Anong, and Zhang (2019) investigated the impact of financial incentives on customers' willingness to accept Near Field Communication (NFC) mobile payments (NFC). Two levels of incentive kinds (cashback and rebates), two levels of incentive amounts (5 and 10%), and two levels of incentive periods were cycled through in an online experiment (one and three months). A 222-factorial design contained eight treatment conditions and one control group. Using the Qualtrics panel, a total of 463 people with no prior experience with NFC mobile payments were gathered. Financial incentives had a beneficial impact on intentions to embrace NFC mobile payments, according to the study; financial incentives affect intentions indirectly through perceived risk.

Nicoletti, von Rueden, and Andrews (2020) examined the variables of industry-level digital adoption by enterprises in two main clustering technologies - Cloud - Computer and back and back integration - using data from 25 industries in 24 European nations and Turkey from 2010 to 2016. the front desk. The focus is on the elements that can influence a company's capabilities and incentives to adopt, such as infrastructure availability (such as high-speed broadband), management quality and workforce skills, as well as product, labor, and financial market circumstances. The results demonstrate that incentives are related with lower perceptions of digital technology when using the differences approach.

Shikuku and Melesse (2020) examined the impact of incentives on the decision to adopt drought-resistant maize varieties and the processes by which these impacts occur using data from a randomized trial in Uganda. This study discovered that social recognition incentives for each subset of educated farmers who distribute farmers boost knowledge

transfer from distributing farmers to their neighbors and alter both distributing farmers' and neighbors' information networks.

2.4.4 KRA policy and Electronic Tax System Usage

Gonçalves, Nascimento, Bouzada, and Pitassi (2016) investigated the factors influencing the adoption and implementation of a Public Digital Accounting System (Sistema Público de Escrituração Digital, or SPED), based on the assessments of managers of Brazilian companies, which were revealed in response to a study of TOE framework criteria that took into account technological, organizational, and environmental dimensions. The findings reveal that, while other factors influence decisions about whether or not to adopt and implement SPED, the government's demand as part of the environmental dimension is the primary motivator. This appears to be due to the fact that governments are important, if not the most important, stakeholders in the regulatory environment. We also take note of the company's strong hopes for a reduction in the amount of new tax payments (reporting and reporting obligations). The survey's results will be used to help improve the implementation methods of government and enterprise e-government programs.

Okiro (2015) investigated the effect of the electronic payment system on the revenue collection of the Nairobi District government using a descriptive research design in which the target audience was 18 selected government agencies in Nairobi operating between 2013 and 2015. that the efficiency of revenue collection in Nairobi County has increased significantly since the introduction of electronic payment systems in revenue collection. As a result, the electronic adoption payment system was created with the goal of improving tax collection in Nairobi. Before and after deployment, the level of compliance has a substantial impact on the e-payment budget projections. According

to the findings, the Government of Nairobi County should ensure that all districts, departments, and other related entities are required by regulations to accept electronic and other payments, and that revenue collection systems are managed to ensure full compliance with the Budget, and that public awareness campaigns are conducted. to guarantee that consumers receive accurate information concerning electronic payment revenue collection.

Government tax policy, SME compliance, attitudes, and the relationship between growth in Ghana were investigated by Ameyaw, Korang, Twum, and Asante (2016). Determine whether SMEs comply with their tax duties and rules; analyze SMEs' perceptions of tax policy; and determine the impact of tax policies on SME growth in Ghana are the specific objectives. The research was primarily conducted at Accra Assembly and focused on Cantamanto, Makola, Malata, and Dome Pazar markets. Owners of small and medium-sized firms operating from 2002 to 2015 are the respondents in this market. A questionnaire was used to conduct the survey, which drew a total of 200 participants, 50 from each market. SPSS version 21 was used to analyze the data. The results of this study, which used multiple regression analysis, revealed that the majority of respondents believed that tax policy had a negative impact on compliance, growth, and perceptions of SMEs in Ghana.

Njoroge, Ngugi, and Kinzi (2017) evaluated the impact of a number of factors on the use of information and communication technology in Kenyan public secondary schools in the Naivasha District. The researcher used an ex post facto research approach, collecting data from 32 public high school principals using a questionnaire and structured interviews with the District Education Office's Quality Assurance and Standards Officer (QASO). The study's intended audience was all Naivasha District

public high school principals. The frequency and percentage of nominal scale data were calculated, and hypotheses were tested using simple regression statistics at a significance threshold of 0.05. Factors related to the school's vision for ICT policy had the greatest negative impact on ICT policy implementation compared to certain factors related to ICT infrastructure costs and teachers' ICT skills.

Lasisi (2018) discusses issues related to implementing effective information technology policies in an organization with a focus on the Federal Institute for Industrial Research, Oshodi, Nigeria. Research participants are employees of the selected organizations. Using the Slovenian formula to compute the sample size, a sample size of 124 was chosen from a target population of 180. The Statistical Package for Social Sciences was used to analyze the data (SPSS 20). IT policy attitudes, awareness, policy implementation, policy updates, and IT policy review and implementation all demonstrated a strong positive link in the study's findings.

In a manufacturing business in Nigeria, Chiemekwe, Ashari, and Muktar (2018) investigated the impact of organizational policies on quality of work life and employee engagement. Researchers used the university library, which has access to 10,000 articles, to conduct their research. SCIENCE DIRECT, EMERALD, Google Scholar, and the European Journal of Multidisciplinary Studies are among the primary databases subscribed to by the library, and these databases are searched using key phrases. Employee engagement should be the focus of organizational policy and quality of work life, according to the findings, therefore more attention should be made to the importance of organizational policy and quality of employee work life for employee engagement.

Aris, Maupa, Muis, and Taba (2019) use welding technology as an intermediary variable to evaluate and analyze the impact of government policies, human resource quality, and professional institutions on workforce competitiveness. To examine the acquired data, this study employs quantitative research utilizing a partial least squares (PLS-SEM) model. According to the findings of the study, there is a substantial relationship between government policies, human resource quality, and professional institutions and welding technology. The coefficient has a positive direct link, i.e., the better the quality of government policy factors and human resources, the higher the Welding Institute's value.

Using the UNITEL limited-service case study, Radonji and Ruben (2019) attempted to determine the impact of human resource development and ICT policies on the performance of telecommunications service provider organizations in Kenya. A descriptive research design was used and a stratified sampling technique was applied. Data were quantified by staff from a limited number of UNITEL services using a questionnaire. A total of 40 selected employees and 33 questionnaires were successfully returned. The results showed that only 37.9% of respondents agreed that ICT policies were positively related to organizational performance.

2.5 Research Gaps

Hammouri and Abu-Shanab (2017) examined the factors that affect employee satisfaction with the e-control system. This study could not confirm the stability of the original TAM in the context of e-taxation in Jordan. This study relies on individual cases to identify the factors that influence employee satisfaction with the use of the electronic tax system in Jordan. This study also focuses on one e-tax system in one country, so summarizing all systems and countries may not be possible. To improve the

summary of these results, this study tried to use a larger sample to increase the stability of the study. This study thus, presented a clear contextual gap that needed to be filled.

Macharia (2014) sought to investigate the drivers of adoption of Value Added Tax (VAT) in Social Commerce in Kenya. The analysis was traced down 10-year performance line using a descriptive research design. This methodology employed by the study was ineffective and could yield biased results since it has no panel approach to it. The study thus presented a methodological gap.

Abdullahi (2016) examined the spread of innovation theory and adoption of e-government by medium-sized enterprises in Kenya. Nyareru et al. (2017) analyzed the actors influencing the adoption and use of electronic tax registers by small and medium enterprises in Nakuru, Kenya. The two studies were found to empirically support the electronic tax system usage. However, the unit of analysis in the studies was specifically focused in the SMEs and thus the findings could not address the usage of electronic tax system usage by employees at the KRA. Thus, the study presented a methodological gap.

2.6 Conceptual Framework

Conceptual framework refers to a graphic representation of research concepts and their relationship to one another that has been or should be explored in research, graphically or in some other narrative form (Tamene, 2016). Figure 2.1 illustrates the conceptual framework of this study where organizational factors (training, management support, incentives and KRA policy) constitute the independent variables, while the dependent variable is electronic tax system usage.

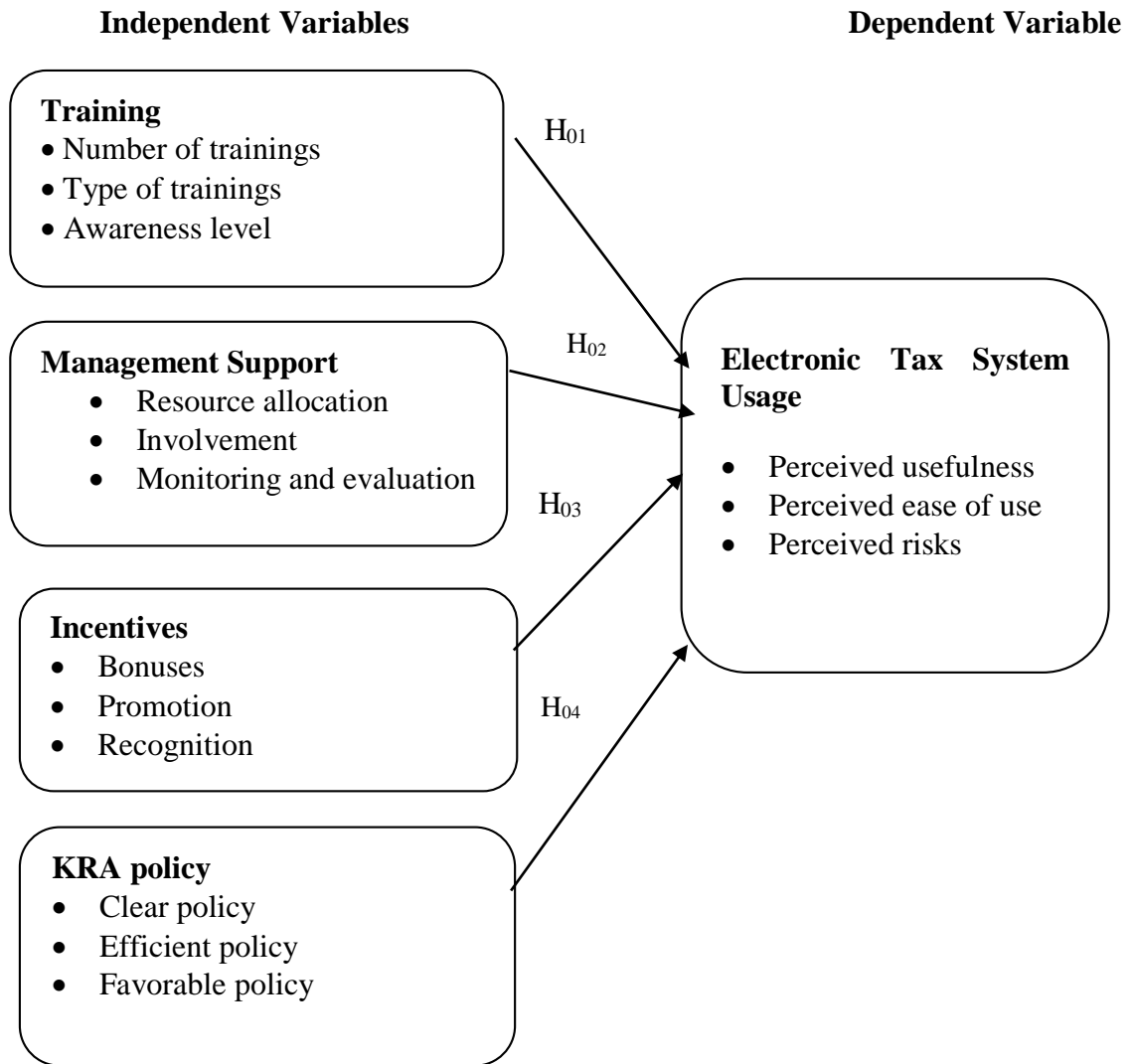


Figure 2.2: Conceptual Framework

Source: Author (2019)

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Chapter Overview

This chapter discusses the methodological approach used for this research. He presented the study design, target population, sample size and technique, pilot study, data collection instruments and procedures, data analysis and reporting, and ethical considerations.

3.2 Research Design

Research design is a roadmap for how research questions are approached and ultimately addressed (Saunders, Lewis & Thornhill, 2009). This study adopted an explanatory research design. This design helps to understand the causal relationship between research concepts (Rahi, 2017). In this study, the researcher sought to establish the effect of organizational factors on electronic tax system usage. Hence, explanatory research design was appropriate in establishing the causal effect between organizational factors and electronic tax system usage.

3.3 Target Population

The target population includes all groups of people or things that have the same characteristics that are preferred by researchers (Mugenda & Mugenda 2013). The study target population was all KRA employees. There were 1546 KRA employees within Nairobi County. The choice of the KRA employees was justified since they were involved in usage of the electronic tax system.

3.4 Sampling Design

Sample design is defined as the process used to select a sample population from the target population (Marshall & Rossman, 2011). The aim of the sample design is to

reduce the sample size to a sample size that can be examined for reasons of time and money, while ensuring that the sample selected is representative and objective. This study uses a simple random sampling technique in the selection of respondents. The technique was considered suitable as the target population share similar characteristics (all are KRA employees and taxpayers). Further, the technique provided all the target respondents with equal chances of being selected.

3.4.1 Sampling Frame

The beginning material or device from which the sample is drawn is referred to as the sampling frame. This is a list of all individuals who can be sampled from a population, which can include individuals, households, or institutions (Chandran, 2009). The sampling frame, according to Cooper and Schindler (2010), is a list of things to be sampled. The sample frame allows you to choose which individuals of the target demographic will be interviewed for the study. The sample frame for this study was KRA employees in Nairobi County.

3.4.2 Sample Size

Kothari (2004) describes the sample as a collection of units that the population chooses to represent. In determining the sample size of this study, the researcher adopted Yamane's (1967) formula:

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

Where:

‘n’ = sample size,

‘N’ = population

‘e’ = the confidence level

1 = constant.

This formula assumes the level of precision of 5% and a confidence level of 95%. The sample size is:

$$n = \frac{1546}{1 + 1546(0.05)^2}$$

$$n = 317$$

$$\approx 317$$

From the formula, the study sample size was 317 KRA employees.

3.5 Data Collection Instrument

In conducting a research collection of accurate and systematic data is critical. The researcher used a questionnaire as the main tool to collect information. The questionnaire includes a section that reflects the research variables. In each section, closed-ended questions were used to collect respondents' opinions, attitudes, and opinions. The Likert scale was used to formulate questions about the research objectives. The purpose of the Likert scale is to capture the respondent's attitude towards the survey objectives. The questionnaire was deemed appropriate given the high literacy rate of the category of employees selected to participate in the survey. In this study, the use of questionnaires is preferred because the respondents are literate so that they are able to understand and answer questions adequately. Another reason is that the questionnaire can be used on many people at the same time if it is convenient for them.

3.6 Data Collection Procedure

The researcher got permission from the university to collect research data. Data collection is done by playback and selection techniques. The use of self-administered questionnaires is recommended to obtain a self-assessment of the opinions, attitudes and values of respondents (Mugenda & Mugenda, 2013). Two researchers were hired to help administer the questionnaire. They were told about how to present themselves and how to distribute the questionnaires to the respondents. They were also engaged through training and awareness-raising sessions on questionnaire content, data collection methods, and ethical issues.

3.7 Pilot Study

A pilot study is a tiny experiment used to test logistics and gather data prior to a larger study in order to improve the quality and efficiency. A pilot study may reveal deficiencies in the design of a proposed procedure or experiment that could be overcome before time and resources are devoted to the actual study. Its goal is to determine the validity and dependability of research instruments (Cooper & Schindler, 2008). Prior to using the questionnaire to collect and generate survey data, a pilot study was conducted on a 10% sample of KRA Machakos offices. Its purpose was to verify that the questionnaire was understandable to the respondent, to identify problems that the respondent faced while filling out the questionnaire and to determine whether the feedback form would successfully respond to the data required for the survey.

3.7.1 Validity of the Research Instrument

Validity is the accuracy and strength of conclusions based on research results (Mugenda & Mugenda, 2013). This study uses content validity to determine the accuracy and capacity of interpretation based on the results of the study. To ensure content validity,

the study director studied the tools and made the necessary recommendations. The validity of the person was carried out using a pilot study to ensure the adequacy of the contents in the questionnaire. To assess the validity of the criteria, the results of the study were compared with the results of previous studies using similar measurements. In addition, the validity of the design was assessed through factor analysis, which was used to summarize the data for easier management without losing relevant data. According to Kaiser (1974), a factor load value greater than 0.4 should be permitted, and a value below 0.4 would help gather more detail to help the researcher decide which value to use.

3.7.2 Reliability of the Research Instrument

The level of consistency of results over time and an accurate representation of the complete study population are characterized as reliability. Furthermore, the research tool is considered reputable if the research results can be duplicated using a similar methodology (Sekaran & Bougie, 2013). Cronbach's alpha (α) is the most commonly used internal consistency statistic in this study. It expresses the degree to which a set of test items can be used to measure a latent variable (Cronbach, 1951). For this investigation, the recommended value of 0.7 was selected as the confidence limit. For a research instrument to be reliable, the Cronbach Alpha value must be at least 0.7 or higher. Table 3.1 summarizes the findings.

Table 3.1: Reliability Results

Variable	Number of Items	Cronbach's Alpha	Comment
Training	4	0.878	Reliable
Management support	4	0.825	Reliable
Incentives	4	0.885	Reliable
KRA policy	4	0.783	Reliable
Electronic Tax System Usage	4	0.812	Reliable

Source: Research Data (2022)

The results in Table 3.2 indicate that training had a coefficient of 0.878, management support had 0.825, incentives had 0.885, KRA policy had 0.783, and electronic tax system usage had 0.812. All the constructs had values greater than 0.7 implying that the questionnaire was reliable.

3.8 Measurement of Variables

The dependent variable was electronic tax system, which was measured in terms of perceived usefulness, perceived ease of use, and perceived risks. The independent variables included training, management support, incentives and KRA policy. Training was measured using number of trainings, type of trainings and awareness level. Management support was measured using resource allocation, involvement, monitoring and evaluation. Incentives were operationalized through bonuses, promotion, and recognition. KRA policy was measured using clear KRA policy, efficient KRA policy and favorable KRA policy. Table 3.2 summarizes measurement of the research variables.

Table 3.2: Measurement of Variables

Variable	Type of variable	Indicators	Source	Type of Questions
Electronic tax system usage	Dependent	<ul style="list-style-type: none"> • Perceived usefulness • Perceived ease of use • Perceived risks 	Gor (2015)	Questionnaire-Likert scale
Training	Independent	<ul style="list-style-type: none"> • Number of trainings • Type of trainings • Awareness level 	Nyareru et al. (2017) Macharia (2014)	Questionnaire-Likert scale
Management support	Independent	<ul style="list-style-type: none"> • Resource allocation • Involvement • Monitoring and evaluation 	Ndombi (2012) Gor (2015)	Questionnaire-Likert scale
Incentives	Independent	<ul style="list-style-type: none"> • Bonuses • Promotion • Recognition 	Bhuasiri, Zo, Lee and Ciganek (2016) Hammouri and Abu-Shanab (2017)	Questionnaire-Likert scale
KRA policy	Independent	<ul style="list-style-type: none"> • Clear KRA policy • Efficient KRA policy • Favorable KRA policy 	Ameyaw et al. (2016) Gonçalves et al. (2016)	Questionnaire-Likert scale

3.9 Data Analysis and Presentation

According to Zikmund, Babin, Carr, and Griffin (2010), data analysis refers to applying arguments to understand the data collected, to identify consistent models, and to summarize relevant details found in the investigation. The data collected by the questionnaire was first checked for completeness. The Statistical Package for the Social Sciences was used to code, tabulate, and analyze data collected from correctly completed surveys (SPSS v. 21). To capture the features of the variables analyzed, descriptive statistics such as frequency, percentage, mean, and standard deviation were

developed. In addition, inferential statistics were utilized to investigate the relationship between the study variables, such as Pearson correlation and regression. Graphs and tables are used to present the information. The regression results are put to the test to see if the research hypotheses stated in Chapter One are correct.

The following regression model was used:

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

Where:

Y = Electronic Tax System Usage

$\beta_0, \beta_1, \beta_2$ and β_3, β_4 = Beta coefficients

X_1 = Training

X_2 = Management support

X_3 = Incentives

X_4 = KRA policy

ε = Error Term

3.10 Regression Assumptions

The researcher conducted several diagnostic tests including normality, linearity, heteroscedasticity and multicollinearity. This was done to ensure accuracy of the results.

3.10.1 Normality Test

The normality test helps to strengthen the regression model by verifying that the data is regularly distributed, which may be verified through charting. The Shapiro-Wilk test was used to determine whether the data was normal. Due to the limited size of the research sample, the Shapiro-Wilk test was chosen. A probability value larger than 0.05

is used as a criterion to ensure that the data is regularly distributed (Saunders, Lewis & Thornhill, 2009).

3.10.2 Linearity Test

Before undertaking regression analysis, linearity is used to determine whether two continuous variables have a linear connection. This is demonstrated with four scatterplots that illustrate whether each independent variable and the dependent variable have a linear relationship. Before using the regression model, the relationship between variables should be fairly linear.

3.10.3 Heteroscedasticity Test

There is heteroscedasticity in the data if the error variance is not constant. The parameter estimate is skewed when the regression model is used without taking heteroscedasticity into account. The homogeneity of turnover was assessed using Leven's change fairness test (Parra-Frutos, 2013). The null hypothesis says that the error element's variance remains constant. When the probability value is greater than 0.05, the null hypothesis is accepted, implying that the error term's variance is constant, and vice versa.

3.10.4 Multicollinearity Test

When there is a significant correlation between independent variables, it causes multicollinearity, which affects the significance of individual variables. The Inflation Variation Factor was used to test it (VIF). A VIF of less than 3 implies that there is no multicollinearity for all, however a VIF of more than 10 ($VIF > 10$) suggests that there is a multicollinearity problem.

3.11 Ethical Considerations

To conduct the research, permission from the institution was requested. Before beginning the study, the National Commission for Science, Technology, and Innovation (NACOSTI) required a research authorization. The respondents' privacy and anonymity were guaranteed at all times, and they were informed of their right to withdraw at any moment during the study if they so desired. The information gathered from the respondents was solely for scholarly purposes.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter summarizes the research findings and discusses them in light of the study's goals. In chapter two, the findings are examined with relation to the evaluated empirical literature. The chapter begins with data dependability, validity, and response rate outcomes. After that, the outcomes of the descriptive and regression assumptions are shown. There are more correlation and regression data to be shown. The primary aim of the study was to investigate the effect of organizational factors on electronic tax system usage by employees of Kenya Revenue Authority.

4.2 Response Rate from the Questionnaire

The study administered 317 questionnaires to KRA employees and the response rate is shown in Table 4.1.

Table 4.1: Response Rate

Response	Frequency (f)	Percentage (%)
Returned	300	94.6%
Unreturned	17	5.4%
Total	317	100%

Source: Research Data (2022)

A total of 300 questionnaires were successfully completed and returned, resulting in a response rate of 94.6 percent. The remaining 17 questionnaires were either not returned or filled out improperly. A response rate of more than 50%, according to Saunders et al. (2009), is considered appropriate for the analysis. According to Mugenda & Mugenda (2003), a 50 percent response rate is satisfactory, 60 percent is good, and 70

percent and above is excellent. As a result, the response rate in this study was deemed adequate for statistical analysis.

4.3 Demographic Information

This section presents results on background information relating to the study respondents. The items include gender, age, education level and experience. Table 4.2 shows the outcome.

Table 4.2: Demographic Information of the respondents

Variables	Categories	Frequency	Percent (%)
Gender	Male	131	43.7
	Female	169	56.3
	Total	300	100
Age	Less than 30	92	30.7
	31-40	159	53
	41-50	34	11.3
	Above 50	15	5
	Total	300	100
Education level	Diploma	42	14
	Undergraduate	75	25
	Graduate	183	61
	Total	300	100
Experience	less than 2 years	10	3.3
	2-5years	138	46
	6-10 years	91	30.4
	Above 10 years	61	20.3
	Total	300	100

Source: Research Data (2022)

As indicated in Table 4.2, 56.3% of the respondents were male, and the rest were female. This implied that slightly more men than women participated in this survey. However, there was element of fair representation since each gender was represented by at least one-third. The implication is that the opinion of both men and women was captured in this study. In terms of age, 53% of the respondents were aged 31-40 years,

and 30.7% were aged less than 30 years. This implied that most of the respondents were relatively young and therefore responsive to electronic tax system usage.

On education, most of the respondents, 61% were graduates implying that they have the ability to use electronic tax system. Finally, 46% of the respondents had 2-5 years of experience in the organization, while 30.3% had 6-10 years. This suggested that the highest number of the respondents had adequate experience and therefore, were expected to be conversant with the KRA system. This implied that the information the respondents provided on organizational factors and electronic tax system usage by employees was reliable.

4.4 Factor Analysis

The PCA method of factor analysis was used to summarize data in order to make it more understandable without sacrificing any important information. In order to test the construct validity of the data instrument, the study used KMO and Bartlett's test. The findings are indicated in Table 4.3.

Table 4.3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.734
Bartlett's Test of Sphericity	Approx. Chi-Square	3694.888
	df	120
	Sig.	.000

Source: Research Data (2022)

As indicated in Table 4.3, KMO value was $0.734 > 0.5$ implying adequacy of the sample. In addition, Bartlett's test of sphericity recorded a χ^2 of 3694.888 with df of 120 at a significant value of 0.000, revealing that factor analysis was appropriate. Table 4.4 indicates the factors with explained variation.

Table 4.4: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.234	38.96	38.96	6.234	38.96	38.96
2	2.972	18.575	57.535	2.972	18.575	57.535
3	1.233	7.706	65.241	1.233	7.706	65.241
4	1.13	7.061	72.302	1.13	7.061	72.302
5	0.967	6.045	78.347			
6	0.864	5.401	83.748			
7	0.604	3.773	87.52			
8	0.44	2.752	90.272			
9	0.355	2.217	92.489			
10	0.306	1.913	94.402			
11	0.258	1.609	96.012			
12	0.22	1.373	97.385			
13	0.164	1.025	98.411			
14	0.105	0.658	99.069			
15	0.085	0.53	99.599			
16	0.064	0.401	100			

Extraction Method: Principal Component Analysis.

Source: Research Data (2022)

Results in Table 4.4 revealed that the aggregate percent of variance was 72.3%. This demonstrated the independent variables were powerful in explaining the dependent variable.

Further, Table 4.5 indicates rotated factor loading for the study constructs. Communalities of items should be greater than 0.40. The Principal Component Analysis (PCA) method of factor analysis was used to summarize data in order to make it more intelligible without compromising any significant information. Items with factor loadings greater than 0.4 were accepted.

Table 4.5: Rotated Factor loading for the study constructs

Items	Component			
	1	2	3	4
Our organization offers diverse trainings on the use of electronic tax system.	0.84			
My level of compliance with use of electronic tax system has increased.	0.8			
Our organization has improved awareness on use of electronic tax system.	0.762			
I frequently attend trainings on the use of electronic tax system.	0.614			
Our organization's leadership is actively involved in promoting use of electronic tax system by employees		0.829		
Our management has put in place appropriate procedures to enhance e-tax system usage by employees		0.814		
Our management has allocated financial resources to facilitate training of employees on use of e-tax system		0.776		
Our organization has clear monitoring and evaluation procedures on the use of e-tax system within the organization.		0.567		
I receive promotions, which encourages me to use electronic tax system.			0.904	
I receive salary increment that encourages me to use electronic tax system.			0.878	
I receive recognition, which encourages me to use electronic tax system.			0.848	
I receive bonuses, which encourages me to use electronic tax system			0.766	
I find the KRA policy on use of electronic tax system to be appropriate.				0.864
I find the KRA policy on use of electronic tax system to be clear.				0.751
I find the KRA policy on use of electronic tax system to be favorable to tax payers.				0.694
I find the KRA policy on use of electronic tax system to be efficient.				0.564

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 5 iterations.

Source: Research Data (2022)

Table 4.5 indicates that construct one (training) was explained by four items with factor loadings ranging from 0.614 to 0.84. Construct two (management support) was explained by four items with factor loadings ranging from 0.567 to 0.829. Construct three (incentives) was explained by four items with factor loadings ranging from 0.766 to 0.904. Construct four (KRA policy) was explained by four items with factor loadings

ranging from 0.564 to 0.864. All the items had values greater than 0.4 and therefore were adopted for further analysis.

4.5 Data Transformation

Data transformation in the current study entailed use of composite indexes. The process involved summing the Likert data for each variable and then computing the mean. The transformed data in form of composite indexes was applied in running inferential statistics.

Training: Data for the four statements was added $[T1+T2+T3+T4]$ and then divided by four. This constituted the composite index representing Training.

Management Support: Data for the four statements was added $[MS1+MS2+MS3+MS4]$ and then divided by four. This constituted the composite index representing management support.

Incentives: Data for the four statements was added $[INC1+INC2+INC3+INC4]$ and then divided by four. This constituted the composite index representing Incentives.

KRA Policy: Data for the four statements was added $[KP1+KP2+KP3+KP4]$ and then divided by four. This constituted the composite index representing KRA policy.

Electronic Tax System Usage: Data for the four statements was added $[ETS1+ETS2+ETS3+ETS4]$ and then divided by four. This constituted the composite index representing Electronic Tax System Usage.

4.6 Descriptive Statistics Analysis

The results of descriptive statistics are presented in percentages, mean, and standard deviation in this section. The findings are given in accordance with the research

variables. The following was the Likert Scale used: 1-strongly disagree, 2-strongly disagree, 3-neutral, 4-agree, and 5-strongly agree are the five options.

4.6.1 Descriptive statistics on Training

The study sought to determine the effect of training on electronic tax system usage by employees of Kenya Revenue Authority. The respondents were asked to rate the items measuring the concept on training. The descriptive findings are shown in Table 4.6.

Table 4.6: Descriptive statistics on Training

Statements on Training	SD	D	N	A	SA	Mean (\bar{x})	Std Dev
I frequently attend trainings on the use of electronic tax system.	8.0%	9.0%	18.0%	33.3%	31.7%	3.7	1.2
Our organization offers diverse trainings on the use of electronic tax system.	6.3%	17.0%	23.0%	32.0%	21.7%	3.5	1.2
Our organization has improved awareness on use of electronic tax system.	3.3%	5.7%	20.3%	35.7%	35.0%	3.9	1.0
My level of compliance with use of electronic tax system has increased.	2.7%	6.7%	19.0%	33.3%	38.3%	4.0	1.0
Aggregate score						3.8	1.1

Source: Research Data (2022)

As indicated in Table 4.6, majority of the respondents agreed with the statement that they frequently attend trainings on the use of electronic tax system (65%, $\bar{x} = 3.7$), the organization offers diverse trainings on the use of electronic tax system (53.7%, $\bar{x} = 3.5$), the organization has improved awareness on use of electronic tax system (70.7%, $\bar{x} = 3.9$), and their level of compliance with use of electronic tax system has increased (71.6%, $\bar{x} = 4.0$). The findings imply that training is a key determinant of electronic tax system usage by employees of Kenya Revenue Authority. Most of the respondents had positive opinion towards training. Therefore, training is expected to greatly electronic tax system usage.

4.6.2 Descriptive statistics on Management Support

The study sought to determine the effect of management support on electronic tax system usage by employees of Kenya Revenue Authority. The respondents were asked to rate the items measuring the concept on management support. The descriptive findings are shown in Table 4.7.

Table 4.7: Descriptive statistics on Management Support

Statements on management support	SD	D	N	A	SA	Mean (\bar{x})	Std Dev
Our organization's leadership is actively involved in promoting use of electronic tax system by employees	3.0%	10.7%	12.7%	36.3%	37.3%	3.9	1.1
Our management has allocated financial resources to facilitate training of employees on use of e-tax system	5.3%	13.0%	29.0%	35.7%	17.0%	3.5	1.1
Our management has put in place appropriate procedures to enhance e-tax system usage by employees	0.0%	6.0%	25.3%	37.7%	31.0%	3.9	0.9
Our organization has clear monitoring and evaluation procedures on the use of e-tax system within the organization.	0.0%	6.7%	25.7%	40.0%	27.7%	3.9	0.9
Aggregate score						3.8	1.0

Source: Research Data (2022)

As indicated in Table 4.7, majority of the respondents agreed with the statement that the organization's leadership is actively involved in promoting use of electronic tax system by employees (73.6%, \bar{x} =3.9), the management has allocated financial resources to facilitate training of employees on use of e-tax system (52.7%, \bar{x} =3.5), the management has put in place appropriate procedures to enhance e-tax system usage by employees (68.7%, \bar{x} =3.9), and the organization has clear monitoring and evaluation procedures on the use of e-tax system within the organization (67.7%, \bar{x} =3.9). The findings imply that management support is a key determinant of electronic tax system

usage by employees of KRA. Most of the respondents had positive opinion towards management support. Therefore, management support is expected to greatly determine electronic tax system usage.

4.6.3 Descriptive statistics on Incentives

The study sought to determine the effect of incentives on electronic tax system usage by employees of Kenya Revenue Authority. The respondents were asked to rate the items measuring the concept on incentives. The descriptive findings are shown in Table 4.8.

Table 4.8: Descriptive statistics on Incentives

Statements on incentives	SD	D	N	A	SA	Mean (\bar{x})	Std Dev
I receive bonuses, which encourages me to use electronic tax system	29.7%	14.7%	25.0%	16.7%	14.0%	2.7	1.4
I receive salary increment, which encourages me to use electronic tax system.	27.3%	13.7%	25.3%	19.3%	14.3%	2.8	1.4
I receive promotions, which encourages me to use electronic tax system.	37.0%	12.7%	24.7%	14.0%	11.7%	2.5	1.4
I receive recognition, which encourages me to use electronic tax system.	36.7%	16.0%	27.7%	5.0%	14.7%	2.5	1.4
Aggregate score						2.6	1.4

Source: Research Data (2022)

Table 4.8 indicates that the highest percentage of the respondents disagreed with the statement that they receive bonuses, which encourages them to use electronic tax system (44.4%, \bar{x} =2.7), receive salary increment, which encourages them to use electronic tax system (41%, \bar{x} =2.8), receive promotions, which encourages them to use electronic tax system (49.7%, \bar{x} =2.5), and receive recognition, which encourages me to use electronic tax system (52.7%, \bar{x} =2.5). The findings imply that incentives are not commonly used to encourage electronic tax system usage by employees of KRA. Most

of the respondents had negative opinion towards incentives. Therefore, incentives are expected to minimally determine electronic tax system usage.

4.6.4 Descriptive statistics on KRA policy

The study sought to determine the effect of KRA policy on electronic tax system usage by employees of Kenya Revenue Authority. The respondents were asked to rate the items measuring the concept on KRA policy. The descriptive findings are shown in Table 4.9.

Table 4.9: Descriptive statistics on KRA policy

Statements on KRA policy	SD	D	N	A	SA	Mean (\bar{x})	Std Dev
I find the KRA policy on use of electronic tax system to be clear.	2.0%	5.0%	21.7%	35.3%	36.0%	4.0	1.0
I find the KRA policy on use of electronic tax system to be appropriate.	0.0%	6.3%	15.7%	39.0%	39.0%	4.1	0.9
I find the KRA policy on use of electronic tax system to be favorable to tax payers.	5.0%	9.7%	16.0%	36.0%	33.3%	3.8	1.1
I find the KRA policy on use of electronic tax system to be efficient.	3.7%	10.3%	14.0%	38.7%	32.0%	4.4	4.7
Aggregate score						4.1	1.9

Source: Research Data (2022)

As indicated in Table 4.9, majority of the respondents agreed with the statement that they find the KRA policy on use of electronic tax system to be clear (71.3%, \bar{x} =4.0), find the KRA policy on use of electronic tax system to be appropriate (78%, \bar{x} =4.1), find the KRA policy on use of electronic tax system to be favorable to tax payers (69.3%, \bar{x} =3.8), and find the KRA policy on use of electronic tax system to be efficient (70.7%, \bar{x} =4.4). The findings imply that KRA policy is a key determinant of electronic tax system usage by employees of KRA. Most of the respondents had a positive opinion

towards management support. Therefore, KRA policy is expected to greatly determine electronic tax system usage.

4.6.5 Descriptive statistics on Electronic Tax System Usage

The respondents rated statements on the dependent variable, which was electronic tax system usage. The descriptive findings are shown in Table 4.10.

Table 4.10: Descriptive statistics on Electronic Tax System Usage

Statements on Electronic Tax System Usage	SD	D	N	A	SA	Mean (\bar{x})	Std Dev
I use the electronic tax system on a daily basis and this has enhanced my productivity.	5.0%	1.7%	10.7%	16.7%	66.0%	4.4	1.1
I find the electronic tax system easy to use in carrying out daily tasks.	3.0%	4.3%	13.7%	34.0%	45.0%	4.1	1.0
I am intentional and optimistic about the use of the electronic tax system.	2.3%	1.7%	12.3%	25.0%	58.7%	4.4	0.9
I do not perceive any risks relating to the use of electronic tax system.	9.0%	13.7%	22.3%	17.0%	38.0%	3.6	1.3
Aggregate score						4.1	1.1

Source: Research Data (2022)

The findings in Table 4.10 reveal that majority of the respondents agreed with the statement that they use the electronic tax system on a daily basis and this has enhanced my productivity (82.7%, \bar{x} =4.4), find the electronic tax system easy to use in carrying out daily tasks (79%, \bar{x} =4.1), they are intentional and optimistic about the use of the electronic tax system (83.7%, \bar{x} =4.4), and they do not perceive any risks relating to the use of electronic tax system (55%, \bar{x} =3.6). The findings imply that most of the respondents had positive opinion towards electronic tax system usage.

4.7 Correlation Analysis

The results of the correlation between the study variables are presented in this section.

The correlation between training, management support, incentives, KRA policy, and

utilization of the computerized tax system was calculated using Pearson correlation.

Table 4.11 shows the results.

Table 4.11: Correlation Matrix

	Electronic Tax System Usage	Training	Management support	Incentives	KRA policy
Electronic Tax System Usage	1				
Training	.542**	1			
Management support	.523**	.716**	1		
Incentives	.287**	.140*	.179**	1	
KRA policy	.606**	.554**	.497**	.208**	1

** Correlation is significant at the 0.01 level (2-tailed).

Source: Research Data (2022)

Table 4.11 revealed that training ($r=0.542^{**}$), had a positive and significant correlation with electronic tax system usage. This implied that an increase in training is significantly correlated with increase in electronic tax system usage. The findings also indicated that management support ($r=0.523^{**}$), had a positive and significant correlation with electronic tax system usage. This implied that an increase in management support is significantly correlated with increase in electronic tax system usage.

The findings further indicated that incentives ($r=0.287^{**}$), had a positive and significant correlation with electronic tax system usage. This implied that an increase in incentives is significantly correlated with increase in electronic tax system usage. Finally, the study showed that KRA policy ($r=0.606^{**}$), had a positive and significant correlation with electronic tax system usage. This implied that an improvement in KRA policy is significantly correlated with increase in electronic tax system usage.

4.8 Regression Assumptions

Prior to doing regression analysis, several regression assumptions were tested. This was done to verify that the data was not distorted, resulting in erroneous estimates. The tests were; normality, linearity, multicollinearity, and heteroscedasticity.

4.8.1 Normality test

The Shapiro-Wilk test was used to determine normality. When the Asymp. Sig. (2-tailed) is greater than 0.05, data is presumed to be normally distributed. The results are displayed in Table 4.12.

Table 4.12: Shapiro-Wilk Test of Normality

Variables	Statistic	df	Sig.
Training	0.913	300	0.077
Management support	0.95	300	0.561
Incentives	0.917	300	0.333
KRA policy	0.921	300	0.068
Electronic Tax System Usage	0.87	300	0.255

a Lilliefors Significance Correction

Source: Research Data (2022)

All of the variables showed significant (Sig) values more than 0.05, as shown in Table 4.12. As a result, the null hypothesis of normal distribution was accepted. This meant that the data in the study was regularly distributed.

4.8.2 Linearity Test

Scatter plots were used to conduct the linearity test as shown below.

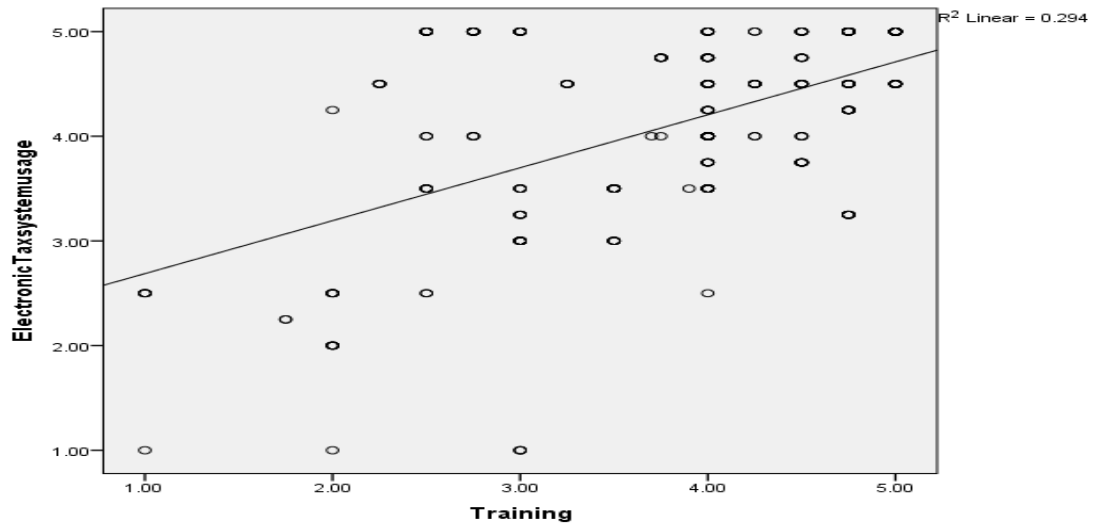


Figure 4.1: Linearity test between Training and electronic tax system usage

Source: Research Data (2022)

Figure 4.1 indicates a linear positive relationship between training and electronic tax system usage. This is demonstrated by the positively sloping line of fit.

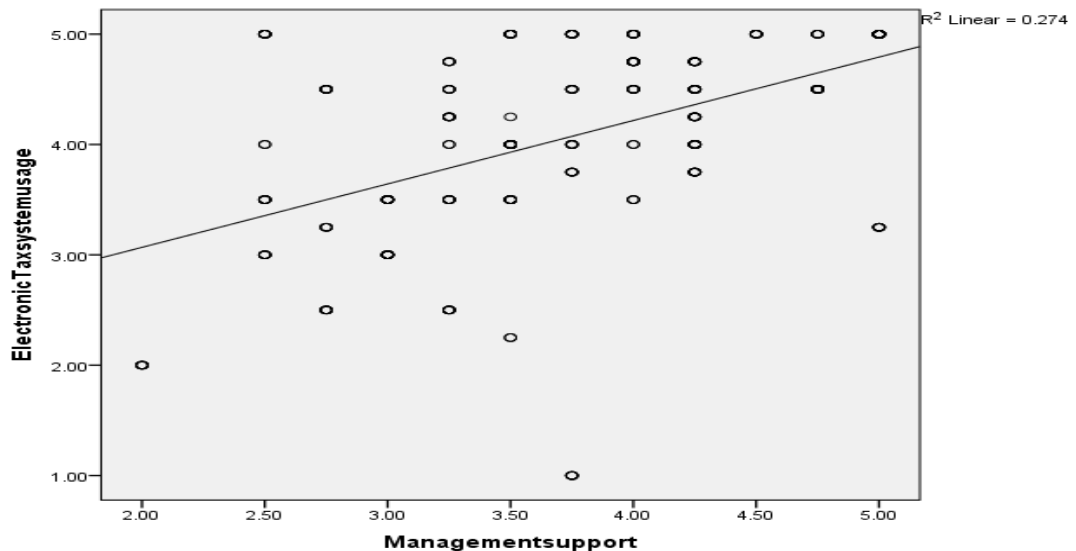


Figure 4.2: Linearity test between management support and electronic tax system usage

Source: Research Data (2022)

Figure 4.2 indicates a linear positive relationship between management support and electronic tax system usage. This is illustrated by the positively sloping line of fit.

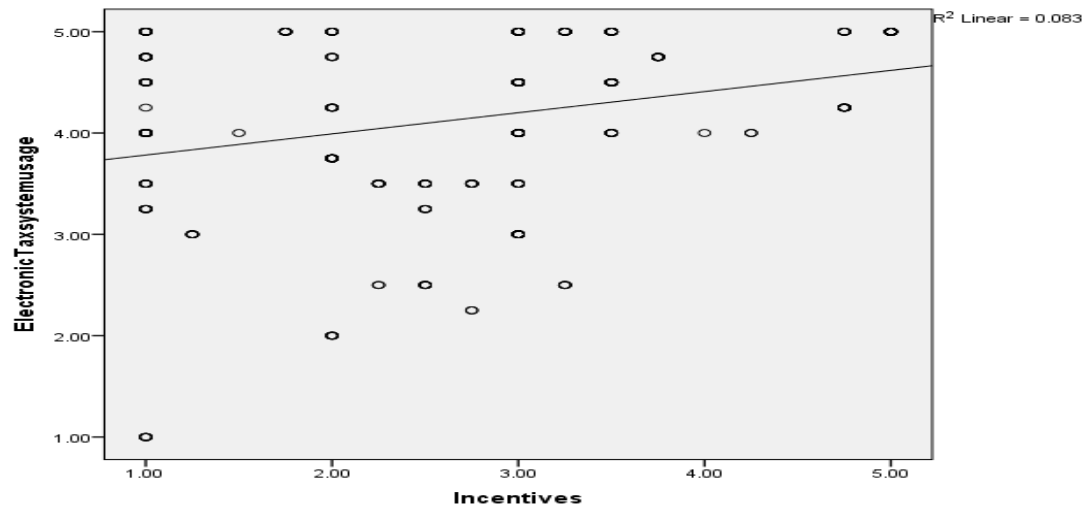


Figure 4.3: Linearity test between incentives and electronic tax system usage
Source: Research Data (2022)

Figure 4.3 indicates a linear positive relationship between incentives and electronic tax system usage. This is illustrated by the positively sloping line of fit.

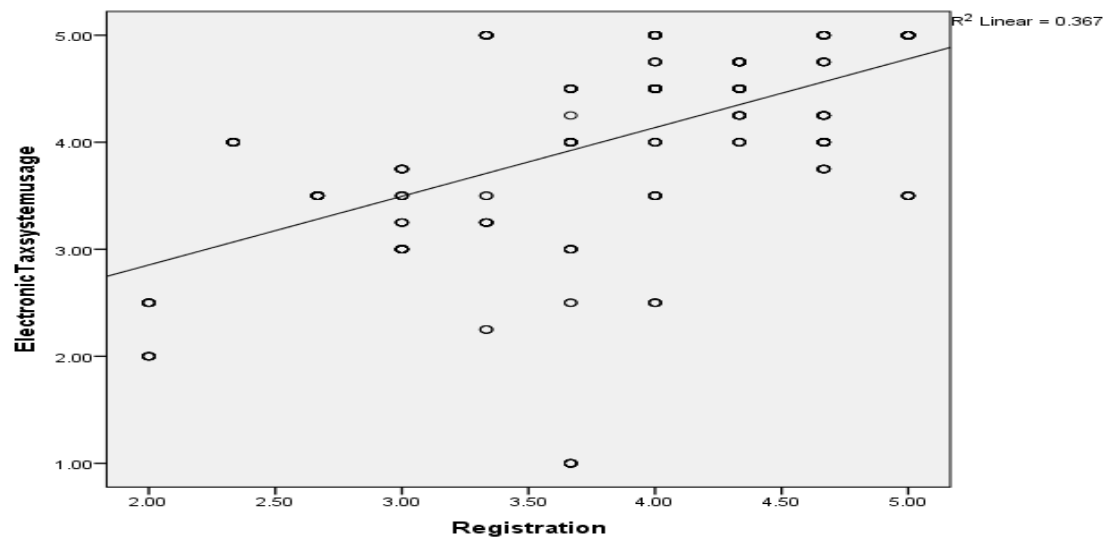


Figure 4.4: Linearity test between KRA policy and electronic tax system usage
Source: Research Data (2022)

Figure 4.4 indicates a linear positive relationship between KRA policy and electronic tax system usage. This is demonstrated by the positively sloping line of fit.

4.8.3 Multicollinearity test

Multicollinearity among the independent variables was conducted using VIF test as shown in Table 4.13.

Table 4.13: Multicollinearity test using VIF

Variables	Tolerance	VIF
Training	0.435	2.3
Management support	0.469	2.131
Incentives	0.948	1.054
KRA policy	0.659	1.518

Source: Research Data (2022)

The VIF values as indicated in Table 4.13 were less than 10, indicating that there was no multicollinearity among the predictor variables. This was also supported by tolerance values above 0.1. This suggested that the correlation between the predictor variables was within the acceptable levels.

4.8.4 Heteroscedasticity test

The heteroskedasticity test was carried out by use of Levine's test of equality of error variances and the results are shown in Table 4.14.

Table 4.14: Levene's Test of Equality of Error Variances

Dependent Variable: Y			
F	df1	df2	Sig.
10.4	55	244	0.058

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

Source: Research Data (2022)

Table 4.14 shows that the null hypothesis of constant variance of error terms was accepted, with a P-value of 0.058 greater than 0.05. As a result, the residuals' variance was homoscedastic. To put it another way, heteroskedasticity was not an issue in this research.

4.9 Regression Analysis

The general objective of this study was to investigate the effect of organizational factors on electronic tax system usage by employees of Kenya Revenue Authority. A multiple linear regression analysis was conducted to test the extent of predication of independent variables (when they are combined together in one model) on the outcome variable. Model summary, ANOVA, and coefficient results are presented in Tables 4.15, 4.16, and 4.17, respectively.

Table 4.15: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.684a	0.467	0.46	0.64654

a Predictors: (Constant), KRA policy, Incentives, Management support, Training

Source: Research Data (2022)

Table 4.15 presents R and R square values for coefficient of correlation and extent of variation respectively for organizational factors on electronic tax system usage. The R value of 0.684 indicates a positive association and this implies a fairly moderate level of correlation between organizational factors and electronic tax system usage. The R-square value of 0.467 explains that 46.7% of the electronic tax system usage by employees of KRA is contributed by the organizational factors. The remaining 53.3% of the electronic tax system usage variation could be explained by other factors not included in this model. The validity of the model is also confirmed using Analysis of Variance (ANOVA) and results are shown in 4.16.

Table 4.16: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	108.242	4	27.061	64.736	.000b
	Residual	123.313	295	0.418		
	Total	231.555	299			

a Dependent Variable: ETSS

b Predictors: (Constant), KRA policy, Incentives, Management support, Training

Source: Research Data (2022)

Table 4.16 indicates Analysis of Variance (ANOVA) test and shows a positive significant relationship between organizational factors and electronic tax system usage ($F = 64.736$; p value < 0.05). This confirms that organizational factors of training, management support, incentives and KRA policy are good predictors of electronic tax system usage by employees of Kenya Revenue Authority. The regression coefficients results are presented in Table 4.17.

Table 4.17: Regression Coefficients

Mode	l	Unstandardized		Standardized		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	0.823	0.213		3.861	0.000
	Training	0.17	0.06	0.183	2.837	0.005
	Management support	0.19	0.068	0.173	2.789	0.006
	Incentives	0.109	0.032	0.150	3.448	0.001
	KRA policy	0.41	0.055	0.387	7.399	0.000

a Dependent Variable: ETSS

Source: Research Data (2022)

The regression coefficients result in Table 4.17 indicate that training ($\beta_1 = 0.183$, $P = .005 < 0.05$) had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. This implied that a unit increase in training would increase electronic tax system usage by 0.183 units.

The findings also reveal that management support ($\beta_2 = 0.173$, $P = .006 < 0.05$) had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. This implied that a unit increase in management support would increase electronic tax system usage by 0.173 units.

The findings further showed that incentives ($\beta_3 = 0.15$, $P = .001 < 0.05$) had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. This implied that a unit increase in incentives would increase electronic tax system usage by 0.15 units.

Finally, results indicated that KRA policy ($\beta_4 = 0.387$, $P = .000 < 0.05$) had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. This implied that a unit improvement in KRA policy would increase electronic tax system usage by 0.387 units.

The hypothesized model of $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$ becomes;

$$Y = 0.823 + 0.183X_1 + 0.173X_2 + 0.15X_3 + 0.387X_4$$

Where:

Y = Electronic Tax System Usage

X_1 = Training

X_2 = Management support

X_3 = Incentives

X_4 = KRA policy

From this equation, the model predicts that when organizational factors are held at zero, the electronic tax system usage is 0.823. Further the equation indicates that the most significant predictor of electronic tax system usage is KRA policy ($\beta = 0.387$), followed

by training ($\beta=.183$), followed by management support ($\beta=0.173$), and lastly incentives ($\beta=0.15$).

4.10 Hypothesis Testing

The regression of coefficients results in Table 4.17 were used to test hypotheses. If the p value was less than 0.05, the null hypothesis was rejected.

H₀₁: Training has no significant effect on electronic tax system usage by employees of Kenya Revenue Authority. Results indicated a p value of $.005 < .05$ implying rejection of the null hypothesis. Therefore, training had a significant effect on electronic tax system usage by employees of Kenya Revenue Authority.

H₀₂: Management support has no significant effect on electronic tax system usage by employees of Kenya Revenue Authority. Results indicated a p value of $.006 < .05$ implying rejection of the null hypothesis. Therefore, management support had a significant effect on electronic tax system usage by employees of Kenya Revenue Authority.

H₀₃: Incentives have no significant effect on electronic tax system usage by employees of Kenya Revenue Authority. Results indicated a p value of $.001 < .05$ implying rejection of the null hypothesis. Therefore, incentives had a significant effect on electronic tax system usage by employees of Kenya Revenue Authority.

H₀₄: KRA policy has no significant effect on electronic tax system usage by employees of Kenya Revenue Authority. Results indicated a p value of $.000 < .05$ implying rejection of the null hypothesis. Therefore, KRA policy had a significant effect on electronic tax system usage by employees of Kenya Revenue Authority.

Table 4.18: Summary of Hypothesis testing

Hypotheses	P-Value	Verdict
H₀₁: Training has no significant effect on electronic tax system usage by employees of Kenya Revenue Authority.	0.005<0.05	Reject
H₀₂: Management support has no significant effect on electronic tax system usage by employees of Kenya Revenue Authority.	0.006<0.05	Reject
H₀₃: Incentives have no significant effect on electronic tax system usage by employees of Kenya Revenue Authority.	0.001<0.05	Reject
H₀₄: KRA policy has no significant effect on electronic tax system usage by employees of Kenya Revenue Authority.	0.000<0.05	Reject

Source: Researcher (2022)

4.11 Discussion of Findings

4.11.1 Training and Electronic Tax System Usage

The first objective of the study was to determine the effect of training on electronic tax system usage by employees of Kenya Revenue Authority. Majority of the respondents agreed that they frequently attend trainings on the use of electronic tax system, the organization offers diverse trainings on the use of electronic tax system, the organization has improved awareness on use of electronic tax system and their level of compliance with use of electronic tax system has increased.

The correlation results revealed that training had a positive and significant relationship with electronic tax system usage ($r=0.542^{**}$, $p= <.05$). Further, regression results indicated that training had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority ($\beta_1 = 0.183$, $P = <0.05$). This implied that a unit increase in training would increase electronic tax system usage by 0.183

units. The null hypothesis that training has no significant effect on electronic tax system usage by employees of Kenya Revenue Authority was rejected.

The study findings were consistent with the work of Abdullahi (2016) who established that training of employees leads to successful implementation of e-Government. The findings also concurred with those of Nyareru et al. (2017) who found that there was significant relationship between training and effective implementation and utilization of ETRs. Similarly, the findings supported Macharia (2014) conclusion that training was critical in enhancing staff retention.

4.11.2 Management Support and Electronic Tax System Usage

The second objective of the study was to examine the effect of management support on electronic tax system usage by employees of Kenya Revenue Authority. Majority of the respondents agreed that organization's leadership is actively involved in promoting use of electronic tax system by employees, the management has allocated financial resources to facilitate training of employees on use of e-tax system, the management has put in place appropriate procedures to enhance e-tax system usage by employees and the organization has clear monitoring and evaluation procedures on the use of e-tax system within the organization.

The correlation results revealed that management support had a positive and significant relationship with electronic tax system usage ($r=0.523^{**}$, $p < .05$). Further, regression results indicated that management support had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority ($\beta_2 = 0.173$, $P = <0.05$). This implied that a unit increase in management support would increase electronic tax system usage by 0.173 units. The null hypothesis that management

support has no significant effect on electronic tax system usage by employees of Kenya Revenue Authority was rejected.

The findings mirrored those of Gor (2015) who established that management support had a direct association with the adoption of online tax filing system. The results also supported Ndombi (2012) assertion that top management commitment was one of the challenges faced by organizations implementing Integrated Tax Management System (ITMS) with specific reference to KRA. Further, the findings agreed with Njeri (2016) argument that management support was essential in the adoption and use of online tax filing system.

4.11.3 Incentives and Electronic Tax System Usage

The third objective of the study was to analyze the effect of incentives on electronic tax system usage by employees of Kenya Revenue Authority. The highest number of respondents refuted the assertions that they receive bonuses, which encourages them to use electronic tax system, receive salary increment, which encourages them to use electronic tax system, receive promotions, which encourages them to use electronic tax system and receive recognition, which encourages them to use electronic tax system.

The correlation results revealed that incentives had a positive and significant relationship with electronic tax system usage ($r=0.287^{**}$, $p < .05$). Further, regression results indicated that incentives had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority ($\beta_3 = 0.15$, $p < 0.05$) had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. This implied that a unit increase in incentives would increase electronic tax system usage by 0.15 units. The null hypothesis that incentives have no

significant effect on electronic tax system usage by employees of Kenya Revenue Authority was rejected.

The findings concurred with Hammouri and Abu-Shanab (2017) conclusion that incentives influenced employees' satisfaction toward e-tax systems. The findings also supported Mandola (2013) assertion that lack of enough incentives hindered system adoption.

4.11.4 KRA policy and Electronic Tax System Usage

The fourth objective of the study was to evaluate the effect of KRA policy on electronic tax system usage by employees of Kenya Revenue Authority. Majority of the respondents agreed that they find the KRA policy on use of electronic tax system to be clear, find the KRA policy on use of electronic tax system to be appropriate, find the KRA policy on use of electronic tax system to be favorable to tax payers, and find the KRA policy on use of electronic tax system to be efficient.

The correlation results revealed that KRA policy had a positive and significant relationship with electronic tax system usage ($r=0.606^{**}$, $p < .05$). Further, regression results indicated that KRA policy had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority ($\beta_4 = 0.387$, $p < 0.05$) had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. This implied that a unit improvement in KRA policy would increase electronic tax system usage by 0.387 units. The null hypothesis that KRA policy has no significant effect on electronic tax system usage by employees of Kenya Revenue Authority was rejected.

The results agreed with those of Gonçalves et al. (2016) who identified KRA policy as a critical in influencing the adoption and implementation of the Public Digital

Accounting System. The findings also concurred with Okiro (2015) argument that regulations were vital in adoption and use of e-payment. On the other hand, the results contradicted Ameyaw et al. (2016) conclusion that tax policies discourage compliance.

CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.1 Introduction

This chapter presents the summary of the findings, conclusion and recommendations. This is done in line with the objectives of the study. The aim of the study was to investigate the effect of organizational factors on electronic tax system usage by employees of Kenya Revenue Authority.

5.2 Summary of Findings

This section presents a summary of the findings from the analysis.

5.2.1 Training and Electronic Tax System Usage

The first objective of the study was to determine the effect of training on electronic tax system usage by employees of Kenya Revenue Authority. Based on the descriptive output, frequent trainings, diverse trainings and awareness creation about the use electronic tax system were identified as key aspects of training. The correlation output indicated that there was a positive and significant association between training and electronic tax system usage. Further, regression results indicated that training ($\beta_1 = 0.183$, $P = .005$) had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. The null hypothesis that training has no significant effect on electronic tax system usage by employees of Kenya Revenue Authority was rejected.

5.2.2 Management Support and Electronic Tax System Usage

The second objective of the study was to examine the effect of management support on electronic tax system usage by employees of Kenya Revenue Authority. Based on the descriptive output, resource allocation, management involvement, and monitoring and

evaluation were identified as critical aspects of management of support. The correlation output indicated that there was a positive and significant association between management support and electronic tax system usage. Further, regression results indicated that management support ($\beta_2 = 0.173$, $P = .006$) had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. The null hypothesis that management support has no significant effect on electronic tax system usage by employees of Kenya Revenue Authority was rejected.

5.2.3 Incentives and Electronic Tax System Usage

The third objective of the study was to establish the effect of incentives on electronic tax system usage by employees of Kenya Revenue Authority. Based on the descriptive output, the highest number of respondents refuted claims that they receive bonuses, salary increment, promotions, recognition. The correlation output indicated that there was a positive and significant association between incentives and electronic tax system usage. Further, regression results indicated that incentives ($\beta_3 = 0.15$, $P = .001$) had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. The null hypothesis that incentives have no significant effect on electronic tax system usage by employees of Kenya Revenue Authority was rejected.

5.2.4 KRA policy and Electronic Tax System Usage

The fourth objective of the study was to evaluate the effect of KRA policy on electronic tax system usage by employees of Kenya Revenue Authority. Based on the descriptive output, most of the respondents opined that they find the KRA policy on use of electronic tax system to be clear, appropriate, favorable to tax payers, and efficient. The correlation output indicated that there was a positive and significant association between KRA policy and electronic tax system usage. Further, regression results

indicated that KRA policy ($\beta_4 = 0.387$, $P = .000$) had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. The null hypothesis that KRA policy has no significant effect on electronic tax system usage by employees of Kenya Revenue Authority was rejected.

5.3 Conclusion

The study concluded that training had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. This has the implication that training contributes significantly to electronic tax system usage by employees of KRA. The key aspects regarding training included frequent trainings, diverse trainings and awareness creation about the use electronic tax system.

The study also concluded that management support had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. This has the implication that management support contributes significantly to electronic tax system usage by employees of KRA. The key aspects on management support included resource allocation, management involvement, and monitoring and evaluation.

The study further concluded that incentives had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. This has the implication that incentives contribute significantly to electronic tax system usage by employees of KRA. The key aspects on incentives included bonuses, salary increment, promotions and recognition.

Finally, the study concluded that KRA policy had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. This has the implication that KRA policy contributes significantly to electronic tax system usage by

employees of KRA. The key aspects on KRA policy were clarity, appropriateness, and efficiency of KRA policy.

5.4 Recommendations

This section provides recommendations on study findings, implications on policy, practice and theory.

5.4.1 Recommendations on Study Results

The results established that training had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. The study recommended the need for KRA management to strengthen the training programs on electronic tax system usage. In particular, there should frequent trainings on electronic tax system usage. The management should also develop different types of trainings to achieve maximum results. Further, the management should organize awareness campaigns within the organization aimed at educating the staff on the importance of electronic tax system usage.

The results also established that management support had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. The study recommended the need for strengthening management support on electronic tax system usage. In particular, the management should focus on enhancing the following aspects: resource allocation, management involvement, and monitoring and evaluation.

The findings further established that incentives had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. The study recommended the need for strengthening incentives on electronic tax system usage. In particular, the management should focus on enhancing the following aspects: bonuses, salary increment, promotions and recognition.

Finally, results established that KRA policy had a positive and significant effect on electronic tax system usage by employees of Kenya Revenue Authority. The study recommended the need for strengthening KRA policy on electronic tax system usage. In particular, the management should focus on enhancing the following aspects: clarity, appropriateness, and efficiency of KRA policy.

5.4.2 Implications on Policy and Practice

The findings of this study have substantial impact on policy and practice in the field of tax administration. In terms of policy implications, the study informs key policymakers such as the KRA management and treasury. Findings point out the need to streamline policies linked to electronic tax system usage. Based on the study findings, policy makers should particularly focus on the KRA policy, training, management support and incentives in that order. In terms of practices, the study informs KRA management and employees on how best to enhance electronic tax system usage using organizational factors including KRA policy, training, management support and incentives.

5.4.3 Implications on Theory

This study makes significant contribution towards theoretical development in the field of tax administration. The findings confirm the theoretical prediction of Theory of Reason Action (TRA) that training, management support, incentives and KRA policy are linked to usage of electronic tax systems. Findings of this study, therefore, build on TRA argument that organizational factors are connected to electronic tax systems usage.

5.5 Limitations of the Study

The study scope was limited to investigating the link between organizational factors and electronic tax system usage by employees of Kenya Revenue Authority. Further,

the study only focused on four factors namely; training, management support, incentives and KRA policy. In addition, several respondents were unwilling to offer requested information due to fear of intimidation. To mitigate this challenge, the researcher assured them that the information would be kept private and was only meant for academic purposes.

5.6 Suggestions for Further Research

The research assessed the effect of organizational factors on electronic tax system usage by employees of Kenya Revenue Authority. The focus was on four factors (training, management support, incentives and KRA policy). These variables explained 46.7 percent of changes in the dependent variable. Future studies should consider other aspects that can explain the remaining 53.3 percent.

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APPENDICES

Appendix I: Letter of Instruction

Dear respondent,

I am a master's student, at the Kenya School of Revenue Administration (KESRA) and as part of my course requirement I am currently conducting a study on **“Effect of Organizational Factors on Electronic Tax System Usage by Employees of Kenya Revenue Authority.”**

You are requested to kindly participate in the survey. The information you will provide is for academic purpose only and shall be treated with utmost confidentiality.

Thank you in advance for your co-operation and active participation to this academic effort.

Yours Faithfully,

JEMIMAH MUNUVE

Appendix II: Questionnaire

This questionnaire is meant to gather information regarding the effect of organizational factors on electronic tax system usage by employees of Kenya Revenue Authority. Kindly answer the questions as accurate as possible. Utmost confidentiality of the information given is assured.

Instructions: Please tick [] or fill in the appropriate information on the spaces provided.

Section A: Demographic Information

1. What is your gender?

Male [<input type="checkbox"/>]	Female [<input type="checkbox"/>]
-----------------------------------	-------------------------------------

2. What is your age bracket?

a). Less than 30:	[<input type="checkbox"/>]
b). 31-40:	[<input type="checkbox"/>]
c). 41-50:	[<input type="checkbox"/>]
d). Above 50:	[<input type="checkbox"/>]

3. What is your highest level of education?

a). Diploma	[<input type="checkbox"/>]
b). Undergraduate	[<input type="checkbox"/>]
c). Graduate	[<input type="checkbox"/>]

4. Years of experience in the organization

a). less than 2 years	[<input type="checkbox"/>]
b). 2-5years	[<input type="checkbox"/>]
c). 6-10 years	[<input type="checkbox"/>]
d). Above 10 years	[<input type="checkbox"/>]

Section B: Training

1. Please indicate your agreement or otherwise with the following statements on training.

Scale: Strongly Disagree=1, Disagree =2, Neutral=3, Agree =4, Strongly Agree =5

Statement	1	2	3	4	5
I frequently attend trainings on the use of electronic tax system.					
Our organization offers diverse trainings on the use of electronic tax system.					
Our organization has improved awareness on use of electronic tax system.					
My level of compliance with use of electronic tax system has increased.					

Section C: Management Support

2. Please indicate your agreement or otherwise with the following statements on management support.

Scale: Strongly Disagree=1, Disagree =2, Neutral=3, Agree =4, Strongly Agree =5

Statement	1	2	3	4	5
Our organization's leadership is actively involved in promoting use of electronic tax system by employees					
Our management has allocated financial resources to facilitate training of employees on use of e-tax system					
Our management has put in place appropriate procedures to enhance e-tax system usage by employees					
Our organization has clear monitoring and evaluation procedures on the use of e-tax system within the organization.					

Section D: Incentives

3. Please indicate your agreement or otherwise with the following statements on incentives.

Scale: Strongly Disagree=1, Disagree =2, Neutral=3, Agree =4, Strongly Agree =5

Statement	1	2	3	4	5
I receive bonuses, which encourages me to use electronic tax system					
I receive salary increment, which encourages me to use electronic tax system.					
I receive promotions, which encourages me to use electronic tax system.					
I receive recognition, which encourages me to use electronic tax system.					

Section E: KRA policy

4. Please indicate your agreement or otherwise with the following statements on KRA policy. **Scale:** Strongly Disagree=1, Disagree =2, Neutral=3, Agree =4, Strongly Agree =5

Statement	1	2	3	4	5
I find the KRA policy on use of electronic tax system to be clear.					
I find the KRA policy on use of electronic tax system to be appropriate.					
I find the KRA policy on use of electronic tax system to be favorable to tax payers.					
I find the KRA policy on use of electronic tax system to be efficient.					

Section F: Electronic Tax System Usage

5. Please indicate your agreement or otherwise with the following statements on electronic tax system usage. **Scale:** Strongly Disagree=1, Disagree =2, Neutral=3, Agree =4, Strongly Agree =5

Statement	1	2	3	4	5
I use the electronic tax system on a daily basis and this has enhanced my productivity.					
I find the electronic tax system easy to use in carrying out daily tasks.					
I am intentional and optimistic about the use of the electronic tax system.					
I do not perceive any risks relating to the use of electronic tax system.					

Appendix III: Authorization Letter from Moi University



REF: KESRA/NBI/036

17th September 2021

TO: WHOM IT MAY CONCERN

RE: REQUEST FOR RESEARCH PERMIT

JEMIMAH MUENI MUNUYE- REG. NO.: KESRA/105/0023/2016.

This is to confirm that the above named is a student at Kenya School of Revenue Administration (KESRA) Nairobi Campus pursuing Masters in Tax and Customs Administration.

The named student is undertaking Research on TOPIC: "EFFECT OF ORGANIZATIONAL FACTORS ON ELECTRONIC TAX SYSTEM USAGE BY EMPLOYEES OF KENYA REVENUE AUTHORITY."

The purpose of this letter is to request your good office to assist the above student with the information she requires to enable her work on her project.


Your support to KESRA in this regard will be highly appreciated.


Thank you.

Dr. Marion Nekesa, PHD,
Head Academic Research
KESRA




Appendix IV: NACOSTI Permit


REPUBLIC OF KENYA
 National Commission for Science, Technology and Innovation
Ref No: 811595



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
 Date of Issue: 18/March/2022


RESEARCH LICENSE



This is to Certify that Ms. Jenimah Mwangi Mwangi of Kenya School of Revenue Administration, has been licensed to conduct research in Nairobi on the topic: EFFECT OF ORGANIZATIONAL FACTORS ON ELECTRONIC TAX SYSTEM USAGE BY EMPLOYEES OF KENYA REVENUE AUTHORITY for the period ending : 18/March/2022.

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Appendix V: Plagiarism Certificate

EFFECT OF ORGANIZATIONAL FACTORS ON ELECTRONIC TAX SYSTEM USAGE BY EMPLOYEES OF KENYA REVENUE AUTHORITY IN KENYA

ORIGINALITY REPORT

19 %	17 %	7 %	8 %
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	Submitted to United International Business Schools Student Paper	1 %
2	Submitted to Kenyatta University Student Paper	1 %
3	ir-library.ku.ac.ke Internet Source	1 %
4	repository.kemu.ac.ke:8080 Internet Source	1 %
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