# An Assessment of the Effectiveness of the Stakeholders' Engagement Strategy- A Case of the Zambia Revenue Authority (ZRA) in Lusaka, Zambia.

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## ABSTRACT

The Zambia Revenue Authority (ZRA) holds the mandate to assess and collect taxes and duties, enforce relevant statutory provisions, facilitate international trade and plays a key advisory role in matters of tax policy. To promote greater tax compliance, the authority has successfully implemented a stakeholder engagement strategy, fostering collaboration and understanding among its partners and the broader community. The purpose of this research was to establish the effectiveness of the ZRA's stakeholders' engagement strategy, identify key barriers to effective stakeholder engagement, and propose evidence-based strategies for enhancing stakeholder collaboration and trust. Conducted at ZRA's Head Office in Lusaka, the study utilised a descriptive research design that integrated both quantitative and qualitative methodologies. Data was gathered from 72 respondents through structured interviews and questionnaires and subsequently analysed using regression analysis for quantitative data and saturation analysis for qualitative data. The results revealed that ZRA's stakeholder engagement strategy is highly effective, with unanimous affirmation from respondents regarding its role in fostering trust, promoting tax compliance, and strengthening collaborative relationships. The strategy has achieved remarkable success in areas such as revenue collection, improved taxpayer awareness, and strengthening stakeholder relationships. Despite these achievements, challenges persist in effectively engaging underserved groups, including SMEs, informal traders, and users of online platforms. Additionally, systemic barriers such as limited access to digital platforms, inadequate communication, and resource constraints continue to hinder progress. Key barriers identified include a lack of awareness among stakeholders, challenges with system functionality, and the economic hardships that affect tax compliance. To address these issues, the proposed strategies focus on targeted outreach programs to reach underserved groups, improving digital inclusion through infrastructure investments, and establishing enhanced feedback mechanisms to build trust and collaboration. The proposals further emphasised expanding incentives such as tax holidays and recognition programmes to encourage compliance and reward stakeholders; and of improve communication channels and feedback mechanisms to foster transparency and trust. Leveraging partnerships with regulatory bodies and maximising the use of digital platforms were also key strategies aimed at broadening stakeholder engagement in ensuring more inclusive and efficient collaboration. This study concludes that while ZRA's stakeholder engagement strategy aligns with its mission of fairness, efficiency, and sustainable revenue growth, addressing identified gaps will enhance collaboration, build trust, and achieve long-term compliance and revenue targets to support Zambia's development goals. The key recommendation for achieving improved and effective engagement emphasises the necessity of fostering collaboration with stakeholders while prioritising capacity building.

## INTRODUCTION

Strategy is about the 's long-term goals and its cornerstone is strategy orientation in different sectors. Hiksen et al. (1986) describes strategy as decisions that affect the organisation's long-term performance and progress. Strategy is a collection of decisions and actions that are considered as strategy formation, implementation, and

control of plans aimed to meet a corporation's vision, goal, and long-term performance. The strategic implementation process is described as the procedures and actions taken to fulfill the strategic plan's goals and objectives (Mohammad, 2011). According to Mintzberg (2004), a strong strategic plan execution is dependent on the learning and development environment for employees, who are the true foot soldiers of implementation.

Employees and managers in institutional s are critical factors that have a large impact on implementation effectiveness (Jofre, 2011). Furthermore, how employees perceive the plan is determined by their function, authority, and interest, and this influences their attitude toward it. In order to be effective at the implementation stage, managers must first understand how their people think and view the world. Furthermore, according to Rodriguez and Hickson, as reported in Nyakeriga (2015), the success variables in strategy execution vary slightly between the public and private sectors.

The success of strategy implementation in the private sector is largely dependent on resources, but in the public sector, the main difficulty is to achieve appropriate employee involvement. To be successful, the strategy, the organisation, the people and their relationships, the systems, and the measures must all be linked and made to work towards a shared purpose (Mwangoe, 2011). Effective strategies are doomed to fail or succeed based on how implementing agencies monitor, assess, and constantly manage aspects in the organisation's immediate internal and external environments.

Change is always introduced into an organisation as part of strategy implementation. Managers spend a lot of time weighing options and deciding on a plan. This plan is then frequently publicised to the organisation, with the hope that members will naturally realise why the alternative is the best one and will begin quick execution. When a strategic change is poorly implemented, managers may end up spending more time executing changes as a result of the new strategy than they did in selecting it.

The Zambia Revenue Authority (ZRA) is an institution responsible for the determination and collection of taxes and duties, the application of pertinent legal requirements, the facilitation of international trade, and advice on various tax policy issues. The establishment of responsive tax policies and better tax administration depend on good involvement with the appropriate stakeholders, which is one of the important components of this process.

Large s in Zambia, including the National Pension Scheme Authority (NAPSA), the Zambia Revenue Authority (ZRA), and the Office of the Auditor General (OAG), have recently implemented a variety of strategic management techniques to ensure their compatibility with their environment. This is the case with the OAG's Stakeholder Engagement Strategy, which ran from 2018 to 2021. However, it must be noted that putting strategy into action and moving the organisation in the desired direction necessitates a separate set of managerial talents. Working through others, organising, inspiring, culture-building, and developing good fits between strategy and how the organisation does things are all necessary for successful strategy execution. Although developing a consistent plan for any management team is challenging, making that strategy effective by executing it throughout the organisation is even more difficult (Hrebiniak, 2006).

The Zambian government embarked upon a tax reform programme in 1992. In addition to the many tax initiatives, the reform programme sought to bring the department of income tax and excise and customs under one roof. This resulted in the setting up of the Zambian Revenue authority (ZRA), which is now CAP 321 of the Zambian Law. ZRA is a semi-custom our institution that is in charge of tax administration in Zambia. ZRA falls under the Ministry of Finance, with the Permanent Secretary sitting on the ZRA board. In the new administration, a department called Value Added Tax was included to replace the Sales Tax department. The Vat Division only became operational after the enactment of the Value-Added Act No. 1 of 1994 1995(ZRA, 2014)

The major responsibilities of ZRA as per the ZRA Act No. 1 of 2014 are to Correctly assess taxes, duties, Levy, and fees to be collected at the right time; make sure that such tax revenue collected is well accounted for; strictly enforce all relevant legislation and administrative provisions; and provide the up-to-date statistics on trade and revenue to the government.

The public sector has the best strategic policies; however, implementation of the strategic plan is more important than formulation; otherwise, it is nothing except well documented pieces of paper in the organisation. Therefore,

the need to evaluate strategic plans or strategies that have been implemented is cardinal in assessing whether or not the laid-out objectives of the strategy have been realised.

The new Corporate Strategic Plan 2022 (CSP) of ZRA builds on significant innovative milestones achieved under the CSP 2019–2021, all of which were designed to simplify tax administration and tax compliance. Of particular note are the internal development of our Tax Administration system for inland taxes, the creation of additional electronic platforms, including Tax-On-Phone, Tax-On-App, and Payment via WhatsApp, and the opening of Taxpayer Service Centres at some of the country's largest malls. We are currently in an advanced stage of creating our own customs system, another revolutionary milestone. A consultative approach at many levels was very helpful in the development of the new CSP because it allowed the Authority to better understand its possibilities and challenges and to create the right strategies to meet them according to ZRA (2022) the Plan is anchored on the following four Strategic Pillars and their respective Key Results Areas (KRA) which includes Tax Compliance (KRA- enhanced revenue collection); customer Focus and Collaboration (KRA - Satisfied and knowledgeable taxpayers); process Efficiency (KRA - Simplified, efficient, and reliable business systems); and; Right People (KRA - Committed, competent and high performing workforce).

One of the major responsibilities of the new CSP is to make sure that the Authority is appropriately integrated with key local and regional institutions at the system level. When this is accomplished, its operational efficiency will be significantly increased. ZRA is sure that it will continue to contribute to the economic and social wellness of Zambians with the cooperation of all its stakeholders. In the case of the Stakeholder Engagement Strategy, little is known at this time as to whether or not the strategy has achieved its objectives, and if so, what were the key drivers that led to these objectives being achieved or what were the shortcomings that led to the strategy not achieving its four laid out objectives. Therefore, this study is aimed at evaluating the effectiveness of the stakeholders' engagement strategy developed by the Zambia Revenue Authority (ZRA) in achieving its objectives.

**Statement of the Problem**

The Zambia Revenue Authority (ZRA) plays a critical role in the country's economic development by ensuring the efficient collection and administration of revenue. To enhance its operations, ZRA has implemented a stakeholder engagement strategy aimed at fostering collaboration with taxpayers, government entities, and the private sector. What is known is that from 2021 to 2024, stakeholder engagement coverage increased by 15%, customer satisfaction improved from 65% to 75%, and on-time filing rates for core taxes rose from 60% to 70%. Additionally, excessive tax arrears were reduced by 20% (Zambia Statistics Agency, 2025). However, what remains unknown is the extent to which these improvements have translated into enhanced tax compliance, transparency, and trust between ZRA and its stakeholders. Despite these gains, stakeholder participation remains limited, feedback mechanisms are inadequate, and decision-making processes lack transparency. The marginal increase in on-time filing rates and the continued existence of excessive arrears suggest that engagement efforts may not be fully addressing compliance and revenue collection challenges. This study is justified as it seeks to evaluate the effectiveness of ZRA's stakeholder engagement strategy in improving tax administration and compliance. By identifying gaps in participation, feedback mechanisms, and transparency, the research will provide evidence-based recommendations for strengthening engagement practices, enhancing voluntary tax compliance, and improving overall revenue collection efficiency. The findings will contribute to refining ZRA's strategies, ensuring they better align with stakeholder expectations and national development goals.

**Research Objectives**

  i. To establish the effectiveness of the ZRA's Stakeholder Engagement Strategy.
  ii. To assess key barriers to effective Stakeholder Engagement.
  iii. To propose evidence-based strategies for enhancing stakeholder collaboration and trust.

**Research Questions**

  i. What is the effectiveness of the Zambia Revenue Authority's (ZRA) current stakeholder engagement strategy?

ii.   What are the key internal and external barriers to effective stakeholder engagement at the ZRA?

iii.   What evidence-based strategies can enhance stakeholder collaboration and trust with the ZRA?

**Empirical Literature Review**

Stakeholder analysis is done using either a grid method or the salience model. The grid method uses two parameters about the stakeholders to analyze and create a grid. One of the most popular grids used is a "power-interest" grid. In this grid, every stakeholder is assessed based on their power and interest in the project. Accordingly, all stakeholders are categorized into different quadrants: "high power – high interest," "high power – low interest," "low power – high interest," and "low power – low interest." This technique helps in positioning stakeholders appropriately so that suitable strategies for each group can be developed (Johnson et al., 2014).

Stakeholder involvement fosters legitimacy because when individuals actively participate in planning and decision-making, they feel committed to the outcome, which increases a sense of ownership (Placht, 2007). Legitimacy is seen as the moral justification for submission to authority (Parkinson, 2013). Communities and stakeholders become accountable for the choices made and the actions performed when they are involved in decision-making and execution. Decisions are more readily accepted, and their sense of obligation to carry them out is also increased (Huitema et al., 2010). Representatives must be accountable and transparent in order to be considered legitimate. People accept the decisions made by representatives when they are held accountable to the constituents they serve. Legitimacy is also achieved by building credibility for the authorities. Credibility in turn is achieved by authorities (a) being respectful to the public and open at every step (seeking out and valuing local knowledge and experiences shows respect for the public of the authorities and willingness to learn from the public); and (b) seeking public approval for final action plans (Webler and Tuler, 2011). The participatory method that may be employed to obtain legitimacy is involving stakeholders in planning workshops. Legitimate decisions, policies and projects become popularly accepted and are more implementable. Legitimacy has instrumental value in that it makes political processes more efficient by reducing the cost of enforcing compliance. Decisions with low legitimacy are more likely to fail due to the associated lack of cooperation (Parkinson, 2013).

Stakeholder engagement is dynamic, as audiences continually evolve in terms of demographics and cultural backgrounds. Consequently, managers must consistently evaluate and refine their engagement approaches to align with these changes (Ban et al., 2013). Interviewees in a study identified five key metrics that assess stakeholder perceptions of outreach practices, measure the effectiveness of engagement strategies, and gauge public sentiment regarding decision-making. These include surveys to evaluate attitudes, web analytics to track stakeholder interaction with newsletters and information, and reduced opposition as an indicator of increased trust in management (Ban et al., 2013). Two of these metrics-Online Engagement and Attendance/Participation-directly monitor stakeholder involvement, while three-Stakeholder Feedback, Reduced Backlash, and Compliance-serve as proxies for assessing how engagement contributes to achieving broader management objectives. However, implementing and standardizing these metrics can be challenging, and they may not always accurately reflect stakeholders' perceptions of engagement. Therefore, the development of more systematic and easily measurable indicators of meaningful engagement is crucial. Without effective evaluation mechanisms, managers may struggle to determine whether their engagement strategies are successfully meeting organizational goals (Ban et al., 2013).

In the contemporary business environment, stakeholders demand more attention than ever before (Nair & Ndubisi, 2011). Despite this, there are relatively few companies that adopt a fully comprehensive stakeholder engagement approach (Engster, 2011). This presents a significant challenge, as inadequate engagement with stakeholders can negatively affect corporate profitability, hinder growth, and even jeopardize a company's long-term viability (Menoka, David, Damian, & Edward, 2013). Furthermore, neglecting stakeholders in decision-making has led to workplace accidents, fatalities, environmental degradation, global warming, and various social and economic crises affecting both local communities and the broader global landscape (Baumgartner & Romana, 2017; Maria, Medeiros, & Maria, 2019). The consequences extend beyond financial losses, as shareholders may suffer reduced dividends, companies may face substantial penalties, and corporate reputations may be damaged due to poor stakeholder relationships (Garvare & Johansson, 2010).

A study conducted in Europe's energy sector examined the role of stakeholder engagement in shaping corporate policies. The findings highlighted that involving stakeholders in policy formulation helps mitigate conflicts in daily business interactions (Karakosta & Papapostolou, 2020). Additionally, research on sustainability reporting revealed that organizations often fail to provide adequate disclosure on stakeholder involvement in the preparation of such reports, leading to gaps in transparency (Moratis & Brandt, 2017). Another study focused on the significance of meaningful information exchange between companies and stakeholders in fostering social trust. The findings suggested that regular and transparent interactions strengthen the bond between companies and their stakeholders, ultimately enhancing corporate credibility (Mercer-Mapstonea, Rifkina, Louis, & Moffat, 2017).

Moreover, a study specifically examining customer engagement explored whether direct collaboration with customers could lead to innovative products and services. The research concluded that a well-structured stakeholder engagement strategy is essential for making sound corporate decisions that benefit both businesses and their stakeholders (Mason, Iacuzzi, Fedele, & Garlatti, 2020).

One continental study I can cite is Attiya Waris, a Kenyan Professor at the University of Nairobi, who has extensively explored the role of stakeholder engagement in tax policy and administration. Her research emphasises the importance of involving various stakeholders including government entities, private sector actors, and civil society in the development and implementation of tax policies to enhance compliance and effectiveness. Waris argues that such inclusive engagement fosters transparency, builds trust, and ensures that tax systems are equitable and responsive to the needs of all societal segments (Waris, 2013).

Mick Moore, a Political Economist with extensive field research in Asia and Africa, co-authored *Taxing Africa: Coercion, Reform, and Development* (2018). This book offers a comprehensive analysis of taxation's role in African development, highlighting the successes, challenges, and opportunities within the continent's tax systems. Moore and his colleagues explore how tax systems in Africa have evolved, focusing on the balance between state capacity and the willingness of taxpayers to comply. The authors emphasize the importance of building stronger state institutions and the need for tax reforms to address the informal economy, which is significant in many African countries. They argue that tax systems must be adapted to the specific political and economic contexts of each country to foster development. By examining historical, political, and economic factors, the book provides valuable insights into how tax policy and stakeholder engagement are interlinked in the pursuit of sustainable development (Moore, 2018).

Anne Mette Kjær provides an in-depth examination in her book *The Politics of Revenue Bargaining in Africa* (2023). She analyzes micro-instances of revenue bargaining across five African countries-Mozambique, Senegal, Tanzania, Togo, and Uganda-shedding light on the complexities of tax negotiations and their impact on governance and development. Kjær argues that tax policies are not merely technical solutions but are deeply political processes influenced by power dynamics, negotiations, and the interactions between state and non-state actors. By focusing on the local and regional negotiations around tax policies, her work challenges the traditional view of tax systems as simply bureaucratic frameworks and instead highlights how local and international stakeholders shape revenue systems. The book also addresses the tension between local accountability and global influences, considering how international financial institutions and multinational corporations affect national tax policies. Through detailed case studies, Kjær provides practical recommendations for improving revenue bargaining and enhancing the effectiveness of tax systems in Africa (Kjer, 2023).

A study conducted by Kenya Revenue Authority (KRA, 2017) revealed several challenges in stakeholder engagement. The study noted that the deployment of stakeholder engagement strategy to resolve the refund formula problem had its challenges. First, there was limited involvement of policy players (e.g. Treasury) in the initial discussions and engagement processes aimed at reviewing implementation challenges of the formula. Given the highly sensitive nature of taxation, the study noted that there was bound to be diversity in opinion on how to resolve such a complex policy challenge. This would result in polarizing and protracted discussions and debates that would take clinical and diplomatic efforts to build consensus around. This requires heavy investment in time, which prolongs the life of the challenge and further dissatisfaction of the taxpayers. The study concluded that stakeholder engagement was critical to ensure stakeholder buy in as regards major tax compliance initiatives. It was also found that policy issues of national interest like taxation require a holistic and multi-stakeholder

approach to ensure buy-in. The study concludes that public Participation (collaboration, consultations and partnerships) is key to unlocking challenges and disputes of policy nature, especially taxation. The study recommended that a stakeholder engagement strategy, implemented at the highest level of corporate governance, is a worthwhile investment towards achieving this stakeholder buy in in implementing changes to ease tax compliance (KRA, 2017)

Kaupa & Atiku's (2020) study in Namibia evaluated the challenges faced by the public sector in implementing a performance management system in Namibia. The study employed a qualitative research approach, with data gathered through interviews. There are 42 people in the sample. The information received was compared to the literature on the issue. The data was evaluated using the thematic data analysis technique, in which primary ideas originating from the conversation and interviews were categorized and analysed. According to this study, the key problems in implementing a performance management system in the public sector include a lack of training and sufficient orientation in performance management. Other contributing factors include insufficient monitoring and evaluation, a lack of policies to support the implementation process, poor communication in performance planning, performance reviews, poor feedback on performance, and a lack of employee involvement in the performance management system's implementation (Kaupa & Atiku, 2020).

Applying fundamental stakeholder engagement principles, such as fostering transparency and involving stakeholders from the early stages of a project, has been found to enhance project and process outcomes across various fields (Pomeroy & Douvere, 2008; Reed et al., 2009; Gopnik et al., 2012). In environmental decision-making, government agencies must engage affected parties in an open and inclusive manner. To ensure that decisions are well-informed, engagement efforts should consistently integrate relevant knowledge that considers the evolving values of human communities (Reed, 2008).

This approach is crucial for addressing the complexities of human-environment interactions, evaluating resource sustainability, anticipating unintended consequences, and fostering legitimacy for effective governance (Beratan & Karl, 2012). However, stakeholder engagement is often challenging, as it involves conflicts, disagreements, and diverse perspectives (McCool & Guthrie, 2011). This difficulty arises because science alone cannot dictate policy decisions; rather, solutions must balance societal values and norms to address environmental and social challenges effectively (Tippett et al., 2017). Despite its social and institutional benefits, there remains a lack of clear guidance on how to implement effective stakeholder engagement within revenue authorities. This study investigates what processes are being deployed to improve decision-making and implementation at the Zambia Revenue Authority (ZRA).

Pholoba (2015) conducted his research on employee engagement in strategy execution at the South African Army Infantry Formation. The researcher used quantitative and descriptive survey design and stratified sampling method to determine the extent how employees are engaged in the execution of organisational strategy. The study revealed that there is considerable positive relationship between employee engagement and strategy implementation, and the former predicts the later.

Ambani and Wanyoike (2012) conducted a study to determine communication techniques and how they affect strategy implementation performance across commercial banks in Nakuru County, Kenya. Using a descriptive research approach, the study's goal was to determine how communication in commercial banks affects strategy execution in Nakuru County. The target group was drawn from the 28 commercial banks in Nakuru County, which employs 200 people ranging from top management to middle and lower-level employees. Respondents were sampled using a stratified random sampling technique. The data was analysed using both descriptive and inferential statistics. According to the findings of the study, there is a lack of effective communication among commercial banks in Nakuru County, which leads to plan implementation failure.

At the regional level, challenges persist in tax administration and stakeholder engagement. In a comparative study on tax performance in South Africa, Steenekamp (2007) assessed various methods for measuring tax revenue performance. This study utilized a static performance measure to evaluate whether South Africa's tax levels were high or low compared to other nations. The representative tax system approach was applied, where effective tax rates were measured across a sample of countries and used to calculate a tax effort index. The findings indicated that South African revenue authorities performed better than comparable countries. However,

while personal and corporate income taxes were heavily utilised, the VAT effort index and the effective VAT rate remained low. Consequently, the study suggested that reducing personal and corporate tax rates might be necessary, which could lead to revenue losses that might require compensatory measures such as increased VAT rates (Steenekamp, 2007).

In a study on tax administration reforms in Kenya, Wamalwa (2014) explored the success factors behind Kenya Revenue Authority's Integrated Tax System (iTax). The study highlighted that political and economic factors shape the environment in which tax reforms occur, with various stakeholders influencing reform outcomes. It was concluded that for public sector reforms to be effective, they should be approached as ongoing processes rather than single events. Additionally, the establishment of an autonomous or semi-autonomous body to oversee tax reforms was recommended. Financial resources and stakeholder involvement were identified as key determinants of reform success. The study further emphasized that tax administration reforms should include participatory strategic planning, technological adoption, and continuous research to enhance tax compliance. Ultimately, the success of the iTax reform was attributed to the sequential and well-structured implementation process, which led to increased tax revenue collection (Wamalwa, 2014).

Fjeldstad (2006) examined tax evasion and fiscal corruption in East and Southern Africa, emphasizing the role of accountability between taxpayers and public institutions in driving tax administration reforms. The study found that business communities, trade unions, and taxpayers' associations have significant potential to pressure revenue authorities into improving efficiency. For taxation to promote government accountability, it must be widely experienced by citizens, thereby motivating them to demand better public services. However, in Uganda, tax reforms over the past decade have failed to broaden the tax base, as many informal business operators and professionals such as doctors and lawyers remain outside the formal tax system. While formal businesses are affected by tax policies, a growing movement within the Ugandan business community has started to challenge revenue policies through formal channels rather than corruption, signaling the emergence of structured economic and government engagement in tax matters (Fjeldstad, 2006; Moore, 1998).

Shavaa (2020) explored revenue collection challenges in rural South African municipalities and their impact on service delivery. Using the Distributive Justice Theory, the study identified multiple barriers to effective revenue collection, including insufficient financial support from the national government, non-compliance due to a prevailing culture of non-payment, poor planning, and inadequate revenue enhancement strategies. Furthermore, skill shortages and a lack of commitment among municipal officials were identified as additional impediments. Despite recognizing socio-economic inequalities, municipalities have struggled to recover revenue, as many rural residents prioritize basic survival over paying municipal rates. The study argued that to improve revenue collection, rural municipalities must reduce dependence on national government funding and implement alternative development projects to generate local revenue (Shavaa, 2020).

Additionally, Van der Waldt (2019) noted that reliance on national government funding has negatively affected service provision in rural municipalities, leading to mistrust between communities and municipal officials. Although the fiscal framework allows local governments to receive funding through grants and equitable transfers, these funds are often insufficient to support service delivery (Financial and Fiscal Commission [FFC], 2017). Ncube and Vacu (2020) proposed that municipalities should develop strategic revenue enhancement policies, including indigenous credit control measures. Employment generation initiatives were also identified as crucial to ensuring that citizens have income to pay municipal rates (Coetzee & Van Niekerk, 2021). Moreover, the South African government was advised to establish a comprehensive revenue enhancement model that considers the disparities between rural and urban municipalities (National Treasury of South Africa, 2022). Such a model should ensure adequate funding for development projects while promoting financial sustainability (World Bank, 2021).

To encourage timely payment of municipal fees, Bahl and Bird (2018) suggested offering discounts to consumers who pay their bills early, as this strategy has the potential to incentivize prompt payments. Furthermore, leveraging mobile money services could significantly enhance revenue collection, as rural residents with internet access can conveniently pay for services online (Republic of South Africa, 2000). This approach would improve financial stability and service delivery efficiency in rural municipalities.

When it comes to stakeholder engagement, Kujala and Laude (2000) carried out a study on stakeholder engagement in the past, present, and future. They illustrated that stakeholder engagement has grown into a widely used yet often unclear construct in business and society research. The literature lacks a unified understanding of the essentials of stakeholder engagement, and the fragmented use of the stakeholder engagement construct challenges its development and legitimacy. The purpose of this article is to clarify the construct of stakeholder engagement to unfold the full potential of stakeholder engagement research. The authors conducted a literature review of 90 articles in leading academic journals, focusing on stakeholder engagement in business and society, management and strategy, as well as environmental management and environmental policy (Kujala & Laude, 2000). Their study identified the moral, strategic, and pragmatic components of stakeholder engagement, along with its aims, activities, and impacts. Moreover, they provided an inclusive definition of stakeholder engagement and a guide to organising the research. Finally, they complemented the prevailing literature with an analysis of the largely overlooked dark side of stakeholder engagement, concluding with future research avenues (Kujala & Laude, 2000).

In this article, the authors followed the widely accepted definition of stakeholders as individuals, groups, or organisations that affect or are affected by organisational activities (Freeman, 2018). The publication contributes to the previous literature by providing a comprehensive review of stakeholder engagement research. Firstly, it presents a descriptive analysis of stakeholder engagement research in leading academic journals for a 15-year period. Secondly, it identifies the unifying components and contents of stakeholder engagement. Thirdly, it offers an inclusive definition of stakeholder engagement, referring to the aims, activities, and impacts of stakeholder relations in a moral, strategic, and/or pragmatic manner. Fourthly, the study provides a guide for organising stakeholder engagement research. Lastly but not the least, it complements the positive stance prevailing in the literature with a discussion of its largely overlooked dark side and suggests that integrating this perspective is necessary for advancing stakeholder engagement research (Kujala & Laude, 2000).

Another scholar, Kaur and Lodhia (2019), explored key issues and challenges in stakeholder engagement in sustainability reporting, specifically in the context of Australian local councils. Their study aimed to assess factors affecting the quality of stakeholder engagement processes and outcomes in sustainability reporting. The findings suggest that stakeholder engagement effectiveness can be undermined by various challenges, including limited resources, lack of commitment from internal stakeholders, political influences, heterogeneous concerns, inadequate representation, and unwillingness to engage (Kaur & Lodhia, 2019). Their research adds to the limited literature on stakeholder engagement in sustainability reporting and sustainability accounting, particularly in the public sector. Furthermore, the study provides practical guidance to government authorities on addressing challenges to facilitate effective stakeholder engagement processes for sustainability reporting. The role of stakeholders in holding public sector organizations accountable is crucial, and research into stakeholder engagement has broader societal benefits. While this study is focused on the Australian context, its implications are internationally relevant, offering insights into the stakeholder engagement process for both public sector organizations and corporations grappling with effective stakeholder engagement (Kaur & Lodhia, 2019).

In Zambia, Tax Compliance and Representation in Zambia's Informal Economy (2018) was done. This study examines when and why some informal workers pay taxes and how tax compliance affects political representation. A survey of over 800 informal traders and service workers in and around 11 markets in Lusaka, Zambia, complemented by semi-structured interviews with local and government stakeholders, revealed that access to services such as toilets, clean water, drainage, and garbage collection within markets increases the likelihood of informal workers paying taxes and fees to relevant authorities. The findings suggest that providing essential services can enhance tax compliance among informal and formal workers in both public and private sector.

In addition, a study was done on an In-Depth Analysis of the Digital Era's Influence on Tax Compliance within the Zambia Revenue Authority (2025). This study examines the impact of the digital era on tax compliance within the Zambia Revenue Authority (ZRA), focusing on the adoption and effectiveness of digital tools and platforms. The research highlights how digitalization has transformed tax administration and compliance, identifying both challenges and opportunities in the Zambian context. This study indicated that tax compliance is key and this can be done through engagement with different stakeholders from both public and private sector.

Another study was done on collaborative Governance of an Integrated System for Collecting Contributions for Social Health Insurance, Pension, and Taxes from the Informal Sector in Zambia (2023). This study explores factors that may shape the collaborative governance of an integrated system for collecting contributions for social health insurance, pension, and taxes from the informal sector in Zambia. Using an integrative framework for collaborative governance, the research provides valuable insights for policymakers and implementers on enhancing collaboration among various subsystems to improve contribution collection from the informal and formal sector. The study alluded that engagements are important and depends on the matter at hand and the focus. Finally, but not the least, another study was done by Action Aid in 2022, Zambia. The study was assessing how Zambia can implement a robust progressive wealth tax system. Based on this study, the findings revealed that Zambia requires a wider tax base to capture much of the citizens who either avoid or evade taxes. The tax incidence is currently skewed towards direct income taxes, rather than trade and domestic goods and services taxes (Action Aid, 2022).

## Theoretical Literature Review

In the context of my study on the effectiveness of the stakeholders' engagement strategy at ZRA, the theoretical framework was based on the following theories discussed below:

## Stakeholder Theory

Stakeholder theory has evolved over time, with Freeman (1984) originally defining stakeholders as individuals or groups that impact or are impacted by an organisation's objectives. Over the years, this definition has been refined, and Freeman (2004) later emphasised that stakeholders are crucial to a corporation's success and survival. Additionally, he introduced the "principle of stakeholder recourse," highlighting that stakeholders have the right to hold directors accountable for failing in their duties (Freeman, 2004). Despite these developments, the role of managers, the nature of organisations, and the exact purpose of stakeholder engagement remain subjects of debate (Jensen, 2015).

## The Social Contract Theory

John Locke's social contract theory posits that there exists a mutual agreement between citizens and the ruling government, ensuring that the government prioritises the well-being and rights of its people (Hiltzik, 2018). A legitimate government upholds these rights and enforces laws justly, whereas an illegitimate one fails to protect its citizens, leading to potential rebellion (Locke, 2018). According to Locke, power must originate from above, but legitimacy is derived from the people. If a government engages in corruption, oppression, or injustice, society has the right to remove it through legitimate means such as elections (Locke, 2018).

## Conceptual Framework
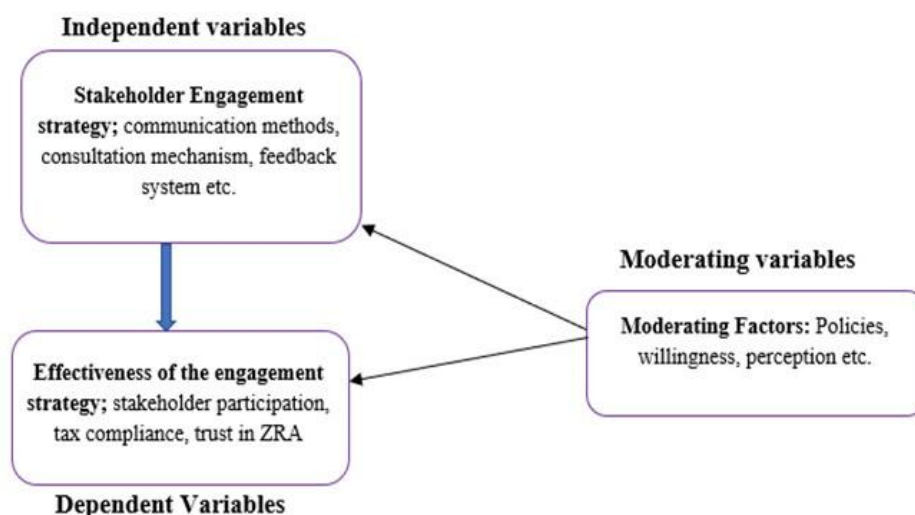


Source: Author, 2025

The conceptual framework above indicates/represent how the Stakeholders' Engagement Strategy (independent variable) affects the Effectiveness of the Engagement Strategy (dependent variable), with moderating factors influencing the relationship and the outcome and these are policies made, willingness and perception of people.

# RESEARCH METHODOLOGY

The research design is the structuring of the research with the objective of identifying variables and their relationship to one another. The design is necessary because it helps with the process data collection in order to answer the research objectives and research questions. In this study a descriptive research design was used to collect the data with a view to solving the problem at hand. The information was gathered from a semi structured questionnaire, hence statistical interpretation was used from the data presented in order to get in-depth understanding of the study. In this study, the adoption of a descriptive research design was informed by several philosophical assumptions:

**Ontological Assumptions:** The research assumes a realist ontology, where the phenomena under study, such as tax compliance and stakeholder engagement strategies, exist independently of the researcher's perception. The focus is on understanding the actual relationships between variables, particularly in the context of ZRA's operations.

**Epistemological Assumptions:** The study adopts a positivist epistemology, assuming that knowledge can be obtained through systematic observation and measurement. By collecting both qualitative and quantitative data, the study aims to produce objective, verifiable insights into the stakeholder engagement strategy.

**Phenomenological Assumptions:** The research recognises the subjective experiences of individuals involved in the study. Through qualitative methods such as interviews, it seeks to understand how stakeholders perceive and engage with tax policies, reflecting a human-centered approach to understanding complex phenomena.

**Axiological Assumptions:** The study is grounded in value-neutrality, ensuring that the researcher maintains objectivity in the collection and interpretation of data. Ethical guidelines, such as informed consent and anonymity, were adhered to, recognising the importance of integrity in academic research.

Population refers to an entire group of individuals, events or objects having a common observable characteristic (Mugenda & Mugenda, 2003). The population of employees at ZRA Head Office is 1000 employees. The population is 1000 however, the target population for this study is 100 which included all management levels: lower, middle and senior management from the Customer Services Department. A convenient sampling technique was used to select the hundred (100) respondents to participate in the research. By the sensitive nature of the topic, only those who were willing and ready to participate in the study were contacted. This was obtained after administering 100 questionnaires to the respondents. The sample size was basically 10% of the population. This means that 100 respondents (employees) were sampled, however, out of this number only 72 responded.

Since it would be impractical to study the population, Sarantakos, (2015), suggests that studies are best conducted when a small sample is selected from the larger population. As a result, purposive simple random sampling was used to select a portion of the population to represent the entire population. It is emphasised by Robson, (2012), on the need for a researcher to select a sample from which they wish to seek information, using appropriate sampling techniques. In this study, non-probability sampling was used to select the personnel at ZRA to interview on a face to face.

The sample size calculation by Yamane was adopted to determine the sample size for quantitative data in this study.

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

Where:

*n*: n = Sample size

*N*-N = Population size (100 in this case)

*e*-e = Margin of error (5% or 0.05)

n= 100/(1 +100 (0.05)2)

n=100/(1+100(0.0025))

n=100/(1+0.25)

n=100/1.25

n=80

Using Yamane's formula with a 5% margin of error, the calculated sample size from a population of 100 is 80 however, the study managed to sample only 72 respondents.

In this study both primary and secondary data were collected. Secondary data was gathered from text books, periodical, journals and online academic sites. Primary data was collected by the researcher first hand and the researcher administered questionnaires to respondents as well as conducting interviews with key informants at Zambia Revenue Authority (ZRA). The study therefore, is expected to yield both qualitative and quantitative data (Morgan, 2014). Quantitative research is the systematic and scientific procedures involved in investigating phenomena so as to apply a form of statistical analysis to it. Qualitative research on the other hand is an unstructured approach that is based on narrative samples and intended to gain an understanding of a situation. In this study, a qualitative and descriptive method were utilised. The primary data were collected by means of a semi-structured questionnaire with both open ended and closed questions given to the respondents. The questions were designed specifically to assist answering questions implied in the study objectives.

The study was done in Lusaka at Zambia Revenue Authority (ZRA). The ZRA was picked due to it being the parastatals responsible for tax compliance and stakeholder engagement strategy, besides that, it is they in tax compliance and past studies have shown that there has been gaps and challenges in enhance stakeholder engagement strategy for both public and private sector.

There are three instruments that were used in this study, questionnaires, face to face interviews and document analysis. The questionnaires were used with lower and middle managers while the interviews were held with senior managers at ZRA. The mixed method, involved three instruments was selected to guarantee triangulation which makes increases validity and reliability. According to Robson, (2012) triangulation is a process of verification that increases validity by incorporating several viewpoints and methods (Wisdom and Coper, 2013) A questionnaire was chosen as it has the potential to collect more data from many participants at once. In addition, an interview schedule was also administered. According to Malhotra, N. K. & Birks, D. F. (2006), an interview schedule is basically a list containing a set of structured questions that have been prepared, to serve as a guide for interviewers, researchers and investigators in collecting information or data about a specific topic or issue. The body of the interview schedule always listed the topics to be covered and potential questions. The number of questions and the exact wording of the questions depended on the type of interview schedule used. The interview may be non-scheduled with only the topics and subtopics listed

To enable the researcher, test the reliability of the questionnaires, pre-testing of the instrument was conducted. Ten copies of sample questionnaires were pre-tested; using some respondents who will not form part of the final sample. To have a valid and a reliable data, the researcher ensured that the questionnaires were well formulated which allowed error minimisation.

The data for quantitative was analysed using regression analysis. Regression analysis is a statistical technique that allows us to explore and quantify the relationships between stakeholder's engagement strategy. It is used to predict outcomes, identify trends, and make data-driven decisions across tax compliance and stakeholder

engagement. Data analysis was analysed saturation analysis. Saturation analysis in stakeholder engagement strategies involved assessing the point at which additional engagement yields diminishing returns. This analysis helped to determine whether stakeholders' concerns, expectations, and contributions were sufficiently captured, ensuring effective decision-making and policy implementation. Furthermore, SPSS package and Microsoft Excel were used to also as additional tools.

The researcher abided by all ethical considerations by explaining the study to the respondents prior to the start of data collection, by obtaining permission from University of Zambia through the Directorate of Research and Post-Graduate Studies, ensured that the respondents consented with strict confidentiality and openness.

# RESEARCH RESULTS AND ANALYSIS

## Introduction

This chapter presents the data analysis of the study, methods used, software used, demographic details of the respondents and the results of the findings from the questionnaire and interview administered to the respondents. The results are presented in form of tables and other graphical representation to elicit meaningful and clear and understanding.

## Data Analysis

This study was mixed method therefore, quantitative data was analysed using regression analysis while for qualitative data saturation analysis was used with the help of SPSS and Microsoft excel however, qualitative data was accompanied by thematic coding in order to understand the content of the responses from the participants.

## Demographic of the Respondent
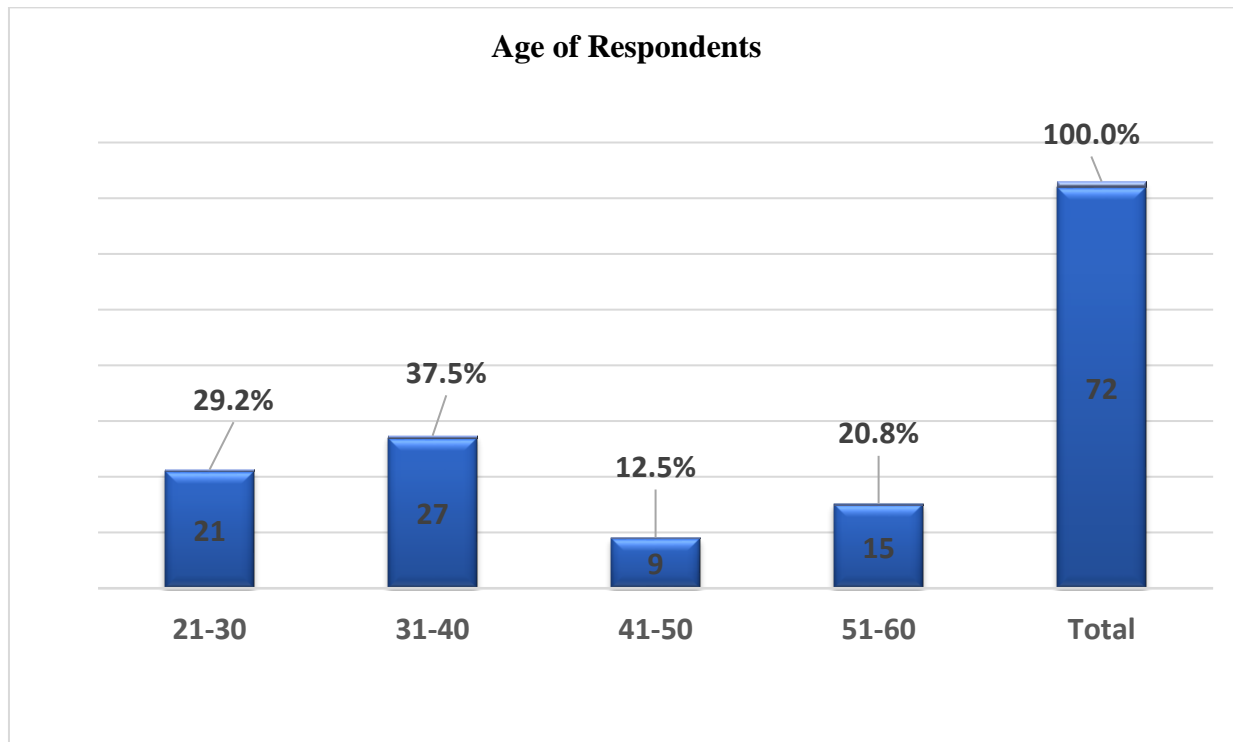
Figure 1: Gender of the Respondent
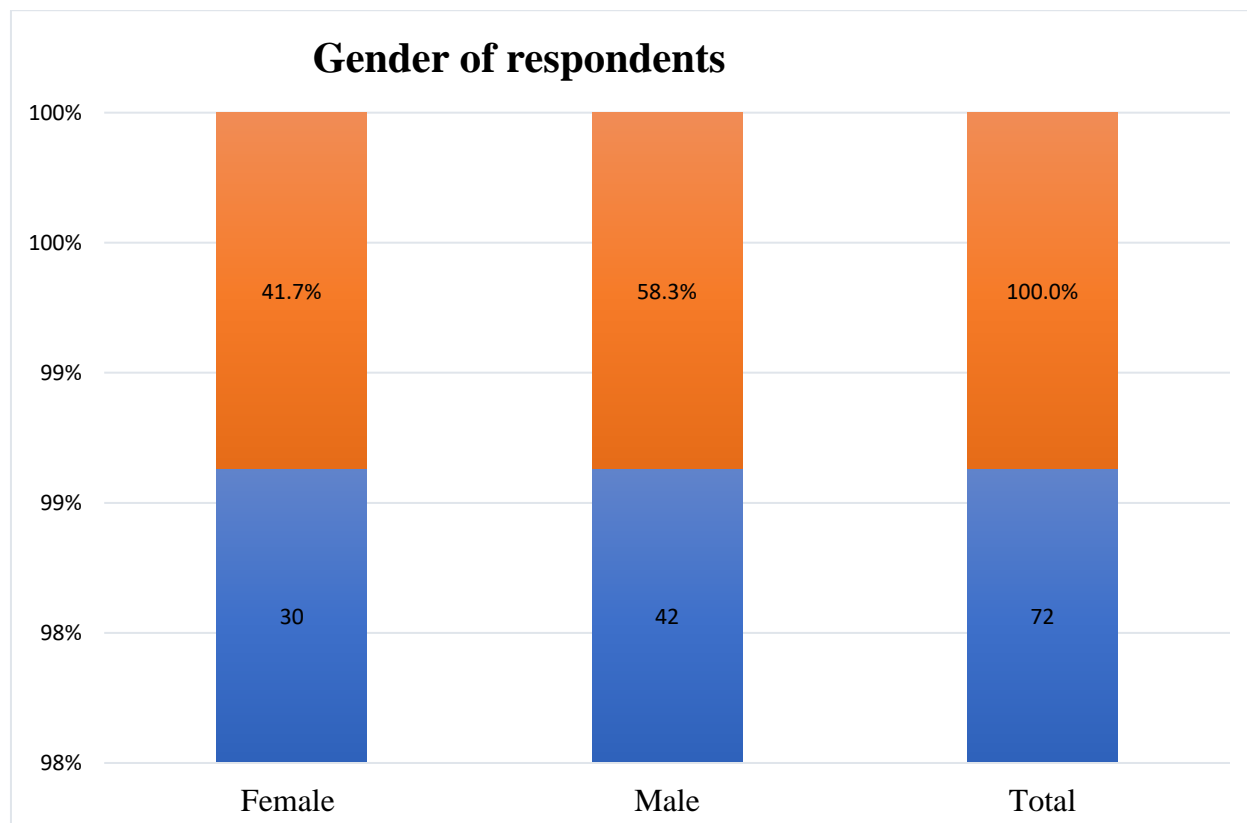


Source: Field data, 2025

Based on the graph shown above, the study had 30 female (representing 41.7%) and 42 males (representing 58.3%) making the population 72. These were respondents that fully participated in the study.
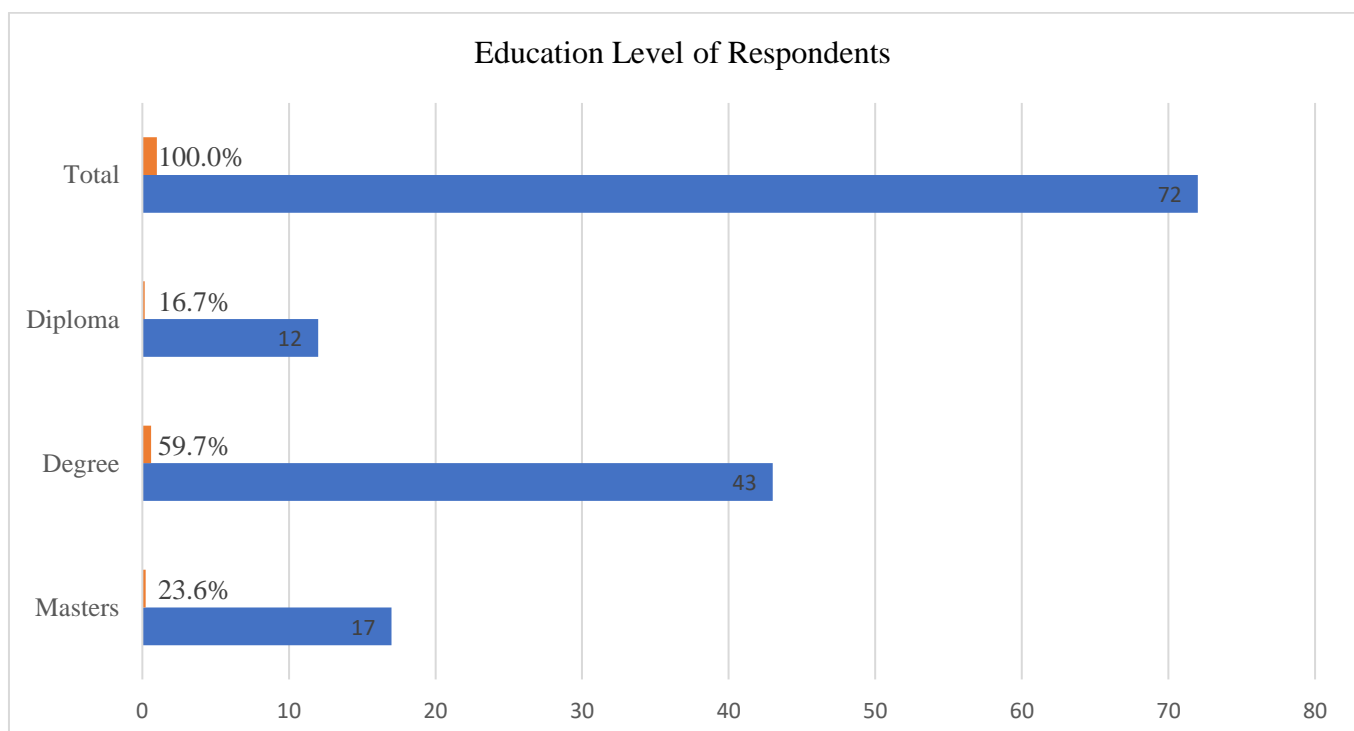
Figure 2: Age of the Respondents



Source: Field data, 2025

The graph presents the age of the respondents that took part in the study at ZRA. The study indicated that 21 of the respondents were aged 21-30; 27 were aged 31-40; while 9 were aged 41-50 and 15 were aged 51 to 60 bringing the total to 72 respondents purposively sampled.

Figure 3: Education Levels of Respondent

Source: Field data, 2025

Based on the study findings, the study respondent was educated and with a minimum of Diploma and maximum

of Master Degree. It was found that, 12 respondents had Diplomas, 43 were Degree holders while 17 respondents were Master's Degree holders.

**The effectiveness of the ZRA's Stakeholder Engagement Strategy**

Table 1: Effectiveness of the Strategy

How effective is the ZRA stakeholder engagement strategy?

| Respondents | Stakeholder Engagement Level satisfaction |
|---|---|
| 60 | High satisfaction |
| 12 | Low satisfaction |

Source: Field data, 2025

Based on the study findings, the majority of respondents (60) rated the overall effectiveness of ZRA's stakeholder engagement strategy as good, with high satisfaction score while (12) twelve said the satisfaction was low. Business groups and taxpayers generally felt moderately satisfied, while NGOs and smaller stakeholders expressed concerns about a lack of comprehensive engagement and opportunities for direct involvement in policy discussions.

The study found that that ZRA engages with them on a quarterly or bi-annual basis, with taxpayers and businesses receiving more frequent interactions compared to NGOs and civil society groups, who felt that the engagement was too infrequent (annually or semi-annually). Stakeholder meetings and workshops were primarily conducted at a local level for businesses, but rural stakeholders feel excluded due to the limited use of online platforms for engagement.

The study also wanted to find out the types of engagement that are used and it was found that ZRA engages stakeholders through various channels, such as taxpayer forums, workshops, surveys, and individual consultations. The effectiveness of these engagement methods varied. Workshops and forums were perceived as useful for large businesses but inadequate for smaller businesses and rural taxpayers. Surveys and consultations were seen as useful tools for feedback, but their frequency was noted as inconsistent.

Regarding the stakeholder awareness and knowledge of ZRA's Work, approximately 70% of respondents indicated that they had a good understanding of ZRA's functions, especially those in regular contact with the authority, such as businesses and tax professionals. However, 70% of rural taxpayers experience uncertainty about ZRA's tax policies and often relied on intermediaries for information, pointing to a gap in direct communication efforts by ZRA.

The study also noted that effectiveness of communication channels was observed among employees who are in contact with the system and management of the communication channels. Email newsletters and official websites were used, but only 40% of stakeholders reported being actively engaged through these channels. Many stakeholders, particularly in rural areas, found email updates and website content to be too technical and not accessible as stated by employees.

The respondents (employees) said that social media was largely underutilised, with only 25% of stakeholders reporting that ZRA used platforms like Twitter, Facebook, or LinkedIn effectively. This underuse of digital media was a significant barrier for younger stakeholders and tech-savvy groups. Furthermore, generally reported that

ZRA's response time to queries and concerns was slow. Taxpayers expressed frustration at waiting long periods (up to two weeks or more) to receive responses to questions related to tax assessments or changes in tax regulations. Businesses in urban areas received quicker responses but still noted delays in receiving actionable advice or feedback on regulatory matters.

Figure 4: Helpfulness of the stakeholder engagement to ZRA

Has the stakeholder engagement helpful to ZRA?



**Helpfulness of the stakeholder enagement to ZRA**

5%

42%

53%

- strongly agree
- Agree
- Disagree
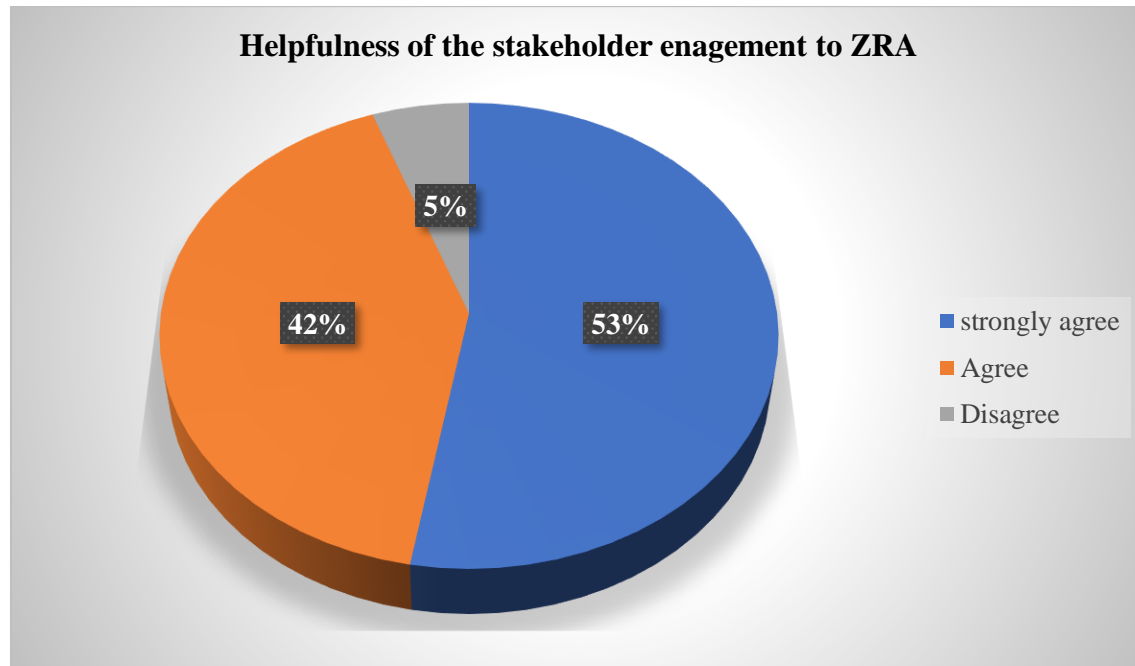
**Source:** Field data, 2025

Based on the findings, the study found that stakeholder engagement was so helpful and based on the responses, 38 (53 %) respondents strongly agreed, 30 agreed (42%) while 4 respondents representing 5% disagreed.

**To what extent has the stakeholder engagement strategy achieved its objective?**

Table 2: Extent of stakeholder engagement to achieve its objective

| Extent of achievement | Frequency | Percentage |
|---|---|---|
| To a greater extent | 9 | 64.29 |
| To a lesser extent | 5 | 35.79 |

Source: Field data, 2025

Respondents acknowledged significant achievements, including:

Meeting revenue targets (64% of respondents).

Enhancing taxpayer awareness and responsibility (66%).

The effectiveness of ZRA's strategy is evident in its ability to meet targets and promote awareness. However, achieving broader outreach and addressing underserved populations remain key areas for improvement. This aligns with **Goal-Setting Theory**, which emphasises setting clear, measurable objectives to drive performance.

## Key Barriers to Effective Stakeholder Engagement at Zambia Revenue Authority (ZRA)

This section presents the study findings on the barriers to effectiveness and the respondents mentioned a number of barriers that hindered the effectiveness of stakeholder engagements at ZRA and these barriers are shown below in the table.

Table 3: Key barriers to effective stakeholder engagement

| Barriers/Concerns | Frequency | Percentage |
|---|---|---|
| Lack of access to new system | 20 | 27.78 |
| Need for more sensitisation | 18 | 25.0 |
| Complaints on system functionality | 15 | 20.83 |
| Lack of communication and feedback | 10 | 13.89 |
| Economic hardships affecting compliance | 9 | 12.50 |
| **Total** | **72** | **100** |

Source: Field data, 2025.

While ZRA's stakeholder engagement strategy has been effective in many areas, several significant barriers limit its reach and impact. Certain groups, including unregistered business, marketeers, and one platform, remain underserved, reducing the inclusivity of ZRA efforts. Major concerns raised by shareholders.

Major concerns raised by stakeholders as stated by respondent (employees) include limited access to digital systems like the e-smart platform (27.78%), the need for increased sensitisation (25%), system functionality issues (20.83%), and inadequate communication and feedback (13.89%). Economic hardships affecting compliance (12.50%) further highlight the challenges faced by stakeholders, particularly SMEs and informal sector participants.

Engagement efforts are frequent, with 50% of respondents reporting 3-4 engagements weekly. However, many noted that these interactions are often reactive, occurring during policy changes or on an as-needed basis. While this demonstrates ZRA commitment to outreach, the quality and inclusivity of engagements require improvement to build trust and foster collaboration.

In alignment with its mission, ZRA efforts to engage underserved groups reflect its commitment to inclusivity and fairness. However, challenges related to system accessibility, insufficient communication, and economic constraints hinder its effectiveness. By addressing these barriers, ZRA can foster stronger collaboration and trust with stakeholders, enhancing compliance and achieving sustainable revenue growth.

### Other Barriers/Constraints

Furthermore, on the other part, the respondent was asked to state other barriers with their description and their impact on the stakeholder engagements and the findings are indicated in the table below as shown.

Table 4: Other barriers and their impact to ZRA

| Barrier | Description | Impact |
|---|---|---|
|  |  |  |

| | | |
|---|---|---|
| Lack of Communication Channels | Limited channels for open communication between ZRA and stakeholders, especially in remote areas. | Reduces trust and information flow. |
| Inadequate Stakeholder Mapping | Failure to identify and prioritise stakeholders based on their influence and interest. | Leads to neglect of key groups, diminishing engagement effectiveness. |
| Cultural and Language Barriers | Differences in cultural backgrounds and language among stakeholders. | Creates misunderstandings and alienates stakeholders. |
| Political Influence | Political interference affecting decision-making and the engagement process. | Erodes trust and credibility of ZRA in the eyes of stakeholders. |
| Resource Constraints | Limited budget and staff for extensive stakeholder outreach programs. | Results in shallow or incomplete engagement efforts. |

Source: Field data, 2025

Table 5: Barriers based on their impact level on engagement effectiveness

| Barrier | High Impact | Moderate Impact | Low Impact |
|---|---|---|---|
| Lack of Communication Channels | ✔ | | |
| Inadequate Stakeholder Mapping | ✔ | | |
| Cultural and Language Barriers | ✔ | | |
| Political Influence | ✔ | | |
| Resource Constraints | | ✔ | |
| Lack of Stakeholder Buy-in | ✔ | | |

Source: Field data, 2025

The study also wanted to establish the impact level of barriers on engagement effectiveness and it was found that all the barriers had high impact on the effectiveness engagements and only resource constraints was rated as with moderate impact by respondents.

**Evidence-based strategies for enhancing stakeholder collaboration and trust**

Based on the interviews and questionnaire, conducted with the respondents (employees) the following were the listed strategies that could enhance stakeholder collaboration and trust.

**Transparent communication**

Regular updates on policy changes, tax regulations, and project outcomes through newsletters, radio, and social media. It builds credibility and reassures stakeholders about ZRA.

**Inclusive decision-making;** organise stakeholder consultations and focus groups for input on ZRA initiatives. **st**rengthens the collaboration between ZRA and external stakeholders and ensures decisions align with their needs.

**Timely & responsive feedback:** Implement an efficient complaints management system with clear timelines for responses. This reduces frustration and increases trust in ZRA's responsiveness.

**Community engagement initiatives:** Launch community outreach programs to educate taxpayers on their responsibilities and ZRA's role. This can build strong relationships with local communities and enhances ZRA's public image.

**Use of technology and data:** Introduce online portals for stakeholders to track tax processes and report issues.

This also can provide transparency and accessibility, improving trust in ZRA's fairness and efficiency.

**Conflict resolution mechanisms:** Set up a formal grievance redress system and train staff to handle disputes impartially. Once this is done, the respondent said, it will assure stakeholders of fair treatment, increasing their willingness to collaborate.

**Expand outreach**: Prioritise underserved groups, including unregistered businesses and remote communities.

**Enhance digital inclusion**: Address literacy and infrastructure barriers to expand digital platform usage.

**Strengthen feedback mechanisms**: Provide timely responses to stakeholder input to build trust.

**Broaden incentives:** Increase recognition programs and tax incentives to reward compliance.

**Focus on quality engagement**: Balance engagement frequency with inclusivity and meaningful interactions. These improvements will enable "ZRA to align its stakeholder engagement strategy more closely with its mission of fairness, efficiency, and sustainable revenue growth".

**Targeted stakeholder outreach**: SMEs, retailers, and the informal sector are often unaware of the benefits of tax compliance or fear the financial burden of registration. ZRA should develop sector-specific engagement programs, offering simplified tax processes and incentives like tax amnesties or reduced penalties for first-time registrants.

**Improved communication**: Inefficient communication reflects a lack of alignment between ZRA's messaging and stakeholders' preferences. By using data-driven insights to tailor communication strategies, ZRA can ensure messages are relevant and resonate with different audience segments.

**Frequent updates to checklists**: Consistent updates to stakeholder checklists will enable ZRA to track emerging businesses and changes in the economic landscape. This can be achieved through partnerships with regulatory bodies like PACRA, as well as periodic field surveys to identify new stakeholders.

**Revenue expansion strategies**: Expanding the stakeholder base requires both carrots and sticks while offering incentives, ZRA must also enforce penalties for non-compliance. Collaboration with local authorities and trade associations can help identify unregistered businesses and encourage compliance through collective action.

**Digital engagement**: Digital channels like social media, mobile apps, and online webinars can help ZRA reach a broader audience more efficiently. These platforms are particularly effective for educating stakeholders about their obligations and the benefits of compliance, thereby fostering trust and transparency.

Table 6: Impact of strategies on stakeholder trust

| Strategy | Stakeholder Group | Measured Impact | Metric |
|---|---|---|---|
| Transparent Communication | Taxpayers, Business Owners | Improved perception of ZRA's accountability. | Survey results (Increase in satisfaction by 25%) |

| Inclusive Decision-Making | Government, Businesses | Higher participation in policy discussions. | Increase in stakeholder involvement by 30% |
|---|---|---|---|
| Timely & Responsive Feedback | Taxpayers, Local Community | Increased confidence in ZRA's responsiveness. | Reduction in complaint resolution time by 40% |
| Community Engagement Initiatives | Local Communities | Stronger relationships with ZRA. | 20% increase in community-led feedback initiatives |
| Use of Technology & Data | Businesses, Taxpayers | Increased trust in data transparency. | 35% increase in digital engagement |
| Conflict Resolution Mechanisms | All Stakeholder Groups | Enhanced perception of fairness. | 50% decrease in stakeholder complaints |

Source: Field data, 2025

# SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

**The effectiveness of the Zambia Revenue Authority's Stakeholder Engagement Strategy**

The Zambia Revenue Authority's (ZRA) Stakeholder Engagement Strategy has demonstrated notable effectiveness in enhancing transparency, fostering voluntary compliance, and building trust with key stakeholders, especially among larger corporations and organized business associations. The strategy's focus on taxpayer education, public campaigns, and feedback mechanisms has yielded significant success, with a majority of respondents affirming its importance in achieving ZRA's mission of maximizing revenue collection. Stakeholders have reported increased awareness, improved access to information, and a greater understanding of tax regulations, which have contributed to the overall improvement in compliance. However, challenges remain, particularly in engaging smaller businesses, the informal sector, and rural stakeholders who feel marginalised by the strategy's focus on larger, more established entities.

**Key barriers to effective stakeholder engagement at ZRA**

The second objective of identifying barriers to effective stakeholder engagement revealed several critical issues. Limited resources, both financial and human, have hindered ZRA's ability to conduct comprehensive outreach activities, especially in underserved areas. Logistical challenges, including poor infrastructure and low internet penetration, further exacerbate engagement gaps, particularly for rural and informal sector stakeholders. Additionally, a lack of a robust feedback loop has contributed to a sense of disenfranchisement among stakeholders, particularly those in the informal sector who perceive the engagement approach as top-down and disconnected from their daily challenges. Trust issues, especially in rural communities, also persist, with stakeholders feeling that ZRA's focus is more on enforcement rather than fostering collaborative relationships.

**Evidence-based measures for enhancing stakeholder collaboration and trust at ZRA**

To address these barriers and enhance stakeholder collaboration and trust, the third objective emphasises the need for targeted, evidence-based strategies. Key recommendations include adopting more localised engagement approaches tailored to the needs of different stakeholder groups, particularly the informal sector. Establishing partnerships with community leaders, business associations, and NGOs can amplify ZRA's outreach efforts and make engagement more inclusive. Enhancing the feedback mechanism, ensuring that stakeholder concerns are heard and acted upon, will foster a more participatory approach to engagement. Additionally, capacity-building programs for both ZRA staff and stakeholders, along with improved communication through diverse channels such as digital platforms, radio programs, and community meetings, can further strengthen the relationship between ZRA and its stakeholders. By addressing these challenges and implementing these strategies, ZRA can

enhance its Stakeholder Engagement Strategy, leading to more effective collaboration, greater stakeholder trust, and a more cooperative and efficient tax system in Zambia.

# CONCLUSION

In concluding, the findings from the study on the Zambia Revenue Authority's (ZRA) Stakeholder Engagement Strategy highlight that the strategy has been generally effective in fostering transparency, improving taxpayer awareness, and promoting voluntary compliance, especially among larger businesses and organized associations. However, smaller businesses, informal sector representatives, and rural stakeholders expressed dissatisfaction with the frequency and depth of engagement, often feeling excluded from meaningful dialogues. The study identified several barriers to effective engagement, including limited resources, logistical challenges, and a lack of a robust feedback loop, particularly affecting stakeholders in underserved areas. Despite these challenges, the findings suggest that enhancing localized, inclusive engagement strategies, improving communication channels, and investing in capacity-building for both ZRA staff and stakeholders could significantly strengthen the strategy. These measures would help bridge the trust gap, foster collaboration, and improve stakeholder relationships, ultimately contributing to a more effective and cooperative tax system.

# RECOMMENDATIONS

Based on the study findings, the following recommendations are proposed:

a) Allocate resources and build capacity;

b) Implement localised and tailored engagement strategies;

c) Foster trust through collaborative approaches;

d) Enhance communication and transparency;

e) Establish and strengthen feedback mechanisms; and

f) Monitor and evaluate engagement efforts.

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**Conflicts of Interest**

The author of this study declares no conflicts of interest regarding the publication of this paper.

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