FACTORS AFFECTING PERFORMANCE OF KRA'S CUSTOMS AND BORDER CONTROL DEPARTMENT IN EXPORT PROCESSING ZONES FACILITIES IN MOMBASA

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A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF ECONOMICS, ACCOUNTING AND FINANCE, SCHOOL OF BUSINESS IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF POSTGRADUATE DIPLOMA IN CUSTOMS ADMINISTRATION AT JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY.

2019

DECLARATION

This research project is my original work and has not been presented for any award in any other academic or non-academic institution.

Signature …………………...   Date ……………………...

Jackson Opiyo Oketch

HDB335-C016-6645/2016

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

Signature …………………...   Date ……………………...

Mr. Simon Mumu

DEDICATION

I dedicate this project to the Almighty God for enabling me to do it successfully by granting me the gift of life and my beloved family members for their encouragement in one way or another.

ACKNOWLEDGEMENT

I take this opportunity to thank God for this great opportunity. Without Your blessings it would not have been possible to achieve all this. All glory and honor to you always.

I express my sincere gratitude to KESRA and KRA fraternity for their support and to my supervisor Mr. Simon Mumu for his untiring efforts in guiding my research proposal work and giving relevant and timely feedback.

TABLE OF CONTENTS

LIST OF APPENDICES

LIST OF TABLES

LIST OF FIGURES

DEFINITION OF TERMS

Customs: Government department that is authorized to collect the taxes imposed on imported goods (KRA, 2016).

Duty remission: Removal of tax on inputs used in the export product (EACCMA, 2004).

Export Processing Zone: This is a zone established in third world countries by their legislature to encourage exports (Fugazza, 2011).

Performance: More work achieved in a shorter time using fewer resources, (Bondarenko, 2018).

LIST OF ACRONYMS / ABBREVIATIONS

EAC	East African Community
EACCMA	East African Community Customs Management Act
EACCU	East African Community Customs Union
EPC	Export Promotion Council
EPZA	Export Processing Zones Authority
EPZ	Export Processing Zones
FTZ	Free Trade Zone
GDP	Gross Domestic Product
OECD	Organization for Economic Co-operation and Development
SEZ	Special Economic Zone
KRA	Kenya Revenue Authority

ABSTRACT

Export processing Zones (EPZ) have evolved to be a vital factor for economic growth mostly in diversification of export. Export Processing Zones (EPZs) are designated part of Kenya that are aimed at Promoting and Facilitating exports. Kenya's EPZ provide an attractive and enabling environment. Kenya's EPZs plays a great role in Export Trade Facilitation and since one of the many roles of KRA's Customs and Border Control Department is to facilitate trade. In spite of the significant role played by the Customs Department in export trade facilitation amongst others, studies on the Factors affecting KRA's Customs and Border Control Department in EPZ facilities in Mombasa is limited. General objective of this research is to establish factors affecting performance of KRA's Customs and Border Control department in Export Processing Zones Facilities in Mombasa. This study was carried out in Mombasa region. Target respondent group were employees working for EPZs and KRA employees attached to EPZs Mombasa. The theories relevant to this studies are Systems theory, Institutional theory and Resource based theory. Independent variable used for this research are internal processes, staffing and management while dependent variable is Customs and Border Control Department. This study employed a cross-sectional descriptive survey layout in accumulating information from the respondents. The total population for the study was 124, which consisted employees working for EPZ facilities and KRA employees attached to EPZ. Slovian formula was used to calculate sample size. The study established that there is effective inter agency coordination in clearance of imported inputs used in export production and clearance of export goods and the current processes used causes delays in clearance of imported inputs used in export production and clearance of export goods. The study concludes that the institution has effective and efficient technological systems to clear imported inputs used in export production and clearance of export goods as well as the processes and documents used for clearance of input used in export and clearance of goods are simple well understood by all stakeholders and the process not tedious. The employees have necessary skills that are required to handle different roles and responsibilities within the institution and they are trained regularly to ensure they are equipped with the necessary skills to deliver on institution's performance objectives. The study recommends that the institutions' internal processes should be reviewed to ensure efficiency and effectiveness in the performance of customs and border control department. All relevant agencies should sign and ascribe to a common regulatory framework to improve coordination thus ensure effectiveness in the clearance of imported inputs used in export production and clearance of export goods. The management of the institutions should continuously develop personnel by equipping them with relevant skills through frequent trainings to enable them handle different roles and responsibilities within the institution. The management of the institutions should properly plan and supervise subordinates to breed confidence and loyalty in the attainment of the stated institutional objectives.

CHAPTER ONE

INTRODUCTION

1.1 Background

Export processing Zones (EPZ) have evolved to be a vital factor for economic growth mostly in diversification of export. The main objective of EPZ has been to facilitate growth of export- oriented export firms. EPZ contribute immensely as an economic instrument for promoting exports amongst many other things, in the era of globalization EPZ has grown to be a significant ingredient for economic development and growth (OECD, 2010).

From the world, Export Processing Zones started in Europe through specialized Economic Zones (SEZ), these zones were customs free areas that had their own regulation environment. Specialize Economic Zones (SEZ) were used to attract investment and ensure economic growth (OECD, 2007). The establishment of EPZs in Bangladesh started in the year 1980s. Bangladesh Export Processing Zones Authority (BEPZA) was the official government unit in charge of the EPZs in Bangladesh. One of the aims of EPZs in Bangladesh was to increase export leading to diversification of foreign exchange earning sources (OECD, 2010).

The Bangladesh EPZ experiment has been successful mainly in terms of promotion of export. Nevertheless, that optimistic evaluation does not have a relationship to technology transfer and forging of backward linkages with domestic economy. EPZs studies in Bangladesh have stayed away from matters like environmental impact of the EPZs, industrial connections, specifically since the establishment and operation of trade union are prohibited there (OECD, 2010).

The discussion that EPZs in Bangladesh may be used as a bait to delay economy trade reforms is misleading in Bangladesh case. In the last 10 years or more Bangladesh has implemented a more in-depth trade liberalization programme than its neighbours in the region. By all that happening rationale for promoting EPZs in Bangladesh require some new conception (OECD, 2010).

Relevance of EPZs in Bangladesh depends on the country's strength to deal with structural obstacles and inadequate infrastructural facilities that hinder investment in EPZs export industry. The EPZs in Bangladesh therefore will continue to offer the ultimate option in the country in terms of complete industrial sites (OECD, 2010).

In Africa and East Africa Tanzania EPZ program began in 2002, when an act allowing establishment of EPZs was passed by its parliament, the act was later amended in 2006. The EPZs necessitated coming up of export investments within the zones with the aim of creating international competitiveness for export- led economic growth. Tanzania EPZ was established to ensure less regulatory restrictions and to foster export business environment (OECD, 2010).

EPZs in Tanzania are regulated by Export Processing Zones Authority (EPZA), to qualify for EPZ license in Tanzania investment should be should be in a new business with 80% of the goods for export and annual export turnover of USD 100,000 for local investors and USD 500,000 for foreign investors (OECD, 2010).

The growing widespread of EPZs in Tanzania is evident that the country is quickly developing an export-led private sector economy. Inadequacy of physical infrastructure, contradiction between Export Processing Zones (EPZ) and Special Economic Zones (SEZ) and unavailability of skilled labour force are some of the challenges that are faced by Tanzania government to implement EPZ program in the country (OECD, 2010).

In Kenya EPZ began when Export Processing Zones act was passed by parliament in 1990.The EPZs are being regulated by the Export Processing Zones Authority (EPZA). The zones were established for specialized firms to carryout business in designated location. The location can be an EPZ industrial park or a factory (EPZA, 2018).

Since establishment of EPZ there has not been a set limit on the amount of sales to the Kenyan markets. Sales to the domestic markets are treated like exports to the domestic market. To stop abuse of the evident unlimited access to domestic sales, a provision exists for an optional 5% duty addition on local sales of identified EPZ firms. EPZ is regarded as a foreign customs territory that can result in importing to countries not recognizing the export as being from Kenyan origin for the purpose of trade preference. (Ministry of Trade and Industry, 2019).

Over the years EPZs have contributed immensely to the increase in Kenyan exports and improved Kenya export products competitiveness in the regional and global markets. Just like Tanzania, EPZs in Kenya are faces with problems of inadequate infrastructure, inadequate skilled labour amongst other challenges (Ministry of Trade and Industry, 2019).

On performance of customs department in Mombasa and globally, a country's customs unit is mandated to ensure trade facilitation, protection of home industry and collection of revenue amongst others that also include fighting trafficking of drugs (Naomi & Joel, 2011).In many Nations, an ordinary used performance pointer for revenue collection unit is their cumulative revenue income expenditure as a percentage of total GDP (Visser & Erasmus, 2010).

1.2 Statement of the Problem

Export Processing Zones (EPZs) are designated part of Kenya that are aimed at Promoting and Facilitating exports. Kenya's EPZ provide an attractive and enabling environment. Kenya's EPZs plays a great role in Export Trade Facilitation and since one of the many roles of KRA's Customs and Border Control Department is to facilitate trade.(EPZA,2019)

Adewa (2016) researched on Factors Influencing Exporting Firms in EPZ Kenya to increase their efficiency. The research does not clearly outline the factors and their efficiencies, the research also does not touch KRA's Customs and Border Control Department.

Kariuki (2016) researched on effects of motivation tax incentives on Export Processing Zones businesses performance in Kenya. The research fails to do thorough findings on how the incentives affect KRA's Customs and Border Control Department.

Biketi, Nzulwa and Kwena (2017) researched on Determinant of Project Performance in EPZ in Kenya with a case study of Arthi River EPZ. The research fails to study other EPZ that are in the same region as Arthi River EPZ.

In spite of the significant role played by the Customs Department in export trade facilitation amongst others, studies on the Factors affecting KRA's Customs and Border Control Department at EPZ facilities in Mombasa is limited.

It is against this that the study is done to provide further literature on Factors affecting Performance of KRA's Customs and Border Control Department in Export Processing Zones Facilities in Mombasa.

1.3 Objectives of the Study

1.3.1 General objective

General objective of this research is to establish factors affecting performance of KRA's Customs and Border Control department in Export Processing Zones Facilities in Mombasa.

1.3.2 Specific objectives

i. To establish the effect of Internal Processes at Export Processing Zones (EPZs) facilities on performance of KRA's Customs and Border Control Department in Mombasa.
ii. To establish the effect of Staffing at Export Processing Zones (EPZs) firms on performance of KRA's Customs and Border Control Department in Mombasa.
iii. To establish the effect of Management of Export Processing Zones (EPZs) firms on performance of KRA's Customs and Border Control Department in Mombasa.

1.4 Research Question

i. How does Internal Processes at Export Processing Zones (EPZs) facilities affect performance of KRA's Customs and Border Control department in Mombasa?
ii. How does Staffing at Export Processing Zones (EPZs) facilities affect performance of KRA's customs and border control department in Mombasa?
iii. How does Management of Export Processing Zones (EPZs) facilities affect performance of KRA's customs and border control department in Mombasa?

1.5 Significance of the Study

Information from this research would be relevant to the government as the research would be imperative in helping the government to advance export promotion policies and come up with ways to facilitate export even better, expanded job opportunities for citizens, creating extra revenue, enhancing financial development and way of life.

The research would be significant to the traders who are involve in export productions e.g. EPZ and MUB operators and to get more information on how they can adapt and enhance their export performance.

The study findings would also be of significance to scholars and researchers as they would increase both hypothetical in advancing theories/ research on some or related topics of study and viable experience on measures that enhance trade intensity for textile exporters.

1.6 Scope of the Study

This study was carried out in Mombasa region. Target respondent group were employees working for EPZ facilities in Mombasa and KRA employees in charge of EPZs facilities in Mombasa to give information on Factors affecting performance of KRA's Customs and Border Control Department in EPZ facilities in Mombasa.

1.7 Limitations

The access and availability also of some respondents posed a challenge due to strict security /control measures implemented and busy schedules. However, the researcher assured the respondents the response and information would be handled with privacy and utilized for this research. The research analysis and presentation took a long time to accomplish.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Under literature review, the chapter discussed theories related to this study and writings from various writers, sources from books, research papers, daily paper and web.

2.2 Theoretical Review

2.2.1 Systems Theory

Chikere and Nwoka (2015) state that the organization idea is connected to a larger system. Different organization depends on environment for its input and reception of its output. As a result, organization must come up with ways to fit on environmental demands.

Organizations apply the idea of a system to understand their external and internal World and how they relate and interact with each other. Change of either external or internal factors will affect the whole system.

The primary principle of system theory is its concentration on interactions. Organized company or organization does not exist in vacuum. They depend on external environment (part of a larger system) like sector/ industry to which they belong, society and economic system (Weihrich et al, 2008). They argue that organization receives inputs, convert them and export output to the environment.

Systems theory makes it possible to describe an organizations' internal and external behavior i.e. externally organizations operations with other organizations and institutions. Every organization gets resources from a larger environment which they are part of and in return produce goods and services as demanded by the larger environment.

This theory is related to this study as it discusses different systems i.e. EPZ and KRA are systems in this case Factors Affecting performance of KRA's customs and border control department in EPZs in Mombasa.

2.2.2 Institutional Theory

Institutional theory seeks to elaborate and explain social structures that govern people and organizations and how deep they run. It emphasizes on procedures by which organization i.e. standard procedures are found as commanding principle for different behaviors. There are several components of institutional theory which are different and seek to give light on how different principles are established with time; and how finally they collapse, and are no longer as useful as they used to be. (Scott, 2010)

According to the opinions of (Meyer & Rowan, 2011), (Maggio & Powell, 2010), the institutional environment influences formal structures growth of different organization many times compared to market pressures. The organization then attempts to easily recognizable standards within its field of operations which helps it foster its own legitimateness. Institutional theory goes ahead and demonstrates that an accidental/deliberate decision directs an organization to know the morals in which it operates. (Maggio & Powell, 2010), suggest that there are different kinds of processes of isomorphic; the processes are normative, coercive and mimetic and that they lead to an increase in homogenization within an organizational field.

The coercive process is projected when other organizations on which the institution is dependent on apply pressure. Coercive forces include factors beyond the control of the institution which need to be adhered to such as new accreditation standards and government regulations. Contrary but still applicable, mimetic processes can arise from futuristic factors such technologies for goals that are not clear and predictable that lead less resourced institutions to model and emulate those organizations that are thought of as leaders of the market within the whole organizational field. The process of normative occurs due to an increase in the ability of the organization to have more professionals as growth is experienced in the networks and communication goes up. This encourages homogenization of the institutional activities.

Hartley *et al.* (2010) explains that an institutional theory framework may work in an environment which may limit institutions to take part in certain activities and put pressures on institutions towards adapting to rules and regulations but not necessarily towards its strategic advantage. The institutional theory supports an emphasis of the impact of normative of the environment on activities that goon in the organization and that external pressure to conform may drive the range of decisions available to be made by institutions. Theory of institution is relevant to the research because it explains organizational growth as it gives emphasis on the learning process and evolving models of the institution from a deterministic view point.

2.2.3 Resource Based theory

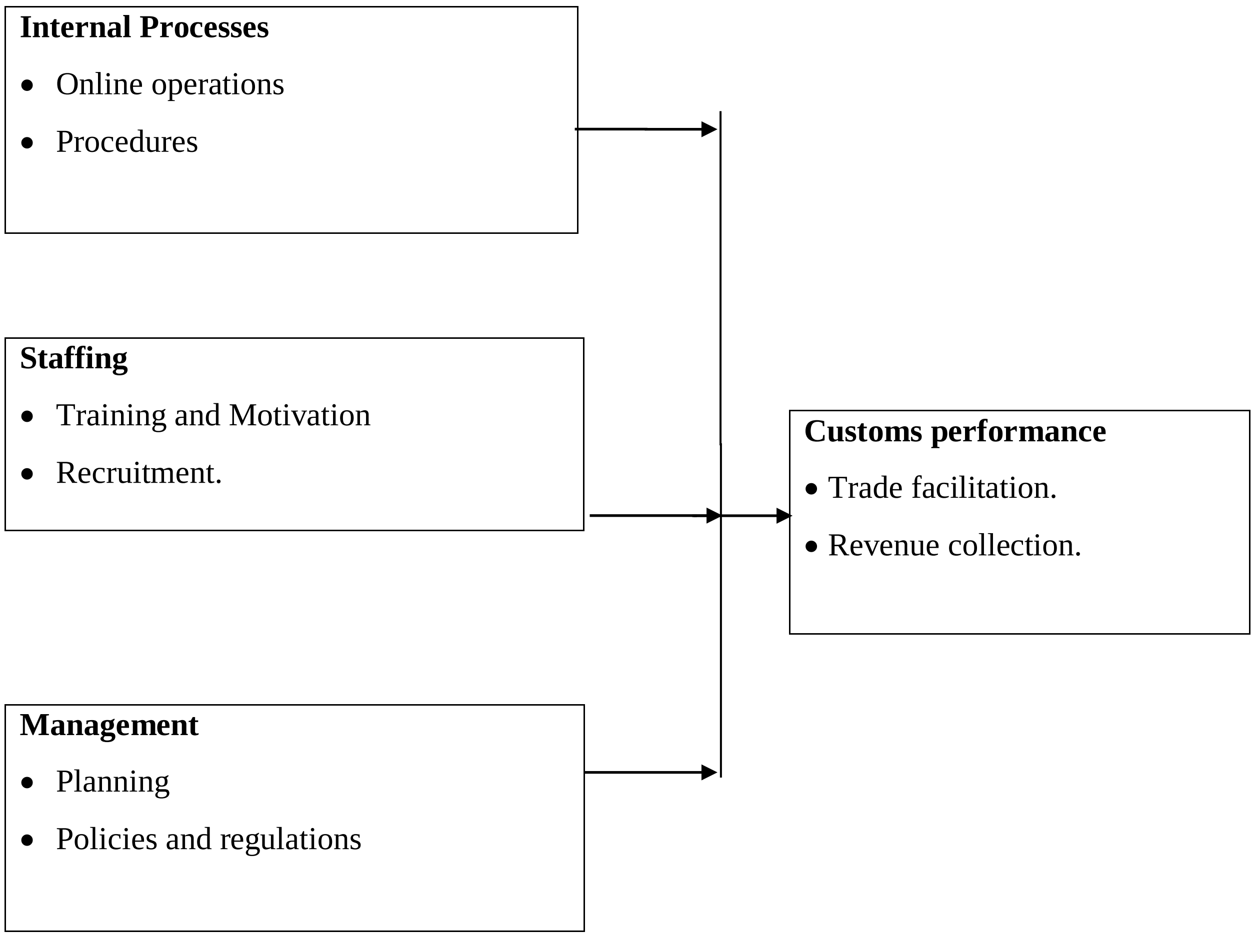
The resource based theory is a framework developed by an organization and the people responsible for running of the day to day activities of a department within the organization with the aim of giving it a competitive advantage over other departments or rival organisations. (Barney, 1991)

Barney further opined that firms can be heterogeneous in nature and still compete on the basis of resources. The departments within an organization are usually accorded different resources but are expected to still perform and give results to the organization.

An organization's resource is defined as an asset or a liability of the firm. Atany given time anything tangible or intangible that a firm can utilize to generate income or revenue is considered a resource. Examples or an organsiations resource is the human resource, machinery, land, capital among others. Different resources exploited by the organisation are expected to yield results and as most likely income for the organization. (Birger, 1984)

The theory was relevant because it showed how the Customs and Border Control Department of KRA was allocated resources such as staff hiring and training. With such resources invested, results are expected and more so if the amount of cash that goes to running the Depat. With the saying 'to whom much has been given, much is required', the canine unit will be called upon to make more detections on concealed articles.. As an enforcement tool, those traders that have been found to have contravened customs rules and laws or engaged in malpractices will be subjected to paying of fines and penalties. This will earn customs more revenue and on the basis of the canine unit being a resource of customs will give it a competitive advantage over other arms of customs.

2.3 Conceptual Framework



Independent variables **Dependent variable**

Figure 2.1: Conceptual framework

2.4 Review of Variables

2.4.1 Internal Processes

Current customs administrations have perceived that streamlining and simplifying clearance procedures are beneficial to exporters. Internal processes incorporate the exercises, practices and formalities associated with gathering, showing, conveying and preparing information and other data required for the movement of goods in international trade (Blyth, 2013). Some trade costs caused by Customs (and other border agencies) are inescapable as border regulations are mandated by government to aid the accomplishment of various public policy objectives. Hence, the more effective (facilitative) Customs can be in applying controls, the lower the transaction costs. Customs administrations are hence progressively acquainting processes so as to put in place efficient and effective clearance procedures keeping up the conventional obligations of revenue collection and enforcement. The requirements of economic integration and administrative processes reform have been having an impact on improving modern customs' institutions.

One of the contents that meets this requirement is to improve the law on post audit clearance inspection, to ensure clear customs procedures at the border, quick customs clearance for export goods and transfer, to expand the scope and objects of inspection once the goods have been finishes for export. There appears to be significant agreement among traders and Customs agents' with respect to the normal positive effect of the automation process.

Mwangi (2012) carried out a study on factors influencing tax compliance in local authority. The study established that under payment and under reporting forms the most prevalent form of tax non-compliance. Tax procedures are complex citing multi-stages approvals, bureaucracy and red-tape in administrative, which creates room for corruption. He also recommended Discount rates for early payments and consideration of tax amnesty for those that have not been compliant so as to bring more of them into the Tax net. Customs Electronic procedures represent a major trend in management. The rise of worldwide systems has significantly impacted the manner in which people connect with one another, businesses/organizations conduct their affairs, and governments provide services to their citizens.

Developed countries perceive that Customs processes in developing countries shave not sufficiently adjusted to the rapidly growing volume of trade of the most recent decade. Their complaints are reverberated by service providers, like Express mail couriers which handles a considerable extent of all Customs entries (more than 30 per cent in their largest markets). The capacity of such firms to provide their services depends intensely on effective Customs frameworks and processes, for instance a guaranteed electronic lodgment system on delivery time for parcel (UNCTAD, 2012).

2.4.2 Staffing

Staffing refers to a process of hiring and developing required personnel to fill in various position in the organization. It include coming up with the number and personnel needed, recruiting and developing them, improving and maintaining their performance and competence (Koontz and O'Donell, 2011).

According to Koontz and O'Donell (2011) managerial functions of staffing involves manuring organizational structure through proper and effective selection, development and appraisal of personnel to fill designated roles in the structure.

Increase in the level of staff turnover is generally good for an organization as it allows for new ideas and perspective to enter the already existing work force. An organization with long-tenured employees in key roles may have consistency. Benefit of good staff turnover helps an organization to be proactive in its evolution as opposed to reactive to situations (Koonz and O'Donell. 2011)

When low staff turnover is as a result of external economic factors, it cannot show management's exact true performance and its influence on operating results. This simply means, despite conventional thinking low staff turnover is not always preferred as it shows that employees are poorly selected and trained, overpaid and complacent (Brian Westfall, 2014).

According to Rupert Murdoch, the world is evolving very fast where big will not beat small anymore. It will be the fast beating the slow. The advantage will therefore flow to those organizations that can acknowledge industry-changing events, project consequences for their organization and swiftly adapt to the new environment (Brian Westfall, 2014).

Supporting turnover for employees who are happy with status quo, least willing to take appropriate risks, or unable to learn from their mistakes will energize the workforce and give the organization a blunt edge on the competition (Brian Wesfall, 2014)

2.4.3 Management

Management is a procedure used by managers to influence behavior and performance of the people in an organization so as to exercise organization strategies in order to achieve objectives effectively (Antony and Dearden, 2011). Management control requires formation of rules supervising behavior of employees and correcting behavioral deviation by organization members, this has to be done through planning and supervisory processes making it possible to get feedback and be able to come up with quick decision.

From the whole organization level, it can be presumed that senior managers are concerned with the organization objectives achievement, which themselves have formulated, in spite of things being totally different at lower level, as (Rosana, 2010) recommends, delegation cannot survive without enough control tools and absence of these threatens development of the organization.

In addition to above, it is worth noting that in many organizations, their employees may lack interest in chasing organization objectives beyond what the organization is able to induce to them. Organization control system is key to convincing its employees to chase its objectives.

2.4.4 Performance of KRA's Customs and Border Control department

Even though the core business of Kenya Revenue Authority (KRA) is to collect taxes and duties, the other key function of KRA is to Facilitate Trade, Border Control amongst others. Because of this KRA has developed a number of strategies to improve its functions (Mansor, 2016)

To determine performance of customs one is required to base their qualification on measurable data sets on effectiveness on executing port responsibilities (Bichou, 2013). In relation to customs performance index include: efficiency levels, technology levels, delivery of service etc. (Richard, 2017). Obligation level in operation framework of customs shows performance standards in accomplishment of operations at the port. This point out that, being accountable as a factor is vital in knowing customs operations (Wu and Goh, 2010)

2.5 Empirical Review.

As examined by Sharma, (2011), the effect of export costs on export demands. The findings of the study demonstrated that the interest for a nation's export rises when its export costs fall in connection to the world costs. The deterioration of its currency as compared to the dollar makes its export less expensive on the universal market. The outcomes found that the need or demand for Indian export expanded when its export costs fell. Additionally, the author expressed that the Indian rupee appreciation at one time unfavorably influenced Indian exports.

Helleiner (2010) researched on competitiveness of export and characteristics of industries from third world countries to countries like USA, Canada and other OECD member states. Imports value is used as dependent variable while explanatory variable, factors estimating factor intensity and taxes are used. Proof shows that factor intensity, technical progress, cost of labour and differentiation of product had effect on competitiveness .Srinivasan (1988) investigated India's export between 1963-1994 dependent variable being manufactured export and worldwide GDP, real exchange rate formed explanatory variable. It was found that Worldwide GDP have a positive relationship with growth of India export.

Export Promotion programme research in developed nations is increasing yet at the same time fairly constrained in extension (Ahmed et al, 2002). Export promotion programs can be defined as plans intended to help firms' trading exercises including courses for potential exporters, directing on the best way to export (Gencturk and Kotabe, 2001)

The most meaning of competitiveness in other terms aggressiveness is a nation having a portion of the world markets for its items. This makes aggressiveness a zero-sum game, since one nation's gain comes to the detriment of others. (Poter et al, 2008)

With aggressiveness or competitiveness so comprehended, traders in nations enter in direct rivalry in a worldwide commercial stage to offer their items. On the off chance that for instance law is acknowledged and supply does without a doubt make its own interest. It is doable that all countries export can keep on developing as they have in the present time of globalization. On the off chance that a nation is to develop a lot of worldwide market, anyway another's must contract. For each victor, there must be failure. President Barrack Obama's 2011 state of the union address.

Morrison (2010) examines the impacts of protectionism in produced exports of less developed countries. The relapse shows manufactured exports of between 1968-70 as the reliant variable, GDP tax and education levels as the illustrative variables that explained the work. The Ordinary Least Squares (OLS) show that protectionism lessens exports that were manufactured.

Mody & Yilmaz (2011) contemplates the connection between competitiveness of export and machinery investment of 14 nations that are developed and 25 less developed nations between 1967-1990. They gauge a Trans-log price function of export; developed nations that are export oriented and import-substituting less developed nation in data panel. Global revenue, capital stock, wage rate and rate of exchange used as the variables to explain the study' the outcomes show that intensity of export is affected by capital stock.

Looking to find the significant determinants of export performance, utilized quintile regression methods to study on the on the external sector linkages of worldwide markets with respect to internal supply-side conditions. The researcher found that, while barriers of trade keep on being an issue, poor conditions of supply have been observed as imperative concern on performance of export in different parts of the world, in spite of integration of international trade. Other than solid linkages to worldwide markets, better infrastructure, embracing macroeconomic well and great better institutions seem, by all accounts, to be real determinants of the external sector improvement (Fugazza, 2011).

2.6 Critique of Existing Literature

The most recognized ways to deal with the analysis of different market structures incorporate policy on trade and influence of local or domestic firm, the work of price discrimination and dumping, and the work of government in giving domestic firms competitive advantage or an upper hand. Another group of expert raises question of the implications of the connection between market structure and theories on trade for another argument on protectionism. More extension along these lines has attempted to capture more complex insights such as the purpose of intermediate goods. (Ethier, 2010)

The trade environment in which export firms should by all means be ready to operate is defined by ordinary opportunities to enter establishing markets is considerably growing from customary foes and upcoming new entrants, because of the of barriers removal from markets that were protected, with competition coming from a diversified and unexpected sources, enterprises can no longer be courageous enough regarding their share of the market: they should therefore strive to continuously innovate to compete adequately. In the current environment of business the following key drivers have proven to gain advantage:-concentration on improving the service workers and productivity knowledge, apart from productivity of industry, with plans involving productivity shifting from cut of cost to growing performance of the organization; an aim on programs quality shifting from operations on manufacturing to service and knowledge operation with industries coming up with a structured culture on quality, globalization of competition operations of market; an enthusiasm for out-sourcing certain parts of distribution, production, support function and sale service bringing about a move of big business focus to all round integration across an organization; cooperating to work on international markets by setting up coalitions and joint endeavors with other key players in both comparative and divergent markets; and more noteworthy consideration regarding social and natural or environmental duty. (Mytelka, 2011)

2.7 Summary

This chapter summarizes that interest for a nations export rises when its export costs fall in connection to the world costs that is according to (Sharma, 2011). Mody & Yilmaz (2012) contemplates the connection between competitiveness of export and machinery investment of 14 nations that are developed and 25 less developed nations between 1967-1990. They gauge a Trans-log price function of export; developed nations that are export oriented and import-substituting less developed nation in data panel. Global revenue, capital stock, wage rate and rate of exchange used as the variables to explain the study' the outcomes show that intensity of export is affected by capital stock. Mody and Yilmaz work is a little related to this study in terms of staff issues as their study touch on wage rates and this study discusses staffing.

2.8 Research Gaps

Authors like (Gereffi, 2010) have blamed the poor performance of EPZs in sub- Saharan Africa on lack of enough transportation and communication structures, shortage of resolute pools of low wage labour, cultural barriers and foreign investment. He, nevertheless, does not explain the substandard performance of EPZs in areas where these hurdles have largely been eliminated.

Claude (2010), asserts that since the founding of the first EPZs in the 1960s, much of the literature on the subject has paid attention on telling the observable fact, mostly through case and comparative studies (Baissac,2011). Holmes and Mao (1989) set out to prove the point that EPZs are valuable and should be established in all developing countries. The result is that they end up being one-sided. While justifying the establishment of EPZs, they ignore the fact that EPZs have been tried in certain countries and have failed. Besides being economic undertakings, EPZs have an impact on, and are also affected by the socio-political setup of their environment. For example, military and political problems have not enabled the establishment of EPZs in Haiti and El Salvador to generate employment or even make easy manufacture (Baissac, 2011).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines this study's research designs and methodology procedures employed.

3.2 Research Design

Cooper and Schindler (2011) noted that the cross sectional descriptive survey is attentively modeled to guarantee full representation of a situation ensuring reduced prejudice on data collection.

This study employed a descriptive studies layout in accumulating information from the respondents as the study paid attention on determining Factors affecting KRA's Customs and Border Control Department in EPZ facilities in Mombasa. Descriptive research design was employed to set up potential determinants. The layout turned out to be the preferred was as it answers the questions such as who, how, what, which, when and how much.

3.3 Population

Hunger and Polit (2010), asserts that population is a totality or aggregate of all the objects that are in conformation with a set specification. The total population for the study was 124, which consisted employees working for EPZ facilities and KRA employees attached to EPZ in Mombasa. This population was considered appropriate for the study as they were in a good position to give feedback on the Factors affecting KRA's Customs and Border Control Department in EPZ facilities in Mombasa.

Table 3.1 Population

	Officer	**Supervisor**	**Assistant Manager**	**Manager**	**Chief Manager**	**Total**
EPZs Employees	56	28	5	2	0	91
KRA's employees attached to EPZs	23	6	2	1	1	33
Total	**79**	**34**	**7**	**3**	**1**	**124**

Source (KRA Southern Region Human Resource, 2019) and (EPZ Human Resource, 2019)

3.4 Sampling Frame

The method of choosing part of the population to be a representative of the whole population is referred to us as sampling LoBiondo-Wood & Haber (2010) and as outlined in (Polit & Hungler, 2010). The research focused on selecting a list of respondents who are employees working for EPZ Facilities in Mombasa and KRA employees attached to EPZ in Mombasa.

3.5 Sample and Sampling Technique.

3.5.1 Sampling technique

Sampling technique is a method of choosing a sample (Cooper and Schindler, 2014). This study adopted stratified sampling technique. This technique considers distinctive subgroups of individuals in the population to ensure that the sample drawn reasonably represents the population on specified characteristics (Saunders et al., 2012). This was achieved by separating the population into categories of similar characteristic referred to as strata. In this situation, it includes the order of customs officers according to their rank.

3.5.2 Sample size

According to Cooper and Schindler (2014), sample size is a representation of the population. This research used Slovin formula to calculate an appropriate sample size from the population as below:

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

Where;

n is sample size,

N is population size,

e is precision level,

95% level of confidence used which gives p = 0.05 possibility of deviation from the actual

$$Therefore; Sample\ size\ n = \frac{124}{(1 + 124(0.05^2)}$$

And n = 94

Table 3.2 Sample size

	Officer	Supervisor	Assistant Manager	Manager	Chief Manager	Total
EPZs Employees	47	11	3	1	0	62
KRA's employees attached to EPZs	23	6	2	1	0	32
Total	**70**	**17**	**5**	**2**	**0**	**94**

Source (KRA Southern Region Human Resource, 2019) and (EPZ Human Resource, 2019)

3.6 Data Collection Method

Data refers to information or facts in a formal style required for processing by humans, (Hicks, 2011). In this study, weight was given to primary data. This study involved use of primary data and designed questionnaire was employed as one of the data collection instrument. The target population was given questionnaires that aimed at eliciting relevant information concerning the Factors affecting KRA's Customs and Border Control Department in EPZ facilities in Mombasa.

3.7 Data Collection Procedure

The management of Kenya Revenue Authority was briefed on the study .The procedures of data collection involved getting authorization letter from Kenya School of Revenue Administration and from the relevant authorities. The questionnaires were administered through the drop and pick method. This gave respondents ample time to fill the questionnaires. Delivering questionnaires at hand enabled the researcher save time unlike sending by post that takes a longer period of time (Mugenda & Mugenda, 2012).

3.8 Pilot Testing

This was carried out on instrument using other population who are not part of the randomly sampled population; so as to establish how the subject acted towards the questionnaire; if the items on the instrument are clear and easily understandable and if there is requirement to add items.

3.8.1 Validity

Validity refers to a measure of reality or falsity of the facts acquired by use of a research tool. (Burn & Grove, 2001). The tool's definitely displays the summary construct being examined (Burns & Groove, 2001) a number of things can control internal and outside validity of the measuring instrument, the organized questionnaire agenda was used on this survey to accumulate records on Factors affecting KRA's Customs and Border Control Department in EPZ facilities in Mombasa.

3.8.2 Reliability

Refers to level of uniformity at which the relevant instrument used measures an attribute (Polit & Hugler, 2010). It also refers to the range of values to where use of similar instrument independently yields same result under almost same conditions (Vos, 1998). To ascertain reliability of this study the responses gathered from questionnaire was divided into two, and then independently scored to check the correlation.

3.9 Data Analysis

Data analysis is defined as a systematic way of coming up with order, structure and meaning to the collected data (Rossman & Marshall, 2011). Because the study is quantitative, descriptive statistics was used for analyzing data from the questionnaire. Data collected was analyzed by use of version 25 of Statistical Package for Social Science (SPSS). Below regression model expresses relationship between dependent variables and independent variables.

$Y= \alpha+\beta_1X_1+ \beta_2X_2 +\beta_3X_3+\mathcal{E}$

Where;

Y= KRA's Customs and Border Control Department performance

α= Constant term; change in Y when X_1, X_2 andX_3=0

X_1=Internal processes

X_2= Staffing

X_3= Management

β_1, β_2 and β_3= the coefficient for the various independent variables; change in Y due to a unit change in $X_{1,}$ X_2 and X_3

Ɛ= Error term include other factors that affect performance of KRA's Customs and Border Control Department in EPZ facilities in Mombasa.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND INTERPRETATION

4.1 Introduction

This chapter sought to cover analysis of the collected data, interpretation and presentation in order to determine the role of Export Processing Zones, Manufacturing under Bond and Tax remission for export office on performance of customs and border control in Mombasa. The researcher adopted the use of Statistical Package for Social Scientists (SPSS) version 25 to analyze data. Frequencies, percentages, and mean were used to display the results presented in tables.

4.2 Response Rate

Response rate was analyzed in relation to the number of questionnaires distributed to respondents to determine the reliability of the study. Out of 94 questionnaires administered 87 were retrieved giving a response rate of 92.6% (Mugenda and Mugenda, 2012) highlighted that for a proper and reliable representation, a response rate of 70% and above is adequate.

Table 4.1 Response rate

	Response rate	Percentage
Respondents	87	92.6%
Non-respondents	7	7.4%
Total	**94**	**100%**

4.3 Pilot Results

4.3.1 Reliability results

Reliability refers to the ability of an instrument of research to uniformly measure characteristics of interest over time (Mugenda and Mugenda, 2012). According to Neuman (2006), a Cronbach's alpha of 0.70 and above demonstrate that the data collected is reliable.

Table 4.2 Reliability Results

Scale	Cronbach's Alpha	Number of Items
Internal processes	0.772	4
Staffing	0.795	4
Management	0.806	4
Customs performance	0.802	3

From the results in Table 4.2, all the variables analyzed below showed that the results were highly reliable. The finding demonstrates high reliability of the questionnaire adopted in the study.

4.4 Demographic Analysis

This section of the analysis presents the results on the various demographic factors of the respondents who participated in this research study.

4.4.1 Level of education

The study intended to establish the participants' academic qualifications. Table 4.3 presents respondents' level of education.

Table 4.3 Respondents' Level of education

	Frequency	Percent
Diploma	41	47.1
Bachelor's degree	22	25.3
Post graduate diploma	17	19.5
Master's degree	7	8.1
Total	87	100.0

From the findings, data above majority of the respondents have gone to college with a percentage of 47.1% followed by those with undergraduate degrees with 25.3%, while those respondents who indicated that they hold a post graduate degree represented 19.5%. Those respondents who indicated they hold master's degree represented 8.1%. The findings imply that majority of study participants had college education.

4.4.2 Work Experience

The study sought to establish the work experience of the respondents. The findings are presented in Table 4.4.

Table 4.4 Work experience

	Frequency	Percent
Less than 2 years	4	4.6
3 to 5 years	12	13.8
5 years and above	71	81.6
Total	**87**	**100.0**

From Table 4.4, large number of the respondents have served in the organizations for the period of 6 years and above with a representation percentage of 81.6% followed closely by those who have served in the organizations for between 3 - 5 years at 13.8%. Those who have served in the organizations for 2years and bellow represented 4.6% of the response rate.

4.4.3 Respondents Position

The study sought to investigate respondents' position. The findings are presented in Table 4.5.

Table 4.5 Response by cadre

	Frequency	Percent
Officer	68	78.2
Supervisor	12	13.8
Assistant manager	5	5.7
Manager	2	2.3
Total	**87**	**100.0**

According to Table 4.5 above, large numbers of respondents were officers as represented by 78.2%, supervisors and assistant managers were represented by 13.8% and 5.7%, respectively, while only 2.3% were managers.

4.5 Descriptive Analysis

This section comprises of descriptive analysis for variables under study. Descriptive statistics are used to describe the basic features of the data in study, giving simple summaries about the sample and the measures.

4.5.1 Internal Processes

The study sought to establish the effect of Internal Processes at Export Processing Zones (EPZs) facilities on performance of KRA's Customs and Border Control Department in Mombasa. A Likert scale data was collected rating the extent of agreement in a scale of 1 to 5 where 1 is the strongly disagree whereas 5 is the strongly agree indicator. The mean score for each item was calculated and the findings are shown in Table 4.6.

Table 4.6 Internal processes

Statement	N	Mean	Std. Deviation
There is effective inter agency coordination in clearance of imported inputs used in export production and clearance of export goods	87	4.45	.523
The current processes used causes delays in clearance of imported inputs used in export production and clearance of export goods	87	4.46	.804
The institution has effective and efficient technological systems to clear imported inputs used in export production and clearance of export goods	87	4.37	.631
The processes and documents used for clearance of input used in export and clearance of goods are simple well understood by all stakeholder and the process not tedious	87	4.94	.598

According to Table 4.6, respondents agreed that there is effective inter agency coordination in clearance of imported inputs used in export production and clearance of export goods as indicated by a mean of 4.45 and standard deviation 0.523. In regard to whether the current processes used cause's delays in clearance of imported inputs used in export production and clearance of export goods, majority of respondents agreed as indicated by a mean of 4.46 and standard deviation of 0.804. The study established that majority of respondents agreed that the institution has effective and efficient technological systems to clear imported inputs used in export production and clearance of export goods as indicated by a mean of 4.37 and standard deviation of 0.631. Finally, respondents agreed that the processes and documents used for clearance of input used in export and clearance of goods are simple well understood by all stakeholder and the process not tedious as indicated by a mean of 4.94 and standard deviation of 0.598.

4.5.2 Staffing

The second objective of this research was to establish the effect of Staffing at Export Processing Zones (EPZs) firms on performance of KRA's Customs and Border Control Department in Mombasa. Respondents were requested to give their view using the 5-linkert scalewhere; 1=strongly disagree, 2=disagree, 3=neither agree nor disagree, 4=agree, 5=strongly agree. The variable used mean and standard deviation to compute. The results are presented in Table 4.7.

Table 4.7 Staffing

	N	Mean	Std. Deviation
The institution has adequate employees' to handle different roles and responsibilities to meet the institution's performance objectives	87	4.20	.427
The employees have necessary skills that are required to handle different roles and responsibilities within the institution	87	4.43	.563
Staff undergoes regular trainings to ensure they are equipped with the necessary skills to deliver on institution's performance objectives	87	4.34	.478
Allocation of targets and performance appraisal of staffs leads to improved institution performance	87	4.37	.573

According to Table 4.7, the respondents indicated that the institution has adequate employees' to handle different roles and responsibilities to meet the institution's performance objectives with a mean of 4.20 and Standard deviation of 0.427. The respondents agreed that the employees have necessary skills that are required to handle different roles and responsibilities within the institution with mean of 4.43 and Standard deviation of 0.563. In regard to whether staff undergoes regular trainings to ensure they are equipped with the necessary skills to deliver on institution's performance objectives, majority of respondents agreed with the statement as indicated with a mean of 4.34 and standard deviation of 0.478. Finally, it was established that majority of respondents (mean=4.37 and standard deviation=0.573) agreed that allocation of targets and performance appraisal of staffs leads to improved institution performance. According to Koontz and O'Donell (2011) managerial functions of staffing involves manuring organizational structure through proper and effective selection, development and appraisal of personnel to fill designated roles in the structure.

4.5.3 Management

The third objective aimed to establish the effect of Management of Export Processing Zones (EPZs) firms on performance of KRA's Customs and Border Control Department in Mombasa. The variable used mean and standard deviation to compute. The results are presented in Table 4.8.

Table 4.8 Management

	N	Mean	Std. Deviation
Management conduct awareness training before they introduce new control measures that ensures institution performance objectives are achieved	87	4.06	.617
Management frequently ensures proper planning and supervision to ensure employees have confidence in achieving institution performance objectives	87	4.84	.776
The budget that management provides enables the institution to meet its performance objectives	87	4.16	.834
After budgeting management track both their budget and investment to ensure institution meets its performance objectives	87	4.02	.549

According to Table 4.8, it was established that management conduct awareness training before they introduce new control measures that ensures institution performance objectives are achieved (mean=4.06 and standard deviation of 0.617). The respondents also agreed that the management frequently ensures proper planning and supervision to ensure employees have confidence in achieving institution performance objectives as represented by a mean of 4.84 and Standard deviation of 0.776. In regard to whether the budget that management provides enables the institution to meet its performance objectives, majority of respondents agreed as indicated by a mean of 4.16 and standard deviation of 0.834. Finally, respondents agreed that after budgeting, management track both their budget and investment to ensure institution meets its performance objectives as indicated by a mean of 4.02 and standard deviation of 0.549.

4.6 Correlation Analysis

The researcher used the Karl Pearson's coefficient of correlation (r) to establish relationship between the study variables presented in Table 4.9.

Table 4.9 Correlation Analysis

		Internal processes	Staffing	Management	Performance
Internal processes	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	87			
Staffing	Pearson Correlation	.178	1		
	Sig. (2-tailed)	.046			
	N	87	87		
Management	Pearson Correlation	.310**	.227**	1	
	Sig. (2-tailed)	.000	.001		
	N	87	87	87	
Performance	Pearson Correlation	.681**	.486**	.566**	1
	Sig. (2-tailed)	.000	.001	.000	
	N	87	87	87	87

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

From the results in Table 4.9, it was evident that there was a relatively positive significant correlation between internal controls and customs and border control performance as shown by correlation value of 0.681 at a significance level of 0.000. The correlation between staffing and performance was positively significant as indicated by 0.486 and finally, the correlation between management and performance were found to be positive and significant as shown by correlation value of 0.566.

4.7 Regression Analysis

The study conducted a multiple linear regression analysis in order to investigate Factors Affecting Performance of KRA's Customs and Border Control Department in EPZs Facilities in Mombasa. In this model, coefficients of determination explain the extent to which changes in dependent variable can be explained by the changes in the independent variables or percentage of variation in dependent variable that is explained by all three independent variables.

4.7.1 Model Summary

The results for the model summary are presented in Table 4.11.

Table 4.101: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.725[a]	.525	.516	1.581

a. Predictors: (Constant), Internal processes, Staffing, Management

According to regression results in Table 4.11, the regression equation between the study variables showed a moderate regression. In the model summary, the R^2 is 0.525. This implies that the three variables studied explain 52.5% of variance in the performance of customs and border control. This means that, the other factors not considered in the study contribute 47.5% of variance in the dependent variable.

4.7.2 ANOVA and F-test Results

Analysis of variance was employed to test the overall validity of the regression model. The results are presented in Table 4.10.

Table 4.11: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	558.711	3	186.237	30.631	.000[b]
	Residual	504.719	89	6.080		
	Total	1063.430	92			

a. Dependent Variable: Performance

b. Predictors: (Constant), Internal processes, Staffing, Management

Analysis of Variance (ANOVA) was done to establish the fitness of the model used. The ANOVA table shows that the F-ratio (F=30.631, P=.000) was statistically significant. This means that the model used was a good fit. This implies that the predictor variables (internal processes, staffing and management) explain the variation in the dependent variable which is customs and border control performance.

4.7.3 Regression Coefficients

The raw and standardized regression coefficients of the predictors together with their t statistics are as shown in Table 4.12.

Table 4.12: Regression weights

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.594	1.754		4.330	.000
	Internal processes	.544	.185	.517	2.940	.008
	Staffing	.421	.107	.124	3.934	.000
	Management	.503	.213	.021	2.361	.020

a. Dependent Variable: Performance

Optimal model

$Y=7.594 + 0.544X_1 + 0.421X_2 + 0.503X_3$ clearly shows a significant positive relationship between the predictor variables and performance of customs and border control department. The estimated coefficients show the contribution of each independent variable to the change in the dependent variable. According to the regression equation established, holding all independent factors a constant at zero, performance would 7.594. This constant is significant in the model as it has P=.000 which is less than the 5% level of significance taken for this study.

4.8 Discussion of Findings

The first objective of the study sought to investigate the role of internal processes on customs and border control department performance. The correlation results showed that there was a strong positive significant correlation between internal processes and performance ($r = 0.681$, $P<0.05$). Regression analysis conducted showed a positively significant role of internal processes on performance as indicated by the values $\beta_1 = 0.544$, $t = 2.940$, $p<0.05$. Hence, holding all things constant, it could be concluded that a unit change in internal processes would lead to 0.544 units change in customs and border control performance.

The second objective was to investigate the role of staffing on customs and border control performance. The results of the regression indicate that the coefficient for staffing was 0.421, t-statistics of 3.934 and a corresponding P-value<0.05 which indicates that the relationship is significant. It is concluded that holding other factors constant, a unit change in staffing would lead to 0.421 units of change in customs and border control performance. According to Koontz and O'Donell (2011) managerial functions of staffing involves manuring organizational structure through proper and effective selection, development and appraisal of personnel to fill designated roles in the structure.

The third objective of the study was to investigate the role of management on customs and border control performance. The regression test result obtained indicates that the coefficient for management is 0.503; t-statistics is 2.361 with a corresponding P-value of 0.020 (p-value < 0.05) implying that the relationship is significant. The study concluded that a unit change in management would lead to 0.503 units of change in customs and border control performance.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the research findings and provides conclusions and recommendations in line with the topic of study that is to investigate Factors Affecting Performance of KRA's Customs and Border Control Department in EPZs Facilities in Mombasa

5.2 Summary of Findings

The purpose of the study was to investigate Factors Affecting Performance of KRA's Customs and Border Control Department in EPZs Facilities in Mombasa. The study specific objectives were to establish effect of internal processes, staffing and management. The study collected and presented data in chapter four with specific objectives been used as parameters for the analysis.

5.2.1 Internal Processes

The study established that there is effective inter agency coordination in clearance of imported inputs used in export production and clearance of export goods and the current processes used causes delays in clearance of imported inputs used in export production and clearance of export goods. The study found out that the institution has effective and efficient technological systems to clear imported inputs used in export production and clearance of export goods as well as the processes and documents used for clearance of input used in export and clearance of goods are simple well understood by all stakeholders and the process not tedious.

5.2.2 Staffing

The study established that the institution has adequate employees' to handle different roles and responsibilities to meet the institution's performance objectives. It was established that the employees have necessary skills that are required to handle different roles and responsibilities within the institution and they undergoes regular trainings to ensure they are equipped with the necessary skills to deliver on institution's performance objectives.

Allocation of targets and performance appraisal of staffs leads to improved institution performance.

5.2.3 Management

The study findings established that management conduct awareness training before they introduce new control measures that ensures institution performance objectives are achieved and the management frequently ensures proper planning and supervision to ensure employees have confidence in achieving institution performance objectives. It was also established that the budget that management provides enables the institution to meet its performance objectives and after budgeting, management track both their budget and investment to ensure institution meets its performance objectives.

5.3 Conclusions

The study concludes that inter agency coordination is effective in clearance of imported inputs used in export production and clearance of export goods. The current processes used causes delays in clearance of imported inputs used in export production and clearance of export goods. The study concludes that the institution has effective and efficient technological systems to clear imported inputs used in export production and clearance of export goods as well as the processes and documents used for clearance of input used in export and clearance of goods are simple well understood by all stakeholders and the process not tedious.

The study concludes that there are enough human resource to carry out different roles and responsibilities to meet the institution's performance objectives. The employees have necessary skills that are required to handle different roles and responsibilities within the institution and they are trained regularly to ensure they are equipped with the necessary skills to deliver on institution's performance objectives.

The study concludes that prior to the introduction of any new control measures, the management conducts awareness training to ensure the employees are conversant with the new mechanism. This promotes the achievement of the department objectives. Management frequently ensures proper planning and supervision to ensure employees have confidence in achieving institution performance objectives. The budget that management provides enables the institution to meet its performance objectives and after budgeting, management track both their budget and investment to ensure institution meets its performance objectives.

5.4 Recommendations

The study recommends that the institutions' internal processes should be reviewed to ensure efficiency and effectiveness in the performance of customs and border control department. All relevant agencies should sign and ascribe to a common regulatory framework to improve coordination thus ensure effectiveness in the clearance of imported inputs used in export production and clearance of export goods. The current processes should be reviewed since it was established to cause delays in clearance of imported inputs used in export production and clearance of export goods. The institutions concerned should invest in technologies to assist in the clearance of imports in a transparent and effective manner. The exports clearance processes should be simplified and accepted by all stakeholders to ensure faster clearance of goods.

The study recommends that the institutions should deploy well trained and experienced human resource to assist in carrying out key customs and border control roles with a view to surpass the institution's performance objectives. The management of the institutions should continuously develop personnel by equipping them with relevant skills through frequent trainings to enable them handle different roles and responsibilities within the institution.

The study recommends that the management should thoroughly carry out awareness training whenever it anticipates to introduce new control measures. This would make employees conversant with the new mechanism and improve efficiency and acceptability. The management of the institutions should properly plan and supervise subordinates to breed confidence and loyalty in the attainment of the stated institutional objectives.

5.4 Areas for Further Research

This research provides empirical evidence on the Factors Affecting Performance of KRA's Customs and Border Control Department in EPZs Facilities in Mombasa. The study however concentrated on only three aspects which include; internal processes, staffing and management which accounted for 52.5% variation in performance of customs and border control department. This implies that these aspects are not exhaustive hence further research should be undertaken to establish the role of other institutions on performance of Kenya Revenue Authority. This could be achieved by carrying out holistic study on all KRA departments and ascertaining their influence on the performance of Kenya Revenue Authority.

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APPENDICES

APPENDIX I: Letter of Introduction

JACKSON OPIYO OKETCH

KENYA SCHOOL OF REVENUE ADMINISTRATION

P.O BOX 86430-80100

MOMBASA.

Dear Respondent,

I am a student at Kenya School of Revenue Administration, pursuing a post graduate diploma in Customs Administration.

As part of my course work am required to carrying out a research study, and in line with that am doing a study on the **"Role of Export Processing Zone, Manufacturing Under Bond and Tax Remission for Export Office on KRA's Customs and Border Control Department in Mombasa".**

I am humbly requesting you to fill the attached questionnaire; the information provided in the questionnaire will be treated with uttermost confidentiality and used for this research only.

Yours Sincerely,

Jackson Oketch

APPENDIX II: Questionnaire

This questionnaire has statements regarding Role of Export Processing Zones, Manufacturing Under Bond and Tax Remission for Export Office on performance of KRA's customs and border control department in Mombasa. Kindly take few minutes to complete the questionnaire as guided. Your responses will be handled confidentially and ethically.

Thank you for agreeing to participate in this academic study.

SECTION A: General /Demographic Data

Please indicate the highest level of education you have ever attained

a) Diploma ☐

b) Degree ☐

c) Post graduate Diploma ☐

d) Masters ☐

e) Others (specify) ____

How many years have you worked in the organization?

a) Less than 2 years ☐

b) 3 to 5 years ☐

c) Over 5 years ☐

Kindly indicate your position in the company

a) Officer ☐

b) Supervisor ☐

c) Assistant Manager ☐

d)Manager ☐

f) Others (specify) ____________________________________

SECTION B

a) Internal Processes

In this part the below statements seeks to establish the effect of Internal Processes at Export Processing Zones (EPZs) firms, Manufacturing Under Bond (MUB) firms and Tax Remission for Export Office (TREO) on performance of KRA's Customs and Border Control Department in Mombasa.

Please indicate your level of agreement with the following statements using the following:

(1= Strongly disagree, 2=Disagree, 3= Neutral, 4= Agree, 5= Strongly agree)

No.	**Statement**	**1**	**2**	**3**	**4**	**5**
1a.	There is effective inter agency coordination in clearance of imported inputs used in export production and clearance of export goods.					
2a.	The current processes used causes delays in clearance of imported inputs used in export production and clearance of export goods.					
3a.	The institution has effective and efficient technological systems to clear imported inputs used in export production and clearance of export goods.					
4a.	The processes and documents used for clearance of input used in export and clearance of goods are simple well understood by all stakeholder and the process not tedious.					

b) Staffing

In this part the below statements seeks to establish the effect of Staffing at Export Processing Zones (EPZs) firms, Manufacturing Under Bond (MUB) firms and Tax Remission for Export Office (TREO) on performance of KRA's Customs and Border Control Department in Mombasa.

Please indicate your level of agreement with the following statements using the following:

(1= Strongly disagree, 2=Disagree, 3= Neutral, 4= Agree, 5= Strongly agree)

No.	**Statement**	**1**	**2**	**3**	**4**	**5**
1b.	The institution has adequate employees' to handle different roles and responsibilities to meet the institution's performance objectives.					
2b.	The employees have necessary skills that are required to handle different roles and responsibilities within the institution.					
3b.	Staffs undergoes regular trainings to ensure they are equipped with the necessary skills to deliver on institution's performance objectives.					
4b.	Allocation of targets and performance appraisal of staffs leads to improved institution performance.					

c) Management

In this part the below statements seeks to establish the effect of Management of Export Processing Zones (EPZs) firms, Manufacturing Under Bond (MUB) firms and Tax Remission for Export Office (TREO) on performance of KRA's Customs and Border Control Department in Mombasa.

Please indicate your level of agreement with the following statements using the following:

(1= Strongly disagree, 2=Disagree, 3= Neutral, 4= Agree, 5= Strongly agree)

No.	**Statement**	**1**	**2**	**3**	**4**	**5**
1c.	Management conduct awareness training before they introduce new control measures that ensures institution performance objectives are achieved.					
2c.	Management frequently ensures proper planning and supervision to ensure employees have confidence in achieving institution performance objectives.					
3c.	The budget that management provides enables the institution to meet its performance objectives.					
4c.	After budgeting management track both their budget and investment to ensure institution meets its performance objectives.					

Thank you for your cooperation

APPENDIX III: Project Budget

Number	Task	Total (Kes.)
1.	Stationery	15,000
2.	Printing cost	15,000
3.	Internet	10,000
4.	Transport	20,000
5.	Meals	10,000
6.	Miscellaneous	5,000
Total		**75,000**

APPENDIX IV: Project Work Plan

ACTIVITY	Sept 2018	Oct 2018	Nov 2018	December 2018	January-March 2019	April-July 2019	August-October 2019
Research Problem							
Drafting of Proposal and Presentation							
Formulation of Data Collection Instrument							
Data Collection							
Data Analysis							
Submission and Presentation Project							