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THE INFLUENCE OF MONITORING AND EVALUATION IMPERATIVES ON PERFORMANCE OF KENYA REVENUE AUTHORITY

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ABSTRACT

Kenya Revenue Authority (KRA) has over the last seven years evolved from four distinct government departments and transformed itself into one of the most modern and more integrated revenue collection agency in the region. However, despite this improvement in tax collection, Kenya Revenue Authority also faces a challenge of tax evasion. The general objective of the study was to examine the influence of monitoring and evaluation imperatives on performance of Kenya Revenue Authority. Specifically, the study sought to investigate the influence of monitoring and evaluation technical capacity on performance of Kenya Revenue Authority and to examine the influence of monitoring and evaluation planning on performance of Kenya Revenue Authority. This study used Human Capital Theory and Contingency Theory. This study used a descriptive research design. The study was conducted in Kenya revenue authority headquarters. The unit of analysis was Kenya Revenue Authority while the unit of observation was 215 senior employees working in the Kenya revenue authority. The sampling frame was 215 management employees working in Kenya revenue Authority. Yamane formula was adopted to calculate the study sample size. Therefore, the study sample size was 140 respondents. This research used a questionnaire to collect primary data. Fourteen questionnaires were piloted that represented 10% of the target population. The study collected quantitative data which was analysed using descriptive and inferential statistics using the Statistical Package for Social Sciences (SPSS) version 24. Multivariate linear regression was used to determine the relationship between the dependent and independent variables. The study concludes that M&E technical capacity has a positive and significant influence on performance of Kenya Revenue Authority. In addition, the study concludes that M&E planning has a positive and significant influence on performance of Kenya Revenue Authority. Based on the findings, the study recommends that the management of KRA should integrate a more participatory approach in the development and execution of its M&E frameworks. Further, the study recommends that the management of KRA should establish a structured and inclusive stakeholder engagement framework.

Key Words: Monitoring and Evaluation Imperatives, Monitoring and Evaluation Technical Capacity, Monitoring and Evaluation Planning

Background to the Study

Revenue collection performance is vital in promoting efficiency in the service delivery and economic development. According to Mackay, (2019) revenue collection helps to achieve service delivery by funding development projects, hence an increasing need by governments to collect much revenue to face the increasing financial expenditures budgeted for. Automated systems have been proven to be capable of introducing massive efficiencies to business processes that can result in increased revenue collections (Lopez, *et al.*2019). Revenue collection is very imperative for every regime in the world as it enables the government to acquire assets which are not predisposed to debt and which the administration uses to improve its economy (Ngotho & Kerongo, 2019). However, revenue collection in Kenya has not always been as effective as it should be (Charles & Oluoch, 2017). The ineffectiveness is attributable to many factors (Ngugi & Kagiri, 2020).

Monitoring and evaluation is growing domain in Kenyan public sectors, the growth is coincidence of the halfway mark to the millennium development goals (MDGs) with the 30th anniversary of Alma-Ata (Bell, & Marais, 2020). Developed countries are heightening approaches performing in regular monitoring activities, these ranges from comprehensive national evaluation systems in countries such as India and Malaysia to basic monitoring of selected projects in many countries in Africa and the Middle East (Zvoushe & Gideon, 2020).

There is growing demand is to focus and strengthen monitoring and evaluation capacity across all spheres of government (Mackay, 2019). (Mackay, 2019) continues to show that United Kingdom clearly shows a benefit to participants in terms of their learning and behavior from the participatory M&E training programme provided by Impact and partners. There is also evidence that this translated into changes at work as well as some M&E implementation, although there were challenges to overcome in the form of lack of capacity and authority to make changes.

According to Lopez, *et al.*, (2019) Uganda is a success story too in M & E in Africa. Uganda has had a number of M & E successful systems and initiatives. A case in point is the 1990s programme known as Public Expenditure Tracking Surveys (PETS). In partnership with the World Bank then, Uganda created the PETS program in 1990s as a vehicle to track the proportion of funding flowing from the central government down to basic schooling institutions. A survey conducted on the programme had earlier established that just a paltry 13 percent of the central government money did in actual fact trickle down to primary schools and that 20 percent of the teachers' salaries were unaccounted for.

Germany is another leader in M&E imperatives, incorporating advanced technology and data-driven approaches. The country's Federal Ministry for Economic Cooperation and Development (BMZ) utilizes cutting-edge tools, such as GIS and remote sensing, to monitor project impacts and resource use efficiency. Germany's focus on rigorous impact evaluation helps identify projects with transformative potential and ensures that sustainable development objectives are effectively met (Federal Ministry for Economic Cooperation and Development, 2022).

Tanzania, as another notable example, has made significant strides in adopting M&E practices to support its development initiatives. The country's Monitoring and Evaluation Policy emphasizes the integration of M&E into project planning, implementation, and evaluation (Government of Tanzania, 2019). Tanzania's M&E systems prioritize inclusivity, community participation, and results-oriented approaches to enhance project sustainability and impact.

The Kenya Revenue Authority (KRA) is a pivotal government agency established under the Kenya Revenue Authority Act, Cap 469 of the laws of Kenya. It was formed in 1995 with the primary mandate of collecting revenue on behalf of the government of Kenya. As the principal revenue collection agency, KRA's mission is to facilitate compliance with tax and customs laws

to ensure the efficient collection of revenue while promoting economic growth and social welfare. KRA is tasked with the collection of various types of taxes, including income tax, value-added tax (VAT), customs and excise duties, and other levies. The agency ensures that these taxes are collected efficiently and in a timely manner, contributing significantly to the national budget and development projects (KRA, 2021).

Statement of the Problem

Kenya Revenue Authority (KRA) has over the last seven years evolved from four distinct government departments and transformed itself into one of the most modern and more integrated revenue collection agency in the region. Revenue collection has increased from Kshs. 122 billion at inception in 1995/96 to Kshs. 433.9 billion in financial year 2007/2008 and Kshs. 480 billion in 2008/09 third planning period and accounting for over 93% of the total Government revenue. However, despites this improvement in tax collection, Kenya Revenue Authority also faces a challenge of tax evasion. For instance a report by Kenya Parliamentary Budget Office (2020) showed that the government could have increased the tax base by approximately Kshs.79.3 billion if the tax evasion was addressed. According to the KRA annual report for year ended 2020, the amount lost in form of taxes was Ksh 108 billion which can be directly attributed to the informal sectors and SMEs. (K.R.A, Annual Tax Report, 2020). Lopez, *et al.*, (2016) indicates that monitoring and evaluation influences organization performance. It is therefore important to establish the influence of monitoring and evaluation on performance of Kenya Revenue Authority.

Various studies have been conducted on monitoring and evaluation imperatives and organization performance. For instance Oriko (2015) conducted a study on evaluation of strategic planning at Kenya Revenue Authority, Gaibo and Mbugua (2019) conducted a study influence of monitoring and evaluation practices on the implementation of county governments' infrastructural development projects in Marsabit County, Kenya. Kamande (2016) conducted a study on factors affecting revenue collection in Kenya Revenue authority. Adeya & Muturi (2017) conducted a study on factors affecting revenue collection efficiency by county governments in Kenya. Nevertheless, none of these studies showed the influence of monitoring and evaluation imperatives on performance of Kenya Revenue Authority. It is against this background that the current study seeks to assess the influence of monitoring and evaluation imperatives (monitoring and evaluation technical capacity, monitoring and evaluation planning, stakeholder participation and monitoring and evaluation resources) on performance of Kenya Revenue Authority

Objectives of the study

General Objective

The general objective of the study was to examine the influence of monitoring and evaluation imperatives on performance of Kenya Revenue Authority

Specific Objectives

The study was guided by the following specific objectives;

i. To investigate the influence of monitoring and evaluation technical capacity on performance of Kenya Revenue Authority.
ii. To examine the influence of monitoring and evaluation planning on performance of Kenya Revenue Authority.

Theoretical Review

Human Capital Theory

Human Capital Theory was developed by Schutz (1961) and extended by Becker (1964) is a fundamental economic concept that views individuals as productive assets whose skills,

knowledge, and abilities contribute to economic growth and development. It posits that investments in education, training, and health improve individuals' productivity and earnings potential, thereby enhancing overall economic performance at both the individual and societal levels. At its core, Human Capital Theory suggests that human beings can be viewed as a form of capital—distinct from physical capital such as machinery or infrastructure—because they possess the ability to generate income and contribute to economic output through their skills and capabilities. According to this theory, individuals make investments in themselves by acquiring education and skills that increase their productivity and earning capacity over their lifetime (Issifu & Agyaping, 2023).

Moreover, Human Capital Theory emphasizes the importance of continuous learning and skill development as a means to adapt to changing economic environments and technological advancements. It highlights the role of education systems, vocational training programs, and lifelong learning opportunities in enhancing human capital accumulation. By investing in human capital, societies can foster innovation, improve productivity, and promote economic growth by leveraging the talents and potential of their workforce. Critically, Human Capital Theory also underscores the significance of health and well-being in human capital formation. Healthy individuals are more likely to be productive and contribute effectively to economic activities. Thus, investments in healthcare, nutrition, and sanitation are seen as integral components of enhancing human capital and ensuring sustainable economic development (Nzamwita & Sikubwabo, 2023). This theory is relevant in investigating the influence of monitoring and evaluation technical capacity on performance of Kenya Revenue Authority

Contingency Theory

Contingency theory founded by Fred Edward Fiedler (1964) posits that there is no one-size-fits-all approach to managing organizations effectively. Instead, it emphasizes that organizational practices and structures should be contingent upon (dependent on) the specific circumstances, environment, and context in which the organization operates. This approach contrasts with more universalistic theories that propose general principles or best practices applicable across all organizations. At the core of contingency theory is the idea that different situations call for different managerial and organizational approaches. Factors such as the organization's size, technology, environment, and goals play crucial roles in determining which practices and structures will be most effective. For example, an organization facing turbulent market conditions might benefit from a flexible and adaptive structure that allows quick responses to changes, whereas a stable environment might favour a more bureaucratic and stable structure to ensure efficiency and control (Aggrey, 2023).

Contingency theory also emphasizes the importance of fit or alignment between organizational practices and the external environment. This alignment is crucial for organizational effectiveness and performance. A misfit between the organization's structure and its environment can lead to inefficiencies, conflicts, and ultimately, poor performance. Therefore, contingency theory encourages managers and leaders to carefully analyze their organization's context and tailor their strategies accordingly. Critically, contingency theory recognizes that organizational effectiveness is not determined solely by internal factors or managerial decisions but is also shaped by external influences and contextual variables. This perspective encourages a more dynamic and adaptive approach to management, where organizational practices evolve in response to changing conditions and new challenges (Niwagba & Mulyungi, 2020). This theory is relevant in examining the influence of monitoring and evaluation planning on performance of Kenya Revenue Authority.

Conceptual Framework

A conceptual framework is a theorized display recognizing the model under investigation and the connections between the needy variable and the autonomous factors (Mugenda & Mugenda, 2019). In this study the independent variables was monitoring and evaluation technical capacity and monitoring and evaluation planning. On the other hand the dependent variable was the performance of Kenya revenue authority. Figure 2.1 below shows the conceptual framework.

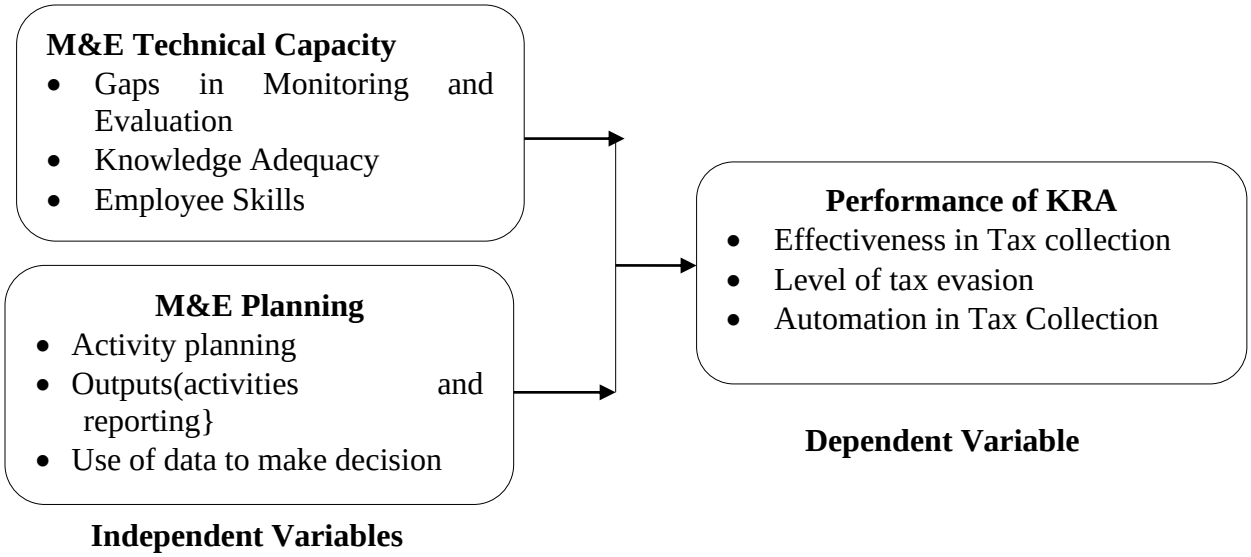

Figure 2. 1: Conceptual Framework

M&E Technical Capacity

Monitoring and Evaluation (M&E) Technical Capacity refers to the knowledge, skills, and expertise required to effectively design, implement, manage, and utilize monitoring and evaluation systems within an organization or project context (Nabibya, Dimo & Ketter, 2024). It encompasses a range of competencies and capabilities that enable individuals or teams to perform M&E activities comprehensively and efficiently (Issifu & Agyaping, 2023).

Gaps in monitoring and evaluation (M&E) often arise due to various factors such as inadequate resources, unclear objectives, or deficiencies in data collection and analysis methods. These gaps can result in incomplete or inaccurate assessments of program effectiveness and impact. For instance, if key performance indicators (KPIs) are not clearly defined or regularly updated, it becomes challenging to track progress or make informed decisions based on the data collected. Moreover, inconsistencies in reporting standards or a lack of standardized protocols can further exacerbate these gaps, making it difficult to compare results across different projects or time periods. Addressing these gaps requires a systematic approach that includes training staff, improving data collection methods, and ensuring that M&E practices align closely with organizational goals and objectives (Nzamwita & Sikubwabo, 2023).

Knowledge adequacy within an organization refers to having the right information and insights necessary to make informed decisions and perform tasks effectively. Inadequate knowledge can manifest in various forms, such as outdated information, insufficient understanding of industry trends, or gaps in specialized knowledge areas critical to the organization's mission. This inadequacy can hinder innovation, slow down decision-making processes, and reduce overall operational efficiency. Organizations combat this challenge by investing in continuous learning and development programs, fostering a culture of knowledge sharing, and leveraging technology to access up-to-date information. By prioritizing knowledge adequacy, organizations can better

adapt to changes in their environment and maintain a competitive edge in their respective fields (Mohamud & Pedo, 2022).

Employee skills encompass the competencies and capabilities that individuals bring to their roles within an organization. Skill gaps can arise due to rapid technological advancements, shifts in market demands, or changes in organizational priorities. When employees lack essential skills required for their roles, it can lead to decreased productivity, increased error rates, and diminished overall performance. To address skill gaps, organizations invest in training and development initiatives tailored to both current and future needs. This may include technical training, soft skills development, leadership programs, and certifications relevant to the industry. Additionally, fostering a culture that encourages continuous learning and professional growth can help employees stay motivated and adaptable in the face of evolving job requirements (Rumenya & Kisimbi, 2020).

M&E Planning

Monitoring and Evaluation (M&E) planning refers to the systematic process of setting out how an organization will monitor and evaluate the progress and outcomes of its programs, projects, or interventions (Wanjala, *et al*, 2022). It involves establishing clear objectives, defining key performance indicators (KPIs), determining data collection methods, and outlining the procedures for analysis and reporting. M&E planning ensures that there is a structured framework in place to track the implementation of activities, measure results against intended outcomes, and assess the effectiveness and impact of interventions (Aggrey, 2023).

Activity planning involves the detailed process of outlining specific tasks, actions, and timelines necessary to achieve the objectives set out in a program or project. It begins with breaking down broader goals into smaller, manageable activities that contribute to the overall success. Effective activity planning includes identifying resources needed, assigning responsibilities, and establishing clear milestones for monitoring progress. By mapping out activities in advance, organizations can ensure alignment with timelines and resources, facilitate coordination among team members, and mitigate risks associated with implementation delays or inefficiencies (Niwagba & Mulyungi, 2020).

Outputs refer to the tangible results or deliverables produced through the completion of activities within a program or project. This includes both the physical products and services generated as well as the reports and documentation that capture progress and outcomes. Outputs serve as measurable indicators of performance and contribute to achieving broader outcomes and objectives. Effective reporting on outputs involves documenting key activities, outcomes achieved, challenges encountered, and lessons learned. This information not only informs stakeholders about project progress but also provides a basis for decision-making, resource allocation, and strategic adjustments to optimize future efforts (Mwangi & Moronge, 2021).

Data-driven decision-making involves the systematic use of collected data to inform strategic choices, improve performance, and achieve organizational goals. This process starts with identifying relevant data sources, collecting accurate and timely information through monitoring and evaluation activities, and analyzing data to uncover insights and trends. By interpreting data findings, organizations can identify strengths, weaknesses, opportunities, and threats, enabling informed decisions about resource allocation, program adjustments, and policy changes. Moreover, data-driven decision-making promotes transparency, accountability, and continuous improvement, as organizations adapt their strategies based on empirical evidence rather than assumptions or anecdotal information (Mutsune & Ngugi, 2023).

Empirical Review

M&E Technical Capacity and Organization Performance

Nzamwita and Sikubwabo (2023) assessed on the effect of M&E technical capacity on performance of water supply projects in Gakenke District, Rwanda. This study employed quantitative method. The sample size of 127 respondents was determined by the help of Solvin's formula. The study found that M&E technical capacity have positive and significant effect on the performance of water supply projects in Gakenke District. The study concluded that there is an effect of M&E technical capacity on performance of water projects in Gakenke District.

Mohamud and Pedo (2022) researched on M&E technical capacity and performance of health projects in Isiolo County, Kenya. The study adopted a descriptive research design. The target was 61 county staff from the Department of Health and census technique was used in sampling all the target staff. The study found a strong significant relationship between M&E technical capacity and health projects performance. The study concluded that project performance is positively influenced by M&E technical capacity.

Rumenya and Kisimbi (2020) investigated on the influence of M&E technical capacity on performance of projects in non-governmental organizations: a case of education projects in Mombasa County, Kenya. A descriptive research design was used in this study and structured questionnaires were used to collect the study data. The study population constituted of project officers, managers, and monitoring and evaluation staff in the twenty-two registered non-governmental organizations operating in Education sector in Mombasa County. The study found that the performance of projects in education sector significantly and positively correlated with M&E technical capacity. The study concluded that M&E technical capacity has a positive significant influence over the performance of projects in education sector

M&E Planning and Organization Performance

Aggrey (2023) investigated on the factors influencing monitoring and evaluation planning on the performance of water supply projects in Dodoma City Council. A descriptive research design and a mixed method approach, both qualitative and quantitative, were used to collect and analyze data from 170 respondents, determined by the Yamane formula. The study found that monitoring and evaluation planning significantly affected water supply projects performance. The study concluded that monitoring and evaluation planning significantly influences the performance of water supply projects.

Mutsune and Ngugi (2023) examined on the influence of monitoring and evaluation planning on project implementation by national lands commission in Nairobi City County, Kenya. The descriptive research design was employed in study methodology. 6 projects being implemented by the commission were targeted and 66 respondents among them 6 project managers and 60 project team members were the respondents. The study found that M&E planning had a positive and significant relationship with project implementation. The study concluded that M&E planning had a positive significant influence on project implementation.

Wanjala, *et al* (2022) researched on the influence of monitoring and evaluation planning on projects performance of Kenyan state corporations. Mixed research design was adopted and a target population of 187 state corporations was used. Simple random sampling was used to select 65 state corporations who form the sample size. The study found that monitoring and evaluation planning has a significant influence on the project performance of Kenya State corporations. The study concluded that monitoring and evaluation planning has a positive and significant relationship with project performance.

RESEARCH METHODOLOGY

Research Design

This study used a descriptive research design. Mugenda and Mugenda (2018) explained the descriptive design is a process of collecting data in order to test a hypothesis or to answer the questions of the current status of the subject under study.

Target Population

The study was conducted in Kenya revenue authority headquaters. The unit of analysis was Kenya Revenue Authority while the unit of observation was 215 senior employees working in the Kenya revenue authority.

Table 3. 1: Target Population

Category	Target Population
Top Managers	43
Middle Level Managers	66
Lower Level Managers	106
Total	**215**

Sampling Frame

The sampling frame was 215 management employees working in Kenya revenue Authority. A sample frame is needed so that everyone in the population is identified and has an equal opportunity for selection as a subject (Kombo & Tromp, 2019).

Sample Size and Sampling Technique

The Yamane formula was adopted to calculate the study sample size as follows;

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

Where n is the sample size, and N is the population size, e- acceptable sampling error (0.05)

$$= \frac{215}{1+215\ (0.05^2)}$$

$$= \frac{215}{1.5375} = 139.8373$$

$n \approx 140$

Therefore, the study sample size was 140 respondents.

Table 3. 2: Sample Size

Category	Target Population	sample Size
Top Managers	43	28
Middle Level Managers	66	43
Lower Level Managers	106	69
Total	**215**	**140**

The stratified random sampling method was adopted to select the study sample size. Stratified random sampling is a method of sampling that involves the division of a population into smaller sub-groups known as strata. In stratified random sampling or stratification, the strata are formed based on members' shared attributes or characteristics such as income or educational attainment (Creswell, 2019). The strata in this case were the management levels. Once the population has

been grouped into strata, the study used simple random sampling to select a sample from each stratum.

Data Collection Instruments

The questionnaire was selected instrument or tool for data collection for the study. According to Chandra (2019), a questionnaire is defined as a measuring tool whose main purpose is to communicate to the researcher what is required and to elicit desired response in terms of empirical data from respondents in order to achieve the desired objectives. According to Kothari (2019) structured questionnaires are best suited for descriptive study as it is easily applied and requires less skill.

The questionnaire was administered to each member of the sample population. The questionnaire was developed with reference to the research objectives aimed at answering the research questions. The questionnaire was semi-structured comprising of both open and closed ended questions. Tangible recommendations possible were provided by close-ended questions. The rate of different attributes was tested using the closed ended questions and therefore lower the chances of obtaining similar response. Additional information not captured by the closed-ended questions were provided by the open-ended questions.

Pilot Test

The study carried out a pilot study to pre-test and validate the questionnaire. Cronbach's alpha methodology, which is based on internal consistency was used. Cronbach's alpha measures the average of measurable items and its correlation. This is in line with a qualitative research design methodology, which is employed in this research project. A pilot study was conducted to test the instrument's reliability, validity, and completeness of responses, and analyse the various measures within the instrument. In the pilot study 14 participants were invited to participate in filling the questionnaires. This was 10% of the study sample size. The selected respondents were excluded from the final study.

Data Analysis and Presentation

Qualitative and quantitative data was collected. Descriptive statistics was used to analyze qualitative data and presentation done in tables and figures. SPSS version 25 was used for data analysis. To achieve this, responses obtained were first tallied, percentages of variations computed and then described and interpreted based on the assumptions and the objectives of the study. Data was presented using tables, and pie charts to make them reader friendly. Quantitative information collected was analyzed using content analysis and presented in prose-form.

Regression method of analysis was used as the main statistical method. The main reason of using regression method is almost all variable in the study was measured by interval /ratio scales and secondly regression is a powerful way to test the correlation between two or more variables other than other statistical methods. The regression model presented the dependent variable (performance of Kenya Revenue Authority) and independent variable (monitoring and evaluation technical capacity, monitoring and evaluation planning, stakeholder participation, monitoring and evaluation resources) and it was expressed in the equation below.

RESEARCH FINDINGS AND DISCUSSIONS

Descriptive statistics

M&E Technical Capacity and Organization Performance

The first specific objective of the study was to investigate the influence of monitoring and evaluation technical capacity on performance of Kenya Revenue Authority. The respondents were requested to indicate their level of agreement on various statements related to monitoring and evaluation technical capacity and performance of Kenya Revenue Authority. The results were as shown Table 4.1.

From the results, the respondents agreed that they are comfortable with statistical analysis and data interpretation for M&E purposes (M= 3.943, SD= 0.726). The respondents agreed that their organization adequately supports M&E technical capacity development (M=3.915, SD=0.872). Further, the respondents agreed that their organization's current M&E practices effectively measure program impact and outcomes (M=3.857, SD=0.555). The respondents agreed that they are proficient in using M&E tools and software for data collection, analysis, and reporting (M=3.837, SD= 0.758). The respondents also agreed that they have received formal training in M&E methodologies and techniques (M=3.758, SD=0.641).

Table 4. 1: M&E Technical Capacity and Organization Performance

	Mean	Std. Deviation
I am comfortable with statistical analysis and data interpretation for M&E purposes.	3.943	0.726
My organization adequately supports M&E technical capacity development.	3.915	0.872
Our organization's current M&E practices effectively measure program impact and outcomes	3.857	0.555
I am proficient in using M&E tools and software for data collection, analysis, and reporting.	3.837	0.758
I have received formal training in M&E methodologies and techniques.	3.758	0.641
Aggregate	**3.862**	**0.710**

M&E Planning and Organization Performance

The second specific objective of the study was to examine the influence of monitoring and evaluation planning on performance of Kenya Revenue Authority. The respondents were requested to indicate their level of agreement on various statements related to monitoring and evaluation planning and performance of Kenya Revenue Authority. The results were as shown Table 4.2.

From the results, the respondents agreed that M&E activities are effectively integrated into project or program planning stages within their organization (M=3.942, SD=0.769). Further, the respondents agreed that stakeholders actively participate in the development and refinement of their organization's M&E plan (M=3.875, SD=0.888). In addition, the respondents agreed that their organization communicates the M&E plan and its objectives effectively to relevant stakeholders (M=3.788, SD=0.567). The respondents agreed that the objectives and goals of their organization's M&E activities are clearly defined and aligned with strategic priorities (M=3.633, SD=0.798). Further, the respondents agreed that their organization regularly reviews and updates the M&E plan to adapt to changing priorities and circumstances (M=3.545, SD=0.689).

Table 4. 2: M&E Planning and Organization Performance

	Mean	Std. Deviation
M&E activities are effectively integrated into project or program planning stages within our organization.	3.942	0.769
Stakeholders actively participate in the development and refinement of our organization's M&E plan.	3.875	0.888
Our organization communicates the M&E plan and its objectives effectively to relevant stakeholders	3.788	0.567
The objectives and goals of our organization's M&E activities are clearly defined and aligned with strategic priorities.	3.633	0.798
Our organization regularly reviews and updates the M&E plan to adapt to changing priorities and circumstances.	3.545	0.689
Aggregate	**3.757**	**0.742**

Correlation Analysis

This research adopted Pearson correlation analysis determine how the dependent variable (performance of Kenya Revenue Authority) relates with the independent variables (M&E technical capacity and M&E planning).

Table 4. 3: Correlation Coefficients

		Organization Performance	M&E Technical Capacity	M&E Planning
Organization Performance	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	121		
M&E Technical Capacity	Pearson Correlation	.808**	1	
	Sig. (2-tailed)	.002		
	N	121	121	
M&E Planning	Pearson Correlation	.818**	.437	1
	Sig. (2-tailed)	.000	.020	
	N	121	121	121

From the results, there was a very strong relationship between M&E technical capacity and performance of Kenya Revenue Authority (r = 0.808, p value =0.002). The relationship was significant since the p value 0.002 was less than 0.05 (significant level). The findings are in line with the findings of Issifu and Agyaping (2023) who indicated that there is a very strong relationship between M&E technical capacity and organization performance.

Moreover, there was a very strong relationship between M&E planning and performance of Kenya Revenue Authority (r = 0.818, p value =0.000). The relationship was significant since the p value 0.000 was less than 0.05 (significant level). The findings are in line with the findings of Aggrey (2023) who indicated that there is a very strong relationship between M&E planning and organization performance.

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (M&E technical capacity and M&E planning) and the dependent variable (performance of Kenya Revenue Authority).

Table 4. 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.908[a]	.824	.823	.10381

a. Predictors: (Constant), M&E technical capacity and M&E planning

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.824. This implied that 82.4% of the variation in the dependent variable (performance of Kenya Revenue Authority) could be explained by independent variables (M&E technical capacity and M&E planning).

Table 4. 5: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	102.028	2	51.01	214.34	.002[b]
	Residual	13.843	118	.119		
	Total	115.871	120			

a. Dependent Variable: performance of Kenya Revenue Authority
b. Predictors: (Constant), M&E technical capacity and M&E planning

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 214.34 while the F critical was 2.450. The p value was 0.002. Since the F-calculated was greater than the F-critical and the p value 0.002 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of M&E technical capacity and M&E planning on performance of Kenya Revenue Authority.

Table 4. 6: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.334	0.086		3.884	0.001
M&E technical capacity	0.379	0.096	0.380	3.948	0.001
M&E planning	0.371	0.093	0.370	3.989	0.000

The regression model was as follows:

$$\mathbf{Y = 0.334 + 0.379X_1 + 0.371X_2 + \varepsilon}$$

According to the results, M&E technical capacity has a significant effect on performance of Kenya Revenue Authority β_1=0.379, p value= 0.001). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings are in line with the findings of Issifu and Agyaping (2023) who indicated that there is a very strong relationship between M&E technical capacity and organization performance.

The results also revealed that M&E planning has a significant effect on performance of Kenya Revenue Authority β1=0.371, p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05. The findings are in line with the findings of Aggrey (2023) who indicated that there is a very strong relationship between M&E planning and organization performance.

Conclusions

The study concludes that M&E technical capacity has a positive and significant influence on performance of Kenya Revenue Authority. Findings revealed that gaps in monitoring and evaluation, knowledge adequacy and employee skills influence performance of Kenya Revenue Authority.

In addition, the study concludes that M&E planning has a positive and significant influence on performance of Kenya Revenue Authority. Findings revealed that activity planning, outputs (activities and reporting) and use of data to make decision influences performance of Kenya Revenue Authority.

Recommendations

The study therefore recommends that the management of KRA should implement continuous professional development programs tailored to M&E skills and competencies. By regularly updating and enhancing the skills of staff involved in M&E activities through targeted training, workshops, and access to advanced tools and methodologies, KRA can ensure that its monitoring and evaluation processes are robust, efficient, and aligned with organizational goals

In addition, the study recommends that the management of KRA should integrate a more participatory approach in the development and execution of its M&E frameworks. By actively involving stakeholders, including taxpayers, government agencies, and internal departments, in the planning stages of M&E activities, KRA can ensure that its objectives and key performance indicators (KPIs) are relevant, comprehensive, and reflective of the diverse needs and priorities of its stakeholders.

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