

**EFFECTS OF BENCHMARKING ON CUSTOMS PERFORMANCE AT THE PORT OF
MOMBASA**

WESLEY CHERUIYOT LAGAT

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

2019

DECLARATION

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

.....

.....

Signature

Date

WESLEY CHERUIYOT LAGAT

HDB335-C016-6710/2016

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

.....

.....

Signature

Date

GRACE LEKASI

MANAGER: CFS OPERATIONS (KRA)

LECTURER: KENYA SCHOOL OF REVENUE ADMINISTRATION

DEDICATION

This study is dedicated to my parents Mr and Mrs Lagat, and my entire family members and dear friends who supported, inspired and encouraged me throughout my entire study period. Be blessed.

ACKNOWLEDGMENT

I thank my family members and my lecturer Grace Lekasi for having supported, empowered and guided me throughout my project period. They showed a lot of interest and gave me encouragement for which I could not achieve on my own.

I would also like to thank Mr. Ben Mumia and Mr. Biwott for their moral support. I also thank all the entire KESRA academic staff.

May God bless you all abundantly

TABLE OF CONTENTS

DECLARATION.....	i
DEDICATION.....	ii
ACKNOWLEDGMENT	iii
TABLE OF CONTENTS	iv
LIST OF APPENDICES	viii
LIST OF TABLES	ix
LIST OF FIGURES	x
LIST OF ACRONYMS / ABBREVIATIONS.....	xi
DEFINITION OF TERMS.....	xii
CHAPTER ONE	1
INTRODUCTION.....	1
1.1 Background of the study	1
1.2 Statement of the problem	4
1.3 Objectives.....	6
1.3.1 General Objective	6
1.3.2 Specific objectives	6
1.4 Research questions.	6
1.5 Significance of the study	6
1.6 Scope	7
CHAPTER TWO	8
LITERATURE REVIEW	8
2.1 Introduction	8
2.2 Theoretical Review	8
2.2.1 Competition Theory.....	8
2.2.2 Benchmarking Theory	9
2.2.3 Neo-institutional Benchmarking Theory	9

2.3 Conceptual Framework	11
2.4 Review of the variables	12
2.4.1. Internal Benchmarking	12
2.4.2 External Benchmarking	12
2.4.3 Generic (process) benchmarking	13
2.4.4 Customs Performance	14
2.5 Empirical Review	14
2.6 Critique of the existing literature	15
2.7 Research Gaps	16
2.8 Summary	17
CHAPTER THREE	18
RESEARCH METHODOLOGY	18
3.1 Introduction.	18
3.2 Research design	18
3.3 Population	18
3.4 Sampling frame	19
3.5 Sample and Sampling Technique	19
3.6 Data Collection Instruments	20
3.7 Data collection procedure	21
3.8 Pilot Testing	21
3.8.1 Validity	22
3.8.2 Reliability	22
3.9 Data Analysis and Presentation	22
CHAPTER FOUR	24
RESEARCH FINDINGS	24
4.1 Introduction	24
4.2 Response rate	24
4.3 Pilot results	24
4.4 Demographic analysis	25
4.4.1 Level of education and training	25

4.4.2 Cadre.....	26
4.4.2 Number of years worked in the position	27
4.5 Descriptive analysis.....	27
4.5.1 Internal benchmarking.....	27
4.5.2 External benchmarking.....	28
4.5.3 Generic (process) benchmarking.....	29
4.5.4 Customs performance	31
4.6 Correlation analysis.....	32
4.6.1 Karl Pearson's Correlation	32
4.7 Regression analysis	33
4.7.1 Coefficient of determination (R^2).....	33
4.7.2 Analysis of Variance (ANOVA)	34
4.7.3 Regression coefficients.....	35
CHAPTER FIVE	37
SUMMARY, CONCLUSIONS AND RECOMMENDATION.....	37
5.1 Introduction	37
5.2 Summary of findings.....	37
5.2.1 Internal benchmarking.....	37
5.2.2 External benchmarking.....	37
5.2.3 Generic benchmarking.....	38
5.3 Conclusion.....	38
5.3.1. Internal benchmarking.....	38
5.3.2. External benchmarking.....	39
5.3.3. Generic benchmarking.....	39
5.4. Recommendations	39
5.5. Limitation of the study	39
5.6. Areas of future study	40

REFERENCES.....	41
-----------------	----

LIST OF APPENDICES

APPENDIX I: Letter of introduction.....	46
APPENDIX II: The questionnaire.....	47
APPENDIX III: Budget.....	51
APPENDIX IV: The Work plan.....	52

LIST OF TABLES

Table 3:1 Population	19
Table 3:2 Sample size	20
Table 4:1 Response rate	24
Table 4:2 Reliability results	25
Table 4:3 Level of education and training	26
Table 4:4 Cadre	26
Table 4:5 Number of years worked in the position.....	27
Table 4:6 Descriptive statistics Internal benchmarking.....	28
Table 4:7 Descriptive statistics External benchmarking.....	29
Table 4:8 Descriptive statistics Generic (process) benchmarking.....	30
Table 4:9 Descriptive statistics Customs performance.....	31
Table 4:10 Karl Pearson's Correlation	33
Table 4:11 Coefficient of determination (R^2)	34
Table 4:12 ANOVA	35
Table 4:13 Regression Coefficients	35

LIST OF FIGURES

Figure 2.1: Conceptual Framework.....	11
--	----

LIST OF ACRONYMS / ABBREVIATIONS

DTD	Domestic Tax Department
FY	Financial Year
GDP	Gross Domestic Product
IDF	Import Declaration Form
KPA	Kenya Ports Authority
KPI	Key Performance Indicator
KRA	Kenya Revenue Authority
PSI	Pre-Shipment Inspection
RTD	Road Transport Department
SACCOs	Savings Credit and Cooperatives
TOC	Theory of Constraints
TQM	Total Quality Management
VAT	Value Added Tax
CBCD	Customs and border control department

DEFINITION OF TERMS

Benchmarking	Borrowing ideas, processes and operations within and outside your organization to ensure you operate within performance improvement by adopting the best practices the organization acquires from best performers and world-class service delivery firms to determine where you should be given the success of other organizations in the industry (Ouma, 2014)
Customs Revenue collection	Refers to the earnings by the government in form of duties and taxes from imports and exports (EACCMA, 2004)
External benchmarking	Borrowing key operational skills from outside the organization to identify the gaps in performance in order to make improvement in the internal systems and processes(Kozak, 2004)
Generic benchmarking	Considers industries not related to comparing the performance of similar organizational processes based on achieving new standards to improve objectivity and processes the organization utilizes (Sajabi, 2012).
Internal benchmarking	Learning from your own structures in order to realize areas of strength and those that need adjustments for example in terms of resource allocation by comparing similar processes throughout different departments to obtain information on the available alternative (Daniel, 2015)
Risk management	Refers to the practice of identifying potential risks in advance, analysing them and taking precautionary steps to reduce/curb them (Robert, 2011)
Trade facilitation	Set of policies or measures which aim to harmonize and simplify procedures and practices of international trade leading to reduction and elimination of trade barriers and thus encouraging international trade (Gumbihi, 2013)

ABSTRACT

Global economies change rapidly therefore, organizations must borrow world-class practices to improve on all standards and new competencies as the previously used practices and processes are quickly being faced out. For continuous improvements, world economies have now turned into benchmarking to improve on what is perceived not improved. In the long run, benchmarking is considered to be a healthy practice and even the world-class benchmark for even further improvements. Worldwide benchmarking has been welcomed as an instrument of continuous improvement in the context of TQM and as a means of enhancing competitiveness in some economies. It is on this premise that the researcher opted to study the effects of benchmarking on customs performance at the port of Mombasa. The study adopted a descriptive design meaning qualitative and quantitative data was collected. This data consisted of internal, external and generic benchmarking and their effects on customs performance. The descriptive design was considered appropriate for this study because of the need to develop theories that assist in explaining the research. The study employed systematic random sampling and a sample size of 124 was selected. Primary data was collected using questionnaires. The researcher used structured questionnaires for the purpose of collecting data. Data analysis was done using the SPSS version 24.0 and the relationship between the variables examined using regression and correlation analysis. The response rate for the study was 65.3%. The findings indicated that the independent variables explained 64.7% of dependent variable(customs performance). The results showed that there was positive correlation between the independent variables and the dependent variable with internal benchmarking with a strong correlation of 0.644, external bench making with 0.632, while generic benchmarking had a moderate correlation of 0.521. The findings from the regression analysis showed that internal benchmarking had the greatest impact to customs performance with 0.307, which is 30.7%. External benchmarking was found to affect customs performance by 26.8% while generic benchmarking affected the dependent variable by 23.9%. The study recommends regular internal benchmarking should be conducted at every station so as to further improve on performance by employees, regular benchmarking in customs administration from customs administration across the globe and generic benchmarking towards the private institutions within the East African Community not only the Customs administrations.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

For improvements in the performance of an organization, it must benchmark on its activities and processes by identifying, and adopting practices that have worked for other businesses locally and globally (McShane, 2008). Benchmarking is considered by several organizations as a performance improvement tool and model which determines where the organization should be focusing on what achievements individual companies and organizations considered world-class has made. Benchmarking is a critical aspect of achieving continuous improvement. According to Gohou and Soumaré (2012), benchmarking is all about identifying the best practices and performance of another organization and internalizing such knowledge in particular organization with the aim of achieving a competitive advantage. Internationally, firms such as Xerox in the USA have used benchmarking to improve on their service delivery and this has certainly made other organizations adopt this performance improvement tool (Bai & Sarkis, 2010)

Benchmarking takes different forms depending on the specific areas or departments that require improvement and what other organization can offer. For example, McGaughey (2006) outlined three forms of benchmarking which include best practice, internal and external. On the same note, Ouma (2014) classified benchmarking by focusing on the specific items under benchmarking. The categories include functional, performance, generic, process and strategic. Also, Ouma (2014) classified benchmarking in terms of internal, competitive, or non-competitive benchmarking. Similarly, Fong (2008) classified benchmarking in terms of the persons being benchmarked; for instance, the internal experts within an organization and the competitors within the same industry. These evidences show that enough research has not been done regarding the adoption of benchmarking practices in Government Parastatals.

According to Ouma (2014), benchmarking is not an enforcement tool for administrators to show compliance with regulations. Instead, benchmarking should be used in developing and improving processes. For example, customs administrators can apply benchmark to develop processes that are so important in ensuring improvement in performance and to strive towards reaching world-class service. Benchmarking should modernize the practices considered to be the best before new ones are formalized to an organization in making improvements. In customs, sharing experiences

and elements of the policies and procedures operational and utilized by a majority of other benchmarking partners will assist in highlighting where major improvements could be made. Therefore, benchmarking is also critical in comparing the working methods not just the performances only, which is a key factor if the standards required by WCO are to be viable. (WCO, 2017)

Going forward, customs administrators ought to address the issues on globalization challenges by putting up measures to harmonize the procedures worldwide to ensure major dangerous activities that arise due to overreliance on an only same way of curbing customs fraud and trade facilitation. Customs performance is affected by an increase in volumes of trade which comes with it several malpractices which cause underperformance and therefore the need to benchmark on what other customs organizations do to ensure proper operations and improvement as an organization. Benchmarking can be a useful mechanism to help Customs service to meet these challenges and become the most efficient and effective Customs services in the world since it allows for the continuous improvement of procedures, policies and methods (Awitta, 2010).

Tested and proven policies, processes and procedures create room for improvements and over performance. Benchmarking locally, regionally and internationally creates partnerships to increase trade based co-operation, common interpretation and application of Customs law, conventions, treaties, and agreements, for example, the case for a common trade agreement and even achieving the common market goal for the trading economies. It may also give rise to study opportunities, adopt and implement the tried and tested procedures that result in a detailed analysis of procedures and processes to deliver a management tool for decision making towards improving performance continually (WCO, 2017).

The Port of Mombasa is a critical regional port that serves Kenya and other East African countries. Being the largest port in East Africa, the efficiency of the port is an essential determining factor that will determine the future of the port. This is due to the stiff competition from the Port of Dar el Salaam which is an alternative port goods destined for Burundi, Rwanda, Uganda, and Eastern DRC. With 15 deep water berths, 2 oil terminals, and safe docks and mooring floats for seagoing Ships, the Port of Mombasa has more room for improvement. For example, there is a growing concern among traders who make considerable amount of losses due to delays and other inefficiencies. Therefore, the management of the KRA and KPA usually conducts benchmarking

internally on its revenue collection systems and processes as well as external benchmarks targeting tested and proven systems that improve customs performance (KPA, 2012).

Recently, benchmarking on customs performance indicators in ports has increased dramatically. Port authorities around the globe have consistently reported performance indicators in their annual reports through benchmarking on their key operational activities and functions. Ports that benchmark have since increased the need for applying different forms of benchmarking in the quest for improving on their standards. However, due to the indifference in standards, missions, and visions, the organizations cannot achieve common objectives since even the best processes, ideas and systems are subject to opposition.

In order to consider improvements in performance, an organization must develop Key Performance Indicators. Benchmarking these indicators is important in ensuring that major issues in customs administration that deter organizations from improvement are adjusted and improved. For example, Netherland's Customs Administration at the Port of Rotterdam has been applying 32 KPIs in grading customs services and assessing the quality of operations. In contrast, Germany's Customs Administration has been using three sets of KPIs at Hamburg Port depending on the stakeholders targeted or projects. KRA in determining performance utilizes key indicators such as the amount of Revenue collection, Trade Facilitation and Protection of society which are key mandates of KRA. A study by Tovar and Rodríguez (2015) provided crucial insights regarding the specific techniques of benchmarking that brings efficiency in ports. According to Tovar and Rodríguez (2015), benchmarking provides the much-needed platform for identifying areas for improvement to ensure optimal operations.

In an aim to identify more efficient ways of performing activities and business operational processes, KRA gives more attention to benchmarking. According to Ouma (2014), benchmarking is a second generation development of Total Quality Management (TQM). Benchmarking remains to be a crucial performance orientation technique that has been successfully applied in various industries in Kenya and beyond. This makes it paramount for KRA customs and border control department to improve its operational processes and improve customs performance. Ouma (2014) conducted a research on benchmarking practices and performance of Kenya revenue authority; in his research, he concluded that there were benchmarking practices adopted by KRA in order to improve its performance. He also indicated that Customs and border control department conducts benchmarking practices to improve performance at the port of Mombasa. Most customs operations

are done at the port of Mombasa KRA customs and border control department is in the move to improve performance and maximize customs revenue collection at any rate conceivable expense for the financial prosperity of Kenyans. It is on this premise that this study will attempt to answer the question ‘what is the effect of benchmarking on customs performance at the port of Mombasa?’

1.2 Statement of the problem

A study by Voss and Widmer (2005) revealed how benchmarking appropriately leads to a significant change as far as flexibility, quality, costs, and delivery and customer service are concerned. The study showed a solid connection between benchmarking practices and enhanced operational and business performance. Voss and Widmer (2005) also revealed how benchmarking helps in identifying the strengths and weaknesses within an organization by comparing it with other organizations. Customs organizations worldwide have experienced ever-changing ways and processes in doing business. The change is necessary considering there is a need for processes that can fast-track the improvements in performance. In customs, reforms, and modernization has been the mother of trade, because for an organization to be considered competitive and operating optimally the most important factors that facilitate continuous innovations for example on technology and information technology must be put in consideration.

The business environment is not only competitive but also changing rapidly. Therefore, it is critical for organizations to adopt the best practices to gain a competitive edge. Since the 1980s, Christopherson et al. (2009) demonstrated how many companies around the globe have continued to benchmark in a formalized fashion. Consequently, benchmarking has evolved into a widely used management tool that helps executives in identifying the specific areas that need improvement. Specifically, identifying the strengths and weaknesses of competitors helps in gaining the much-needed competitive advantage. Therefore, the value of benchmarking can be maximized when integrated into the strategy of the organization (Christopherson et al., 2009). According to Bogetoft (2017), failing to integrate benchmarking into the organization strategy makes it difficult to identify the most critical process that needs benchmarking at the first place.

Scholars have conducted multiple studies to show the application and results of using benchmarking within an organization (Brown & Blackmon, 2007; Enosh, 2007; Mohammad, 2009; Mutuku, 2010). For example, a study by Mohammad (2009) examined the attitudes of employees towards the adoption of benchmarking in the manufacturing and finance sectors. The findings showed that benchmarking exercises enabled firms to challenge their policies and

operational processes objectively. Another study by Brown and Blackmon (2007) showed a strong positive correlation between regular benchmarking exercises and improved performance at the individual and organizational levels. Brown and Blackmon (2007) revealed how benchmarking promotes higher performance since it is possible to identify the best practices. This allows in setting challenging but attainable goals that leads to the improved overall performance of the organization. A country-specific study by Enosh (2007) explored the application of benchmarking and found out to be a continuous performance enhancement tool by the ministry of agriculture in Kenya. The findings revealed that most Parastatals in Kenya have significantly improved their services through benchmarking. Similarly, Mutuku (2010) explored on how benchmarking and financial performance relate in Nairobi-based SACCOs. The findings revealed that benchmarking has allowed Kenyan SACCOS to learn from each other as an incremental continuous improvement tool. However, it is worth noting that these studies have not addressed benchmarking in other Governmental Parastatals such as KRA.

More research is required to address the industry-specific and organization-specific factors surrounding benchmarking. A study by Ouma (2014) showed that CBCD uses benchmarking in bid to improve its operations. Most customs activities are conducted at the port of Mombasa. Therefore, this study aims at bridging the gap of knowledge by availing organization-specific empirical evidence. The idea is to focus on benchmarking challenges and opportunities at the organizational level to help in the decision-making process. It is on this premise that this study will seek to answer the question ‘what are the effects of benchmarking on customs performance at the port of Mombasa?’

1.3 Objectives

For the purpose of this study, this research identified a general objective and three specific objectives within which the researcher carried out the study.

1.3.1 General Objective

To determine the effects of benchmarking on customs performance at the port of Mombasa

1.3.2 Specific objectives

- i. To establish the effect of internal benchmarking on customs performance at the port of Mombasa
- ii. To find out the effect of external benchmarking on customs performance at the port of Mombasa
- iii. To determine the effect of generic benchmarking on customs performance at the port of Mombasa

1.4 Research questions.

In order to answer the objectives outlined above, this research focused on answering these questions:

- i. What is the effect of internal benchmarking on customs performance at the port of Mombasa?
- ii. What is the effect of external benchmarking on customs performance at the port of Mombasa?
- iii. How does generic benchmarking affect customs performance at the port of Mombasa?

1.5 Significance of the study

The Government of Kenya, through the Kenya revenue management, will benefit from this study as it aims at providing a detailed research, analysis, and findings of various benchmarking concepts adopted by Kenya revenue authority and effect on customs performance. This will, therefore, assist in understanding the importance of benchmarking thus coming up with more ideas that will be used to increase revenue collection and also improve customs performance. The study will also be important to Government in policymaking with respect to tax collection and other administrative necessities of customs revenue collection in the country.

The findings will also furnish academicians with significant data in regards to the impacts of bench-marking on traditions execution and allow them to conduct further research. It will likewise vital distinguish research gaps for further research by justifying more studies. The current study will also offer crucial contribution to theory and practice by availing more evidence regarding the integration of benchmarking into the organizational strategy. In particular, this research study will add value to the body of strategic management discipline. Therefore, this research offers scholars the much-needed foundation into the extent of evolution of the public sector service provision.

Customs administrations will also benefit from this study for the reason that this study will highlight and analyze how benchmarking adopted and implemented by KRA; Customs and border control department has affected the performance of customs at the port of Mombasa. They will, therefore, use the knowledge acquired to improve their custom performance. For KRA and its stakeholders, this research presents an opportunity to evaluate performance with the view to improving services and products offered and also achieving set targets.

1.6 Scope

The study confined itself to studying the effects of benchmarking on customs performance at the port of Mombasa. It was essentially limited to how customs performance has been affected by adoption and implementation of selected types of benchmarking. This study was conducted at KRA at Port of Kilindini, Mombasa. The main data collection was done through questionnaires.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Many kinds of research have been done on benchmarking; therefore, this chapter incorporates the review of existing literature on the effects of benchmarking on customs performance at the port of Mombasa. Specifically, the chapter includes sections such as the empirical literature review, the conceptual framework that brings together the variables to be studied, and the critique of the existing literature to show the research gaps that justify this study.

2.2 Theoretical Review

2.2.1 Competition Theory

An industry consists of several sector players selling similar, identical and different products. The organizations must fight for survival in the industry if it were to retain its customer base and recognition of its standards and policies. The activities and services considered to be best in class usually experience competition. Competition is a complex phenomenon that is considered by different industries differently. For example, new entrants will always need to face stiff competition from well-established players.

According to Barney (2001), a firm gains the advantage by implementing strategies obtained from other top performers aimed at creating value those other players are unable to provide. For example, a firm that performs better than other competitors tends to gain a more significant market share, which translates to more profitability compared to other players targeting the same market (Robbin, 2016). Therefore, the Competition Theory supports the idea of gaining excellent ideas as a way of earning an improvement not only the competitive advantage but also on the performance of various sectors of the organization.

Benchmarking is linked to competition since it is an effort to learn what others are doing and improving on the same. It borrows strategies and works to better the existing strategies into a more viable and productive standard. For examples, the adoption of advanced technologies, compelling leadership style, and organizational cultures are some of the lessons learned through benchmarking. As individuals learn from the better-performing organizations, they readily identify the gaps in their firm and discover the best approaches to address the differences between the actual and desired goals (Finch &Luebbe, 2005).

2.2.2 Benchmarking Theory

Macauley (1996) structured benchmarks into three components that is, motivating comparison, task sample, and performance measures. The Benchmarking Theory also presents specific requirements for a benchmarking exercise to be successful. The first requirement is accessibility which emphasizes the need for the organization to readily avail the benchmarking. The second requirement is ease of understanding and use by different levels of expertise. This is a critical requirement that makes it possible for individuals to engage in benchmarking and achieve their goals as intended (Bowerman & Ball, 2016). Affordability is also critical since it is important for the organization to afford paying for the exercises on a regular basis.

Other requirements include clarity, relevance, portability, solvability and scalability. For example, clarity ensures that lessons learned are concise and precise by reducing misinterpretation and the exploitation of ambiguities. Regarding relevance, it is important to borrow ideas that match with the needs in a particular organization. Solvability is equally important since it ensures that the exercise serves its purpose of addressing specific challenges or problems (Chase, 2000). Based on these requirements, the Benchmarking Theory offers an important theoretical framework for understanding how and why benchmarking exercises fail or succeed. This theory is, therefore, relevant for this study because the theory outlines the stages and forms within which organizations which embrace benchmarking needs to follow in order to adequately realize the best guides that will help ensuring improvements in systems, policies and procedures, and since KRA is an organization that strives for the best alternatives that will make it world class in terms of supply chain improvements and revenue management.

2.2.3 Neo-institutional Benchmarking Theory

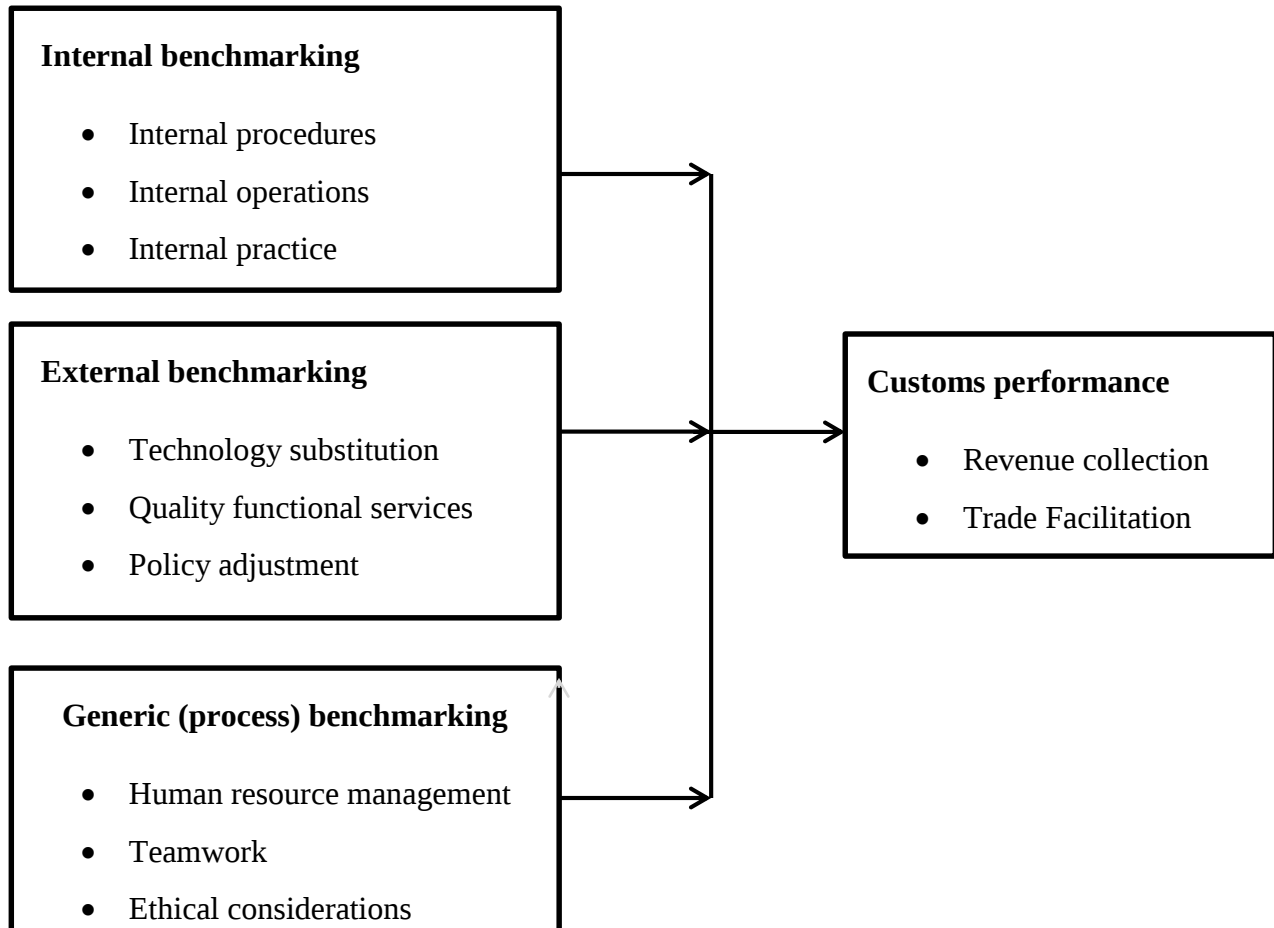
Neo-institutional Reasoning Benchmarking Theory by Meyer and Scott (2013) offers yet another theoretical framework for understanding the effectiveness of benchmarking. The effectiveness and efficiency of benchmarking are crucial factors that are positively linked to the performance of any organization. This theory shows the organizational behaviours as a result of the influence by the culture and practices of other organizations.

Specifically, the theory emphasize the need for institutional reasoning considering the fact that public sector organizations tend to focus on regulations, values, and traditions, as (Miettinen 2013). The neo-institutional theory tends to show the ideas and debates in the fields of management and sociology. The theory also draws important concepts from the cognitive and social psychology,

economics anthropology, and political science. Therefore, this theory is important for the study because of the need for organizations to engage in activities towards which their set goals and obligations are set to ensure improvements in the efficiency and effectiveness of systems as in KRA that uses benchmarking as a way of improving their systems towards the world-class mirror, ranging from the supply chain to management to efficient trade facilitation.

2.3 Conceptual Framework

Conceptual Framework is an approach explained either in graphical or story types of the main points of study in a research (Ogula, 2000). The study will be guided by a conceptual framework which will show the relationship between the variables in the study. The independent variable will be benchmarking while the dependent variable will be Customs performance. The relationship is shown in the figure below;



Independent Variable

Dependent Variable

Fig 2.4 Conceptual framework

2.4 Review of the variables

2.4.1. Internal Benchmarking

Internal benchmarking is achieved by comparing similar operations within an organization. The aim of internal benchmarking is to identify and establish good practice organization wide by comparing inner activities and operations. For example, Ahmed and Rafiq (2008) noted how in internal benchmarking takes place between units or sub units of similar organization to improve the performance. The key driver is the sharing of good practice in cross-cutting activities. Internally, it is the essence to ensure that an organization engages the employees in knowing where they stand and what improvements are necessary. According to Munde and Marks (2009), organizations can achieve internal benchmarking by seeking partnership within the organization. Brian (2013) identified accessing sensitive data and information as the main advantages of internal benchmarking. He noted that, internal benchmarking is associated with fewer barriers since it is easier to transfer knowledge within an organization without worrying about sharing crucial business secrets with rival organizations. However, genuine development that might need best in class execution will probably be found through interior benchmarking.

2.4.2 External Benchmarking

External benchmarking helps in comparing the functions of an organization with other organizations. For example, searching for improvement can drive an organization to seek better practices in another organization with similar operational processes. International trade changes rapidly thus there is a need to incorporate the organization's processes and systems to march the ever-changing environment to accommodate the advancement for example in technology. This will adversely, in turn, improve the overall standards in systems and procedures. KRA has put measures to learn new and innovative approaches to systems and processes and on issues, management feels is a concern in adopting technology substitution thereby improving customs performance (KRA, 2016).

The organization improves customer service performance through comparisons of quality services of itself with other companies and organizations through service delivery to improve performance through constant benchmarking. This is very vital considering the importance derived such as partnerships. Since the supply chain operations such as shipping accuracy, and storage density,

within every organization requires constant benchmarking to other urgencies to identify where improvements can be made to improve performance (Mishra, 2007).

Functions and other operational activities must be healthily compared through benchmarking for a sound operation of these activities. Every organization must adopt regulatory and cross-country structural surveillance in Policy adjustment to ensure it benchmarks how far it succeeds in the core objective of customs. Without policy review and adjustments then the organization may not adequately make improvements and as such need for benchmarking which is a very vital performance enhancer. Improvement performance through engagement in international training and seminars to equip the staff with skills and competence from other customs organization members is very necessary(Nyaoga et al.,2012).

2.4.3 Generic (process) benchmarking

In generic or process benchmarking, similar procedures at dissimilar companies are compared. Such comparisons may be of practices that are similar regardless of the industry. These can be in areas such as human resource management, teamwork, and information technology, quality assurance processes and ethical considerations(Kim&Cavusgil, 2009).By benchmarking other organizations HRM policy, an organization develops people and provides a climate that not only embraces good work environment but also ensures the continuity in solving human resource issues and requirements. Ouma (2014) states that the objective of these policies is to ensure the organization is a free operating environment where every individual involve themselves in realizing the set objectives and improvement on adequate revenue collection and protection of the society

Benchmarking teamwork of and with other organizations has worked in several organizations that aspire to improve their performance standards. For example, KRA has improved in their performance through trade facilitation because several trade partners come together to borrow standards that globally assist and ensures partnership for improvement. Key areas revolving around employee work relations and cooperation to achieve set goals and obligation is of importance if an organization is to improve its standards to world class by being recognized as facilitating international trade, protecting the society, managing risks and adhering to the globally set obligations (Watson, 2006).

The organization through generic benchmarking provide a basis for reviewing existing best practices through ethical considerations of other organizations in protecting the society thereby improves customs performance. As such the organization must borrow the ethical values of other organization both internally and externally so that key issues affecting performance are reviewed at all levels of the organization (Kozak, 2014).

2.4.4 Customs Performance

Customs must ensure that approaches are not "copied and pasted" where it will not be beneficial or appropriate after benchmarking. Managers must understand under which conditions performance of one kind or another may be relevant and effective. To be successful, Customs performance must take into account the varying aims of the Customs Service and the ever-changing trends in international trade in form of technology and reforms and modernization aimed at risk reduction, which can only be achieved through customs applying the regulatory requirement and other measures (Brian, 2012). This is done in terms of key mandates which include increased revenue collection and improved trade facilitation to achieve better specific political, social, economic, and administrative conditions in their country. To achieve these goals an organization that stands in itself like KRA must benchmark to know areas that needs improvement.

2.5 Empirical Review

Different studies have been conducted regarding benchmarking and organizational performance. Daniel (2015) using a case study, conducted a research on benchmarking strategy for service delivery enhancement at KPA. The findings revealed that benchmarking has a positive and significant correlation with organizational performance.

Sajabi (2012) using descriptive research design analyzed the practices of benchmarking used by commercial banks in Nairobi. He sought to investigate whether commercial banks in Kenya benchmark and if they do, in what specific areas of their operations, evaluate the success as well as the challenges they encounter in their quest to benchmark. The paper concluded that benchmarking has had a tremendous effect in improving the operations of many firms and will continue to play a critical role in their success going into the future.

Magutu (2011) using a descriptive design found out that participating in benchmarking would give Kenyan public universities a better understanding of practice, process, or performance and insights of the academic operations and functions. The three most critical factors facing the benchmarking processes in Kenya were found to be: time and resource availability; limited duration;

comparability and compatibility which happened to be the probable reason why the institutions don't practice international benchmarking.

A study by Mutuku (2010) on the relationship between benchmarking and financial performance of SACCOs in Nairobi found out that benchmarking is used at the SACCOs as an incremental continuous improvement tool that has enhanced overall business performance realized by the SACCOs by helping to change internal paradigms and see out of the box.

In revenue collection practices, Awitta (2010) using a descriptive design studied the effectiveness of revenue collection strategies at KRA in Nairobi. The aim of the study was to examine the effectiveness of revenue collection strategies at KRA in Nairobi. The study showed that through education and training, it's now easier for taxpayers to filling or lodge documents than before; however, evasion of tax is still rampant even after education of tax payers and use of training benchmarked from other sectors.

2.6 Critique of the existing literature

Brian (2013) contends that the plan of authoritative enhancement components centres on accomplishing collaboration among people having unique goals. Objective congruity is a focal system of benchmarking in an association. An examination of production shows that few parts of benchmarking alongside many differentiated and fascinating applications have been covered in adequate subtle elements. These distributions play a lot towards quality enhancement. Along these lines, specialists, scientists and academicians have a decent number of sources as in excess of 300 articles to think about, examine and banter numerous parts of benchmarking. The momentum audit of the writing on benchmarking, completed as a piece of the on-going exploration, has recognized certain issues which have not been tastefully tended to or not been tended to by any stretch of the imagination. These issues can be viewed as deficiencies and they offer degree for further research and investigation.

As indicated by Ahmed (2008), the general expense caused in completing a benchmarking exercise should be set up, say regarding cost models or cost conditions. This would empower the chiefs to settle on money related duty before leaving on the benchmarking exercise. Further, it would permit the arrival on venture and the best administration. While an exact model is troublesome, due to the changeability of variables included, an estimated technique would be very valuable. Rules with respect to setting up a time period for directing benchmarking are not accessible. Tovar and Rodríguez (2015) states that if a technique can be portrayed to settle on the aggregate time engaged

with Benchmarking exercise, it would demonstrate extremely accommodating in setting targets and due dates. The method of reasoning behind the development of cross-practical benchmarking groups, distinguishing proof of assignments of benchmarking groups, and obligation sharing among benchmarking groups have not been talked about in adequate detail.

Mutuku (2010) contends that the human job in benchmarking exercises should be elucidated in entire profundity to guarantee better cooperation in a benchmarking venture. Choice of accomplice or predominant entertainer, their obligations and duties, lawful and business angles are to be additionally explained. Once in a while, the unrivaled entertainer as perceived as far as market administration or accomplishments/achievement rate may not reveal the business honours. This could be a noteworthy obstruction in the benchmarking procedure. Additionally best practices followed in a specific effective association may not really be the best by different associations. In the end, the achievement rate may likewise essentially vary crosswise over associations.

2.7 Research Gaps

Based on theoretical and empirical literature reviews in this chapter, the researchers have been trying to find out the effects of benchmarking on performance in various companies and institutions, emerging trends of benchmarking and what role benchmarking has played as a performance improvement tool. Researchers have been trying to investigate the performance improvement through benchmarking, that is, the relationship between benchmarking and organizational performance; others have studied benchmarking as a continuous improvement tool, while others have investigated the relationship between benchmarking and financial performance.

Ouma (2014) sort to find out the relationship between adoption of benchmarking practices and performance of Kenya Revenue Authority, in his study, Ouma (2014) concluded that KRA Customs and Border Control have adopted and implemented a number of benchmark. Critical look at these studies indicate that there has been a great emphasis on benchmarking and performance in various organization and institutions. However, there are no studies that have been done to ascertain the effects of benchmarking on customs performance. This study will attempt to fill in the gaps that this literature has left by focusing on the effects of benchmarking on customs performance at the port of Mombasa based on some selected types of benchmarking

2.8Summary

Looking at the execution of associations, areas, and economies has gotten significant consideration and assets as of late, especially with developing internationalization of creation, expanding exchange crosswise over districts and resulting increase of worldwide collaborations. The utilization of benchmarking at the level of association level can cultivate advancement, distinguish holes and directions, and improve the nature of items and administrations. An examination by Wanjama (2012) discovered that factors that improve benchmarking achievement in cargo and sending organizations incorporate inside appraisal, administration responsibility, benchmarking restrictions, representative cooperation, and job of the quality division.

Voss & Wildmer (2007) additionally discovered that there is a solid direct connection among benchmarking and enhanced authoritative execution. They stated that benchmarking can advance higher execution by recognizing best practices and defining testing execution objectives. The utilization of the hypothesis of limitation figuring procedure can likewise be helpful to enhance benefit times, data streams and in the re-designing of authoritative capacities (Kaplan & Norton, 2009). Open part benefit arrangement is of basic worry in upgrading the monetary advancement of the nation. The job of KRA is basic to the economy ineffectual accumulation of income. It is on this view this investigation will try to answer the inquiry, what is the impact of benchmarking on traditions execution at the port of Mombasa.

.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction.

This chapter presents a detailed plan of how the research strategy was conducted. It also provides a broad view of research design, location, variables, target population, sampling techniques, sampling size, sources of data, methods of data collection and instruments, data analysis, data presentation and interpretation of findings.

3.2 Research design

According to Kothari (2008), research design is a systematic plan used to study a scientific problem. It is a created framework that seeks to answers research questions. Descriptive research design was adopted for this study to give further insight into the research problem by describing the variable of interest. The descriptive design helped to find out the effect of the dependent variables (internal benchmark, external benchmark, and generic benchmark) and their contribution on overall performance, it was also appropriate in obtaining information concerning the current status of the phenomenon and describing what the current situation is with respect to the variable above and for this reason a descriptive design was the best method.

3.3 Population

The total collection of elements for which research data is utilized to come up with deduction is described as population Kothari (2011). The populations of the study include those who have observable characteristics which are being studied and relevant to the study Neuman (2014). The target population for this study was 180 respondents drawn from KRA Customs and border control department working at different sections of at the port of Mombasa. These were Managers, Assistant managers, Supervisors, Officers and CBC Assistants who were systematically drawn randomly from the target population for this research. These respondents were chosen because they representative enough of the population of interest and are usually involved in benchmarking activities.

Table 3:1Population

Category	Target Population	Percentage (%)
Managers	15	8.3
Assistant Managers	20	11.1
Supervisors	50	27.8
Officers	55	30.6
Border Control Assistants	40	22.2
Total	180	100%

Source: Kenya Revenue Authority, Human Resource Southern Region 2018

3.4 Sampling frame

The list of cases in a population from which the sample of the population is drawn is the sampling frame (Neuman, 2014). The sampling frame for this study was KRA human resource records for customs and border control department Southern Region. The researcher sort to randomly sample CBCD managers, assistant managers, supervisor, officers and border control assistants working at the port of Mombasa.

3.5 Sample and Sampling Technique

A selected sub-group that has been obtained from available population is referred to as a sample Mugenda and Mugenda (2008). Each case or member in the sample is referred to as subject, respond or interviewees. The process, technique or procedure of choosing a sub-group from a population that will participate in a study is called sampling (Ogula, 2000). Mugenda and Mugenda (2009) suggest that, a sample population of 10-30% of a target population is an adequate representation of a population. Therefore, a sample size of 124 respondents which is 68.9% of the population was selected using systematic random sampling. A population grouped into strata as shown in Table 3.1, its measurements becomes manageable and cheaper (Neuman, 2014). This

study employed Slovin's formula to determine sample size from the target population as shown below;

$$n = N / (1 + N(e^2))$$

Where;

n = sample size

N = the population size

e= the level of precision.

95% level of confidence will be used which gives p+0.05 chance of deviation from the actual.

Therefore;

$$n = 180 / (1 + 180(0.05)^2)$$

$$n = 124$$

Table 3:2 Sample size

Category		Target Population	Sample Size	Percentage (%)
Managers		15	10	8.1
Assistant Manager		20	14	11.3
Supervisors		50	34	27.4
officers		55	38	30.6
Border	Control	40	28	22.6
Assistants				
Total		180	124	100

3.6 Data Collection Instruments

The data collection instruments that the researcher used for this study was closed-ended semi-structured questionnaire. A questionnaire is a set of pre-formulated questions in a predetermined

sequence, used in eliciting the beliefs, feelings, experiences, attitude and perceptions of the respondents (Sreejesh, Mohapatra & Anusree, 2014). This method was adopted for the entire sample sectors. The study used primary source of data majorly to arrive into findings. These structured questionnaires were dropped and picked by researcher at a later date which gave the respondents time to fill them. Follow up qualitative interviews was administered for the purpose of clarification.

3.7 Data collection procedure

The researchers sought for authority to carry out research from Kenya School of Revenue Administration. This approval from the school sought assistance for data collection from the respondents before administering questionnaires to them to ensure that ethical acceptability and understanding of the questionnaire by respondents. The respondents were assured of confidentiality of information that they provided and that under no circumstances would they be exposed to any form of risk or discomfort by participating in this study.

Questionnaires were administered to the respondents, they convinced them to read and understand the questions then fill in the spaces provided. Oso & Onen (2009) noted that questionnaires are judged as most appropriate since they allow for simple collection of information within a short period of time inside a constrained budgetary limit. These questionnaires were dropped and picked by the researcher at a later date to give the respondents time to fill them. Follow up with short interviews were conducted to ensure and facilitate proper response rate.

3.8 Pilot Testing

The purpose was to ensure that everyone in the sample not only understood the questionnaire, but also the objectives of the research. The questionnaires were constructed on the principle of precision, clarity, and completeness; to enable acquisition of valid and reliable information, therefore, the researcher did advanced questionnaires pre-test. According to Mugenda & Mugenda (2008), 10% of the population is acceptable for piloting. For this study, therefore, the researcher conducted a pilot testing to determine the responsiveness in the questionnaire to assist inadequate data collection. The research instruments were also carefully structured to ensure their validity and reliability in the attainment of the study objectives.

3.8.1 Validity

According to Mugenda & Mugenda (2008), validity is the meaningfulness and accuracy of inferences, which have been established on research results. They are the results got after analysing data that represent the studied variables. The degree at which theory and evidence support the test interpretation scores that are entailed by the use of test is the validity. The content related technique measures the degree to which the questions items reflect the specific areas covered under the study. The research instrument was validated in terms of content and face validity. The content related technique measured the degree to which the question items reflected the specific areas covered. Supervisors and lecturers of Kenya School of Revenue Administration helped the researcher ensure validity of the collection instrument for the study.

3.8.2 Reliability

Reliability concerns dependability, consistency, or stability of a test (Neuman, 2014). Researcher measured reliability of the questionnaire to find out its consistency in testing the research instruments, the study used SPSS Version 24.0 to compute the Cronbach's alpha. The Cronbach's alpha test was used to find reliability of the instrument. According to Neuman (2014) Cronbach's alpha value of more than 0.7 is considered as adequate and reliable for data collection.

3.9 Data Analysis and Presentation

According to Shamoo & Resnik (2013), data analysis is the process of systematically applying logical and statistical techniques to describe, illustrate, recap, condense and evaluate data. It involved the clean-up, interpretation, and presentation of collected data. The information obtained from questionnaires and document analysis was used to analyse the data obtained. The analysis was systematically presented in narrative form and data was analysed using a recreational model and statistical package for social science (SPSS) version 24.0. Tables and charts were used to clarify and summarize the research findings.

Linear regression model was used to explain the relationship between the dependent and the independent variables and to investigate the effects of bench marking on customs performance.

The linear regression model that was adopted by the researcher is:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Where;

Y - Customs Performance

β_0 - constant term, the intercept indicates customs performance when $X_1=X_2=X_3=0$

$\beta_1, \beta_2, \beta_3$. coefficients explaining the effects of independent variable **X_1, X_2** , and **X_3** to dependent variable **Y**

X_1 . Internal Benchmarking, **X_2** . External Benchmarking, **X_3** .Generic Benchmarking and the **ϵ** -The error term, other factors that are not included in the study but affects Customs performance.

CHAPTER FOUR

RESEARCH FINDINGS

4.1 Introduction

This chapter outlines the findings that were obtained from the study. The chapter begins by showing the response rate and pilot testing results. The chapter then captures the demographic results illustrating the respondent's level of education, cadre and experience. The chapter also shows findings from variable analysis, correlation analysis and regression analysis.

4.2 Response rate

The researcher issued 124 questionnaires and out of the 124 issued questionnaires, 81 filled questionnaires were collected making the response rate be 65%.Mugenda&Mugenda (2008), highlighted that for a proper and reliable representation, a response rate of 60% and above were adequate. Therefore, a response rate of 65% was adequate to act as representative of the target population.

Table 4:1 Response rate

	Response rate	Percentage %
Respondents	81	65.3%
Non-respondents	43	34.7%
Total	124	100.0%

4.3 Pilot results

Pilot testing was conducted to test the reliability and validity of instruments. SPSS Cronbach's Alpha was employed in determining the reliability of the data collecting instruments. According to Neuman(2014), a cronbach's alpha of 0.7 and above indicated that the data collection instrument is highly reliable.

Table 4:2 Reliability results

Scale	Cronbach's Alpha	Items Tested	Comments
Internal Benchmarking	0.827	5	Accepted
External Benchmarking	0.762	5	Accepted
Generic (process) benchmarking	0.793	5	Accepted
Customs Performance	0.719	5	Accepted

Reliability analysis was conducted in order to measure the internal consistency of the data collection instruments, using the SPSS version 24.0, Cronbach's alpha was used to view the values on how the questions are related. Cronbach's alpha, an average index of 0.70 is considered adequate to consider the instrument reliable (Kirkpatrick & Brooke, 2003). Internal Benchmarking had a Cronbach alpha of 0.827, followed by Generic (process) benchmarking at 0.793, External Benchmarking followed with an index of 0.762 while Customs Performance had an index of 0.719. The results demonstrated that the questionnaire was highly reliable.

4.4 Demographic analysis

The researcher sought to discover how demographic factors like level of education and training, cadre and experience impacted on the benchmarking issues affecting customs performance.

4.4.1 Level of education and training

The researcher sought to know the level of education and training the respondents had attained. This was enable the researcher weigh the respondent's ability to process and informed decision at their job.

Table 4:3Level of education and training

Level of Education	Frequency	Percentage %
Secondary	8	9.9%
College	14	17.3%
University Degree	35	43.2%
Master's Degree	21	25.9%
other	3	3.7%
Total	81	100.0%

From the table 4.3 above, the study found out that most respondents were university bachelor degree graduates at 43.2%, followed by Master's degree holders at 25.9%, 17.3% had college education and 9.9% had a maximum of secondary education. Other levels of education stood at 3.7%. These findings can be concluded that most of the respondents had adequate education skills relevant to the research topic.

4.4.2 Cadre

This study investigated on the respondents' cadre. This was important to the researcher in understanding the cadre and the impact of the respondents' decision on the institution.

Table 4.4 Cadre

Cadre	Frequency	Percentage %
Manager	2	2.5%
Assistant manager	6	7.4%
Supervisor	23	28.4%
Officer	31	38.2%
Border Control Assistants	19	23.5%
Total	81	100.0%

From the respondents, as shown in table 1.4 above, 2.5% were managers, 7.4% were assistant managers, 28.4% were supervisors, 39.8% were officers and 23.5% were border control assistants. Majority of the respondents were officers followed by supervisors while managers were the lowest.

4.4.2 Number of years worked in the position

Experience is an important feature for employees in making decisions in a firm. The researcher sought to investigate on respondent's experience so as to determine the impact and weight of respondent's decisions

Table 4.5. Number of years worked in the position

Number of years worked in the position	Frequency	Percentage %
Less than 4 years	9	11.1%
4-8 years	21	25.9%
9-13 years	33	40.8%
above 14 years	18	22.2%
Total	81	100.0%

Table 4.5 above indicate that, 40.8% of the respondents had worked in customs environment for 9-13 years, 25.9% for 4-8 years, 22.2% for over 14 years and 11.1% had worked for less than 4 years. This shows that majority of the respondents are conversant and have experience of the field.

4.5 Descriptive analysis

4.5.1 Internal benchmarking

The respondents are in agreement with the statement that internal procedures in determining the internal performance standards of Customs Mombasa port exist and this has enabled sharing of a multitude of information and transfer to other portions of the organization leading to the proper operation that is performance oriented having a mean of 3.714 and a standard deviation 1.106. they also agree that the Internal operations and processes involving customs clearance are simple, specific and has assisted in managing risk and improved revenue collection based on the response by having a mean of 4.104 with a standard deviation 1.032. Through benchmarking on the best practices KRA has established strategies and priorities internally to achieve increased customs performance and identify areas and practices that require adjustments internally had a mean of 3.862 with a standard deviation of 0.984 therefore indicating that the respondents are in agreement with the statement. When asked on their opinion on the statement that Customs Mombasa compares similar processes throughout different departments of the organization to obtain information on the available efficiency for improved operations, a mean of 4.217 with a standard

deviation of 0.965 implying a very strong agreement to the statement. On the statement that Internal benchmarking has assisted Customs Mombasa Port to reveal the necessary and weak areas to focus the available resources especially those aspects that need restructuring and managing risks, the respondents expressed their mixed views to neutral evidenced by a mean of 3.741 with a standard deviation of 1.152.

Table 4:6 Descriptive statistics internal benchmarking

Statements	Mean	STD Dev
Best internal procedures in determining the internal performance standards of Customs Mombasa port exist and this has enabled sharing of a multitude of information and transfer to other portions of the organization leading to the proper operation that is performance oriented.	3.714	1.106
Internal operations and processes involving customs clearance are simple, specific and has assisted in managing risk and improved revenue collection	4.104	1.032
Through benchmarking on the best practices KRA has established strategies and priorities internally to achieve increased customs performance and identify areas and practices that require adjustments internally.	3.862	.984
Customs Mombasa compares similar processes throughout different departments of the organization to obtain information on the available efficiency for improved operations.	4.217	.965
Internal benchmarking has assisted Customs Mombasa Port to reveal the necessary and weak areas to focus the available resources especially those aspects that need restructuring and managing risks.	3.741	1.152

4.5.2 External benchmarking

The respondents were in agreement with the statement that due to the ever-changing way of doing business and increasing volumes of international trade KRA has put systems and processes to learn new and innovative approaches to issues facing management and adopt technology substitution thereby improving customs performance with a mean of 3.837 and a standard deviation of 1.002. With a mean score of 3.928 and a standard deviation of 1.101, the respondents were in agreement with the statement that the organization improves customer service performance through comparisons of quality services of KRA at the port with other companies and organizations through service delivery to improve customs performance. The findings also indicated that the

respondents agreed that supply chain operations such as shipping accuracy, and storage density, within Customs Mombasa port, are constantly benchmarked to other customs urgencies to identify where improvements can be made to facilitate trade with a mean score of 3.341 and a standard deviation of 1.084. The finding also indicate a positive response from the respondents that KRA Mombasa port adopts regulatory and cross-country structural surveillance in Policy adjustment to ensure it benchmarks how far it succeeds in the core objective of customs having a mean of 3.852 and standard deviation of 1.065. The findings on the statement that Customs Mombasa port improves its performance through engagement in international training and seminars to equip the staff with skills and competence from other customs organization members indicated a positive response with 4.211 as the mean and 0.991 as the standard deviation

Table 4:7Descriptive statistics external benchmarking

Statements	Mean	STD Dev
Due to the ever-changing way of doing business and increasing volumes of international trade KRA has put systems and processes to learn new and innovative approaches to issues facing management and adopt technology substitution thereby improving customs performance	3.837	1.002
The organization improves customer service performance through comparisons of quality services of KRA at the port with other companies and organizations through service delivery to improve customs performance	3.928	1.101
Supply chain operations such as shipping accuracy, and storage density, within Customs Mombasa port, are constantly benchmarked to other customs urgencies to identify where improvements can be made to facilitate trade.	3.341	1.084
KRA Mombasa port adopts regulatory and cross-country structural surveillance in Policy adjustment to ensure it benchmarks how far it succeeds in the core objective of customs	3.852	1.065
Customs Mombasa port improves its performance through engagement in international training and seminars to equip the staff with skills and competence from other customs organization members	4.211	.991

4.5.3 Generic (process) benchmarking

The research findings indicated that the respondents were in agreement with a standard deviation of 1.108 and mean score of 3.947 to the statement that by benchmarking other organizations HRM

policies KRA develops people and provides a climate such that they realize their full potential and continuously involve themselves in realizing adequate revenue collection and protection of the society. With a standard deviation of 0.963 and a mean of 4.145, the respondents had a positive respond that benchmarking teamwork of and with other organizations has led to trade facilitation and increased revenue collection as well as risk management. The organization through generic benchmarking provide a basis for reviewing existing best practices through ethical considerations of other organizations in protecting the society thereby improves customs performance had a mean of 3.441 and a standard deviation of 1.011. The respondents were in agreement with a mean of 3.729 and 1.058 as the standard deviation that generic Benchmarking has resulted in KRA learning what type of HR practices and performance standards that work best leading to high customs performance. The findings indicated that the respondents were in agreement that the organizations provide verbal performance reviews to employees and have employee policies & procedures manual and this has improved the employee's attitude towards their duties leading to high customs performance with a mean of 3.613 and 1.041 as the standard deviation.

Table 4:8 Descriptive statistics Generic (process) benchmarking

Statements	Mean	STD Dev
By benchmarking other organizations HRM policies KRA develops people and provides a climate such that they realize their full potential and continuously involve themselves in realizing adequate revenue collection and protection of the society	3.947	1.108
Benchmarking teamwork of and with other organizations has led to trade facilitation and increased revenue collection as well as risk management.	4.145	.963
The organization through generic benchmarking provide a basis for reviewing existing best practices through ethical considerations of other organizations in protecting the society thereby improves customs performance	3.441	1.011
Generic Benchmarking has resulted in KRA learning what type of HR practices and performance standards that work best leading to high customs performance	3.729	1.058

The organizations provide verbal performance reviews to employees and have employee policies & procedures manual and this has improved the employee's attitude towards their duties leading to high customs performance

4.5.4 Customs performance

The study results showed that the respondents were in agreement with statement that increased revenue collection is attributed to the existing benchmarking processes that Customs Port of Mombasa has adopted in realizing high customs performance with a mean 3.87 and standard deviation of 0.926. The statement that trade Facilitation has improved due to the technology substitution, policy adjustment and functional operational measures adopted by Customs Mombasa indicated that the respondents had a positive feedback with a mean of 4.07 and 1.210 as the standard deviation. Findings indicated that Customs Mombasa port has achieved its objective of protecting the society through the existing external benchmarking strict HR policies, by outsourcing competent individual who acknowledges ethics and moral obligations with a mean of 3.99 and standard deviation of 1.102. The respondents agreed with a standard deviation of 1.071 to the mean of 4.03 that the improved standards on risk management and customs performance are subject to the improved standards set in KRA internal policy documents and other local and international organizations' required standards of best practices. Lastly, the respondents were in agreement that benchmarking is ideal for Customs and KRA should adopt internal, external and generic benchmarking in ensuring achieving the set customs performance with a mean of 4.13 and a standard deviation of 1.201.

Table 4:9 Descriptive statistics Customs performance

Statements	Mean	STD Dev
Increased revenue collection is attributed to the existing benchmarking processes that Customs Port of Mombasa has adopted in realizing high customs performance	3.87	.926
Trade Facilitation has improved due to the technology substitution, policy adjustment and functional operational measures adopted by Customs Mombasa	4.07	1.210
Customs Mombasa port has achieved its objective of protecting the society through the existing external benchmarking strict HR policies, by outsourcing competent individual who acknowledges ethics and moral obligations	3.99	1.102

The improved standards on risk management and customs performance are **4.03** **1.071**
subject to the improved standards set in KRA internal policy documents and
other local and international organizations' required standards of best practices

Benchmarking is ideal for Customs and KRA should adopt internal, external and **4.13** **1.201**
generic benchmarking in ensuring achieving the set customs performance.

4.6 Correlation analysis

Correlation analysis was conducted to find out the relationship between the independent and the dependent variables; this involved the Karl Pearson's correlation.

4.6.1 Karl Pearson's Correlation

Karl Pearson's correlation was employed in order to establish the relationship between the independent variable and the dependent variable. The findings indicate there was a strong positive correlation between customs performance and internal benchmarking with a correlation figure of 0.644 at significance of 0.000. This concurs with Daniel (2015) that internal benchmarking has a positive and significant correlation with organizational performance. The correlation figure between external benchmarking and customs performance was 0.632 and significance of 0.000 indicating a strong positive correlation between the two variables. This was in agreement with Sajabi (2012) that benchmarking externally has had a tremendous effect in improving the operations of many firms and will continue to play a critical role in their success going into the future. Customs performance and generic process benchmarking had a correlation of 0.521 with a significance of 0.000, indicating a positive moderate correlation. This was in agreement with Awitte (2010) that benchmarking processes of an organization and implementing successful benchmarks will lead to performance increase. From the findings, it was demonstrated that the independent variables had a positive correlation with the dependent variable. As indicated with two asterisks in the table 4.10 below, correlation was significant at the 0.01 level two tailed.

Table 4:10Karl Pearson's Correlation

Pearson Correlation Correlations					
Model		Internal_Benchmarking	ExternalBenchmarking	Generic_process_benchmarking	Customs_Performance
Internal_Benchmarking	Pearson Correlation	1	.391**	.513**	.644**
	Sig. (2-tailed)		.000	.000	.000
	N	81	81	81	81
External_Benchmarking	Pearson Correlation	.391**	1	.387**	.632**
	Sig. (2-tailed)	.000		.000	.000
	N	81	81	81	81
Generic_process_benchmarking	Pearson Correlation	.513**	.387**	1	.521**
	Sig. (2-tailed)	.000	.000		.000
	N	81	81	81	81
Customs_Performance	Pearson Correlation	.644**	.632**	.521**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	81	81	81	81

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

4.7 Regression analysis

To explain further the relationship between independent and dependent variables, the independent variables were regressed against the dependent variable.

4.7.1 Coefficient of determination (R^2)

R^2 is the portion of the dependent variable that is explained by the independent variable in a study. From the results, R^2 was indicated as 0.647 translating to 64.7% of customs performance was explained by internal benchmarking, external benchmarking and generic process benchmarking.

Adjusted R square is a modification of the R^2 and relays information on the accuracy or suitability of a model to a generalization on the population in a study. The findings in the table below indicated adjusted R^2 of 0.633 which is 63.3% indicating a high predictability of dependent variable by the independent variables.

Table 4:11 Coefficient of determination (R^2)

Model Summary				
Model	R	R Square	Adjusted R	
			Square	Std. Error of the Estimate
1	.804 ^a	.647	.633	1.51228
a. Predictors: (Constant), Generic_ process_ benchmarking, External_ Benchmarking, Internal_ Benchmarking				

4.7.2 Analysis of Variance (ANOVA)

Analysis of variance was employed to explain the significance of the regression model used in the study. The results indicate that independent variable can be significantly predict customs performance ($F = 47.061$, $p < 0.05$). This shows that the independent variables caused variations in the dependent variable with a significance of 0.000 which is less than the minimal acceptable significance value of 0.05. The finding indicates that the regression model is statistically significant to predict the effects of benchmarking on customs performance at the port of Mombasa. Basing on the confidence level at 95% the analysis indicate high reliability of the results obtained.

Table 4:12 ANOVA

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	322.889	3	107.630	47.061	.000 ^b
Residual	176.099	77	2.287		
Total	498.988	80			

a. Dependent Variable: Customs_ Performance

b. Predictors: (Constant), Generic_ process_ benchmarking, External_ Benchmarking, Internal_ Benchmarking

4.7.3 Regression coefficients

The researcher used multiple regression analysis to establish the relationship between the customs performance and the independent variables in this study as shown in table 4.13 below.

Table 4:13 Multiple Regression

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	4.071	1.186		3.433	.000
Internal_ Benchmarking	.307	.061	.383	5.066	.000
External_ Benchmarking	.268	.064	.341	4.195	.000
Generic process_ benchmarking	.239	.065	.298	3.673	.000

a. Dependent Variable: Customs Performance

Table 4.13 above indicates multiple regression analysis results customs performance as the dependent variable and independent variables being Internal Benchmarking, External Benchmarking and Generic Benchmarking

The linear regression model that was adopted by the researcher is:

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

Where;

Y - Customs Performance

β_0 - constant term, the intercept indicates customs performance when **$X_1=X_2=X_3=0$**

$\beta_1, \beta_2, \beta_3$ - coefficients explaining the effects of independent variable **X_1, X_2** , and **X_3** to dependent variable **Y**

X_1 - Internal Benchmarking, **X_2** - External Benchmarking, **X_3** -Generic Benchmarking and the **ε** -The error term, other factors that are not included in the study but affects Customs performance.

Therefore;

$$\mathbf{Y = 4.071 + 0.307X_1 + 0.268X_2 + 0.239X_3 + \varepsilon}$$

The results above indicate the Y-intercept as 4.071, meaning when all the factors in the study are at zero, customs performance will be 4.071. this implies that there is still performance without benchmarking. Considering all other factors at zero,

Internal benchmarking has 0.307 from the model, therefore a unit increase in the internal benchmarking will lead to an increase of 0.307 in customs performance. This implies that internal benchmarking within the KRA results to improvement of performance by 30.7%. At 5% level of significance, internal benchmarking had a 0.000 level of significance. This indicates a significant relationship between internal benchmarking and customs performance.

External benchmarking had 0.268 from the model obtained, demonstrating that a unit increase in external benchmarking when all other factors are held at constant will result in 0.268 increase the customs performance. Therefore, based on the model, the external benchmarking by KRA improves customs performance by 26.8%. Whereby external benchmarking level of significance results is 0.000 which is less than the 0.05 the minimum acceptable significance at 5% level of significance.

From the table 4.13, a unit increase in generic process benchmarking with the factors held constant will result in 0.239 improvement in customs performance. This implies that generic process benchmarking affects customs performance by 23.9%. With a p-value of 0.000 at 95% level of confidence which is less than 0.05, it indicated a significant relationship between customs performance and generic process benchmarking.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATION

5.1 Introduction

This chapter outlines the research findings summary, the conclusions drawn based on the research findings and in relation to the research objectives of the study. Recommendations are also based on the objectives of the study are provided in this chapter, limitations of the study and areas of further studies highlighted.

5.2 Summary of findings

5.2.1 Internal benchmarking

Internal benchmarking strongly affects the customs performance at the port of Mombasa, the study found that internal benchmarking within KRA departments has a significant influence on the customs performance at the port of Mombasa. As indicated by the correlation analysis, whereby the researcher obtained a strong positive correlation of 0.644 between customs performance and internal benchmarking. This implies that internal benchmarking strongly affects the customs performance at the port of Mombasa.

While from the linear regression model obtained, internal benchmarking has 0.307 from the model, therefore a unit increase in the internal benchmarking will lead to an increase of 0.307 in customs performance. This implies that internal benchmarking within the KRA results to improvement of performance by 30.7%. At 5% level of significance, internal benchmarking had a 0.000 level of significance. This indicates a significant relationship between internal benchmarking and customs performance.

5.2.2 External benchmarking

The researcher found out that external benchmarking strongly affects the customs performance at the port of Mombasa. The correlation coefficient analysis between external benchmarking and customs performance the coefficient r was 0.632 and significance of 0.000 indicating a strong positive correlation between the two variables. Therefore, the external benchmarking affects customs performance at the port of Mombasa port.

The linear regression model also indicated similar findings, from the model the external benchmarking had 0.268 from the model obtained, demonstrating that a unit increase in external benchmarking when all other factors are held at constant will result in 0.268 increase the customs performance. Therefore, based on the model, the external benchmarking by KRA improves customs performance by 26.8%.

5.2.3 Generic benchmarking

Generic process benchmarking moderately affects customs performance at the port of Mombasa, using the correlation analysis to arrive to the conclusion, the researcher obtained a coefficient of correlation of 0.521 between Customs performance and generic process benchmarking. The findings infer that the generic process benchmarking moderately affects the performance of the Customs performance at the port of Mombasa.

Whereas the linear regression model showed that the generic process benchmarking has a moderate influence on the customs performance. A unit increase in generic process benchmarking with the factors held constant will result in 0.239 improvement in customs performance. This implies that generic process benchmarking affects customs performance by 23.9%. with a p-value of 0.000 at 95% level of confidence which is less than 0.05, it indicated a significant relationship between customs performance and generic process benchmarking.

5.3 Conclusion

The study had an objective of determining the effects of benchmarking on customs performance at the port of Mombasa, therefore benchmarking has a significant influence on the customs performance at the port of Mombasa.

5.3.1. Internal benchmarking

The first specific objective was to establish the effect of internal benchmarking on customs performance at the port of Mombasa. The study therefore concludes that Internal benchmarking strongly affects the customs performance at the port of Mombasa, the study found that internal benchmarking within KRA departments has a significant influence on the customs performance at the port of Mombasa.

5.3.2. External benchmarking

With the second specific objective being to find out the effect of external benchmarking on customs performance at the port of Mombasa, the researcher concludes that external benchmarking strongly affects the customs performance at the port of Mombasa. Therefore, the external benchmarking by KRA improves customs performance at the port of Mombasa strongly.

5.3.3. Generic benchmarking

The third specific objective was to determine the effect of generic benchmarking on customs performance at the port of Mombasa. The researcher concludes that Generic process benchmarking moderately affects customs performance at the port of Mombasa. Using the correlation analysis to arrive to the conclusion, the researcher obtained a coefficient of correlation of 0.521 between Customs performance and generic process benchmarking. The findings infer that the generic process benchmarking moderately affects the performance of the Customs performance at the port of Mombasa. This implies that generic process benchmarking affects customs performance by 23.9%.

5.4. Recommendations

From the findings, the researcher recommends on the following;

1. Regular internal benchmarking should be conducted at every station so as to further improve on performance by employees.
2. Regular benchmarking in customs administration from customs administration across the globe
3. Generic benchmarking towards the private institutions within the East African Community not only the Customs administrations.

5.5. Limitation of the study

This study was based on assumptions that respondents would spare their time to answer questionnaires in the study and that they were sincere in their responses therefore providing a data that could be relied on during this research. Reliability of this data was based on the respondents' honest opinions as some respondents were not willing to relay information.

Printing of questionnaires, dropping and picking of dully filled questionnaires provided a challenge in terms of funding. Another major challenge was getting enough time to conduct this research.

Financial constraints and time were dealt with through budgeting and planning for resources that were available.

The research however managed to have a reliable data and accurate responses from the respondents' despite of the mentioned challenges. The questionnaire used for the study was well structured and hence it provided a confidentiality of information from the respondents. Respondents were treated with respect and the data collected from them was kept with the highest degree of confidentiality.

5.6. Areas of future study

From the models developed during the study, it indicated that through the coefficient of determination that R^2 is the portion of the dependent variable that is explained by the independent variable in a study. From the results, R^2 was indicated as 0.647 translating to 64.7% of customs performance at the port of Mombasa was explained by internal benchmarking, external benchmarking and generic process benchmarking. The rest 35.3% is explained by variables not under the study. The researcher therefore recommends for further study on the field to address other variables.

REFERENCES

- Ahmed, P., & Rafiq, M. (2008). Integrated benchmarking: A holistic examination of select techniques for benchmarking analysis. *Benchmarking for Quality Management and Technology. International journal of economics*, 5(3), 225-242.
- Awita, M. (2010). *The effectiveness of Revenue Collection Strategies of Kenya Revenue Authority*. Nairobi: University of Nairobi.
- Bai, C., & Sarkis, J. (2010). Green supplier development: analytical evaluation using rough set theory. *Journal of Cleaner Production*, 18(12), 1200-1210.
- Barney, J. (2001). Firm resources and sustained competitive advantage. *Journal of management*, 17(1), 99-120.
- Blackstone, J. (2001). Theory of constraints//A status report. *International Journal of Economics*, 40-43.
- Bogetoft, P. (2017). *Performance Benchmarking [recurso electrónico]: Measuring and Managing Performance*. Springer US: Estados Unidos.
- Brian, M. (2013). *Effects of Internal Controls on Revenue Collection: Case study of KRA*. Nairobi: University of Nairobi.
- Brown, S., & Blackmon, K. (2007). The contribution of manufacturing strategy involvement and alignment to world-class manufacturing performance. *International Journal of Operations & Production Management*, 27(3), 282-302.
- Burns, N., & Grove, S. (2016). *Understanding Nursing Research*. Philadelphia: Saunders Company.
- Christopherson et al., C. D. (2009). *Portfolio performance measurement and benchmarking*. New York: McGraw-Hill.
- Daniel, M. R. (2015). *Benchmarking Strategy for Service Delivery enhancement at Kenya Ports Authority*. Nairobi: Unpublished Thesis, University of Nairobi.
- Draman, R. (1995). *A New Approach to the Development of Business Plans: A Cross-Functional Model Using The Theory of Constraints*. Philosophies: Ph.D. Dissertation University of Philosophies.

- EACCMA. (2004). *East African Community Customs Management Act*. NAIROBI: EACCMA.
- Elmuti, P. H. (2013). *Exemplary performance: Benchmarking star performers for business results*. San Francisco: Jossey-Bass, A Wiley Imprint.
- Enosh, A. O. (2007). *Survey on the use of benchmarking as a continuous improvement tool by the ministry of agriculture parastatals in Kenya*. Nairobi: Unpublished Thesis, University Of Nairobi.
- Finch, B., & Luebbe, R. L. (2005). *Operations Management*, Fort Worth, TX: The Dryden Press.
- Fong, S. C. (2008). Benchmarking: A general reading for management. *International journal of economics*, 42-56.
- Gohou, G., & Soumaré, I. (2012). Does foreign direct investment reduce poverty in Africa and are there regional differences? *World Development*, 40(1), 75-95.
- Goldratt, E. M. (2005). *Theory of constraints*. : North River: Croton-on-Hudson.
- Gumbihi, H. (2013, June 29). Life and Times of a Police Dog. *Standard Newspaper*.<https://www.standardmedia.co.ke/article/2000087091/life-and-times-of-a-police-dog>.
- Hamed, A. (2009). *A Clear Look at Internal Controls: Theory and Concept*. Nairobi: Unpublished MBA Research Paper, University of Nairobi.
- Kaplan, R., & Norton, D. P. (2009). *The balanced scorecard: Measures that drive performance*. Cambridge: MA: Harvard Business Review.
- Kasim, D. (2010). A Choice of Research Strategy for Identifying Community Based Action. *International journal of science and economics*, 30-32.
- Kenya Revenue Authority. (2004). *East Africa Community Customs Management Act*. Kenya Revenue Authority.
- Kenya Revenue Authority. (2012). *Post Clearance Audit Manual*. Nairobi: Kenya Revenue Authority.
- Kenya Revenue Authority. (2017). Kenya Revenue Authority Sixth Corporate Plan. *Kenya Revenue Authority Sixth Corporate Plan*.

- Kim, D., & Cavusgil, E. (2009). The impact of supply chain integration on brand equity. *Journal of Business & Industrial Marketing*, 24(7), 496-505.
- Kirkpatrick, A. L., & Brooke, C. F. (2003). *A simple guide to SPSS for Windows: for Versions 10 and above*. Belmont, CA: Thompson Wadsworth.
- Kozak, M. (2014). *Destination benchmarking: Concepts, practices, and operations*. Wallingford, UK: CABI Publishers.
- Macauley, D. (1996). *Minding Nature: The philosophers of ecology*. Chicago: Guilford Press.
- Magutu, P. (2011). Benchmarking Practices in Higher Education in Kenya: The Case of Public Universities. *IBIMA Business Review*, 31(3), 363-383
- McGaughey, R. (2006). E-commerce and its impact on operations management. *International journal of production economics*, 75(1-2), 185-197.
- McShane, A. (2008). *Principles of management*. London: McGraw-Hill/Irwin.
- Miettinen, R. (2013). *Innovation, human capabilities, and democracy: Towards an enabling welfare state*. London: Oxford University Press.
- Mishra et al. (2007). Policies, Enforcement, and Customs Evasion. *International Journal Monetary Fund*, 1(1), 22-43.
- Mohammad, K. (2009). E-leadership: The emerging new leadership for the virtual organization. *Journal of Managerial Sciences*, 3(1), 1-21.
- Mugenda, A., & mugenda, O. (2008). *Research Methods; Qualitative and Quantitative*. Nairobi: Oxford Publicers.
- Mugenda, O. M. (2003). *Research Methods: Quantitative and Qualitative Approaches*.
- Murray, M., & Zimmermann R. A. (2007). Can Benchmarking give you a Competitive Edge? *Management Accounting*, 79, 46-50.
- Mutuku, J. K. (2010). *The relationship between benchmarking and financial performance of Sacco in Nairobi*. Nairobi: Doctoral dissertation, University of Nairobi.
- Neuman, W. (2006). *Social Research Methods: Qualitative and Quantitative*. Massachusetts: Ally and Bacon.

- Nyaoga B, Mundia M, & Riungu., I. (2012). The effect of Benchmarking on Performance in Secondary Schools in Nakuru Municipality-Kenya. *International Journal of Management, IT and Engineering(IJMIE)*, 3(2),3-12.
- Odero, F. (2012). *The Effect of Adoption of Employee Share Ownership on Financial Performance*. Unpublished MSc Thesis, University of Nairobi, Kenya.
- Ogula, P. (2000). *Research Methods*. Nairobi: Catholic University of East Africa.
- Oso, W., & Onen, D. (2009). *A general guide to writing a research proposal and report*. Nairobi: Jomo Kenyatta Foundation.
- Ouma, J. (2014). *Benchmarking Practices And Performance Of Kenya Revenue Authority*. Unpublished research paper. Nairobi: University of Nairobi.
- Robbin, G. (2016). *Research Methods in Information Science*. Pretoria: University of South Africa.
- Robert, I. (2011). An Overview of Performance measurement in customs administration. *Performance Measurement*, 11-13.
- Sajabi, D. (2012). *Benchmarking Practices Used By Commercial Banks In Nairobi Unpublished Research*. Nairobi: University Of Nairobi.
- Tovar, B., & Rodríguez-Déniz, H. (2015). Classifying Ports for Efficiency Benchmarking. Retrieved from Freight Best Practice publications: www.businesslink.gov.uk/freightbestpractice.
- Voss, A., & Widmer, A. F. (2005). No time for handwashing!? Handwashing versus alcoholic rub can we afford 100% compliance?. *Infection Control & Hospital Epidemiology. International journal of sciences*, 18(3), 205-208.
- W CO, .. (2017, October 4). Fourth Global Canine Forum. Retrieved from World Customs Organisation: www.wcoomd.org, p. 30.
- Wang, Y. (2007). The Theoretical Framework of Cognitive Informatics. *International Journal of Cognitive informatics and Natural Intelligence*, 1(1), 1-27.
- Wanyama, S. O. (2012). *The effect of benchmarking on performance: evidence from freight*. Nairobi: Unpublished research paper, University of Nairobi.

Watson, W. (2006). *Disconnect Between Employers, Employees Threatens Loss of Key Workers, Watson Wyatt Finds. Press release [www.benefitslink.com].* Press release [www.benefitslink.com].

Zhu, J. (2014). *Quantitative models for performance evaluation and benchmarking: Data envelopment analysis with spreadsheets.* Oxford publishers: London.

APPENDICES

APPENDIX I: LETTER OF INTRODUCTION



KENYA REVENUE
AUTHORITY

ISO 9001:2015 CERTIFIED

PUBLIC

KRA/KESRA/MSA/002

04th December, 2018

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: WESLEY CHERUIYOT LAGAT (ADM NO. HDB335 – C016 – 6710/2018)

This is to confirm that the above mentioned is a student at the Kenya School of Revenue Administration (KESRA), Mombasa Campus, pursuing a Postgraduate diploma in Customs Administration.

Presently, Wesley is in his final year of study and is conducting a research project titled “*Effects of Benchmarking on Customs Performance at the Port of Mombasa.*” He is in the process of gathering data and thereafter, write his project that will **STRICTLY** be used for **ACADEMIC PURPOSES ONLY**.

Regarding the above, the School would like to seek your permission to allow him to collect data that relates to his research from your organization.

Thanking you in advance for your support and cooperation.

Yours sincerely,

Raphael Ruthuku,
For: Principal – KESRA, Mombasa Campus



Tulipe Ushuru Tujitegemee !

Times Tower Building - Haile Selassie Avenue - P.O. Box, 48240, Nairobi, Kenya, Tel: 020 281 000 / 4 999 999



APPENDIX II: QUESTIONNAIRE

Dear respondent, you are kindly requested to assist in filling this questionnaire on the effect of benchmarking on customs performance at the port of Mombasa. Any information that you give will be treated with confidentiality and it will not be used for any other purposes other than for this research study. Kindly spare a few minutes of your time to go through the questionnaire and answer the following questions as objectively as possible.

SECTION A: DEMOGRAPHIC INFORMATION

- a. The highest level of Education and training attained.

Secondary ☐ College ☐ University Degree ☐ Master's Degree ☐ other ☐

- b. Which of the following cadres do you belong to?

Manager ☐ Assistant manager ☐ Supervisor ☐

Officer ☐ Border Control Assistants ☐

- c. Number of years worked in the position

Less than 4 years ☐ 4-8 years ☐ 9-13 years ☐ above 14 years ☐

SECTION B: The effect of internal benchmarking on customs performance at the port of Mombasa

State the extent to which you agree with the following statements using the Liker scale of 5-1 by ticking the number where; 5=**strongly agree**, 4= **agree**, 3= **not sure**, 2= **disagree**, 1=**strongly disagree**.

Parameters	5	4	3	2	1
Best internal procedures in determining the internal performance standards of Customs Mombasa port exist and this has enabled sharing of a multitude of information and transfer to other portions of the organization leading to the proper operation that is performance oriented.					
Internal operations and processes involving customs clearance are simple, specific and has assisted in managing risk and improved revenue collection					

Through benchmarking on the best practices KRA has established strategies and priorities internally to achieve increased customs performance and identify areas and practices that require adjustments internally.					
Customs Mombasa compares similar processes throughout different departments of the organization to obtain information on the available efficiency for improved operations.					
Internal benchmarking has assisted Customs Mombasa Port to reveal the necessary and weak areas to focus the available resources especially those aspects that need restructuring and managing risks.					

SECTION C: The effect of external benchmarking on customs performance at the port of Mombasa

State the extent to which you agree with the following statements using the Likert scale of 5-1 by ticking the number where; 5=**strongly agree**, 4= **agree**, 3= **not sure**, 2= **disagree**, 1=**strongly disagree**.

Parameters	5	4	3	2	1
Due to the ever-changing way of doing business and increasing volumes of international trade KRA has put systems and processes to learn new and innovative approaches to issues facing management and adopt technology substitution thereby improving customs performance					
The organization improves customer service performance through comparisons of quality services of KRA at the port with other companies and organizations through service delivery to improve customs performance					
Supply chain operations such as shipping accuracy, and storage density, within Customs Mombasa port, are constantly benchmarked to other customs agencies to identify where improvements can be made to facilitate trade.					

KRA Mombasa port adopts regulatory and cross-country structural surveillance in Policy adjustment to ensure it benchmarks how far it succeeds in the core objective of customs					
Customs Mombasa port improves its performance through engagement in international training and seminars to equip the staff with skills and competence from other customs organization members					

SECTION D: The effect of generic benchmarking on customs performance at the port of Mombasa

State the extent to which you agree with the following statements using the Liker scale of 5-1 by ticking the number where; 5=**strongly agree**, 4= **agree**, 3= **not sure**, 2= **disagree**, 1=**strongly disagree**.

Parameters	5	4	3	2	1
By benchmarking other organizations HRM policies KRA develops people and provides a climate such that they realize their full potential and continuously involve themselves in realizing adequate revenue collection and protection of the society					
Benchmarking teamwork of and with other organizations has led to trade facilitation and increased revenue collection as well as risk management.					
The organization through generic benchmarking provide a basis for reviewing existing best practices through ethical considerations of other organizations in protecting the society thereby improves customs performance					
Generic Benchmarking has resulted in KRA learning what type of HR practices and performance standards that work best leading to high customs performance					
The organizations provide verbal performance reviews to employees and have employee policies & procedures manual and this has improved the employee's attitude towards their duties leading to high customs performance					

SECTION E: Customs performance at the port of Mombasa

State the extent to which you agree with the following using the Liker scale of 1-5 by ticking the number where; 5=**strongly agree**, 4= **agree**, 3= **not sure**, 2= **disagree**, 1=**strongly disagree**.

Parameters	5	4	3	2	1
Increased revenue collection is attributed to the existing benchmarking processes that Customs Port of Mombasa has adopted in realizing high customs performance					
Trade Facilitation has improved due to the technology substitution, policy adjustment and functional operational measures adopted by Customs Mombasa					
Customs Mombasa port has achieved its objective of protecting the society through the existing external benchmarking strict HR policies, by outsourcing competent individual who acknowledges ethics and moral obligations					
The improved standards on risk management and customs performance are subject to the improved standards set in KRA internal policy documents and other local and international organizations' required standards of best practices					
Benchmarking is ideal for Customs and KRA should adopt internal, external and generic benchmarking in ensuring achieving the set customs performance.					

END

Thank you.