

The role of innovation and organisational agility to drive strategic capabilities:

A Case of Eswatini Revenue Services (ERS)

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A research project submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Philosophy (Corporate Strategy).

Date: 24 November 2025

DECLARATION

I declare that this research project is my work. It is submitted in partial fulfilment of the Master of Philosophy (Corporate Strategy) degree requirements at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination at any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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ABSTRACT

Innovation and agility serve as key pillars of the **Eswatini Revenue Services** (ERS) strategic capabilities, therefore critical in driving its strategic success and fulfilling its mandate to enforce tax compliance, improve risk management and boost efficient revenue collection. The study closely examined ERS's strategic capabilities, focusing on how it employs the constructs of innovation and agility to develop and renew its capabilities and achieve its strategic objectives under limited resources. A turbulent landscape of geopolitical tensions and policy uncertainties demands capabilities to continually navigate rapid disruptions, digital transformation under the constant rise of artificial intelligence.

The research aimed to explore the distinct roles of innovation and agility in driving Eswatini Revenue Services' strategic capabilities within the Resource-Based View and dynamic capabilities as theoretical anchors. A qualitative research method was employed to explore the experiences and perspectives of current ERS employees on these study constructs. This study used semi-structured interviews to collect data from a total of 15 interview participants in executive management, middle management, and employees in strategic roles.

The study offers new insights into the role of innovation and agility in strategic capabilities, suggesting potential improvements to existing literature on strategic capabilities. The ERS study provides a unique examination of innovation, agility and the possible limitations of strategic capabilities within the operational constraints of state-owned enterprises operating under restrictive legislation, limited financial autonomy, and reliance solely on government budget cycles and decisions. It also tentatively addresses a research gap in strategic capabilities research in the public sector and emerging economies, which are generally less studied than their private-sector profit-oriented counterparts. Additionally, the study emphasises a regulatory focus on the use of data analytics and partnership strategies for fiscal enforcement and taxpayer compliance.

Key words

Agility; Innovation; Strategic capabilities; Dynamic capabilities; Resource-based view

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LIST OF ACRONYMS AND ABBREVIATIONS

AI	Artificial Intelligence
BMI	Business Model Innovation
CEO	Chief Executive Officer
CFC	Coordination Flexibility Capabilities
DA	Data analytics
DC	Dynamic Capabilities
DDI	Data-driven innovation
DT	Digital transformation
ERS	Eswatini Revenue Services
ESPPRA	Eswatini Public Procurement Regulatory Agency
EU	European Union
GDP	Gross Domestic Product
GIBS	Gordon Institute of Business Science
HRM	Human resource management
IT	Information Technology
ORMB	Oracle Revenue Management and Billing
PFMA	Public Finance Management Act
RBV	Resource-Based View
RQ	Research questions
SA	Strategic Agility
SACU	Southern African Customs Union

SC	Strategic Capability
SOEs	State Owned Enterprises
TGP	Ten Global Principles
TIN	Taxpayer Identification Number
VRIO	Value, Rare, Imitable and Organisation

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CHAPTER 1: INTRODUCTION

1. Problem statement and background

Recognising the need for agile and adaptable customs administration, the World Customs Organization (WCO) acknowledges that future planning must not compromise the flexibility and resilience needed to respond swiftly to present and future opportunities and challenges. As acknowledged in the WCO strategic plan, technology is undisputed in today's world; therefore, the success of customs innovation depends on transforming towards agile Customs through digitalisation of procedures, data analytics, information exchange, and innovative working methods (World Customs Organization, 2022).

This research explores how innovation and agility can enhance the strategic capabilities of the Eswatini Revenue Services (ERS), especially given the growing challenges in enforcing tax compliance alongside increasing demands for transparency, efficiency, and accountability. According to Dom et al. (2022), tax innovation is crucial for customising reform efforts and strengthening national tax systems. Similarly, Turksen and Abukari (2021) highlight that the rapid expansion of the digital economy contributes significantly to these complexities, making the development of innovative and agile strategies essential for ERS to achieve technology-driven compliance and combat tax fraud. By fostering innovation and agility, ERS can simplify tax processes, offering taxpayers a more personalised experience. Furthermore, data analytics and AI could enable real-time detection of tax fraud, as noted by Turksen and Abukari. As reliance on digital devices and applications increases globally, so does cybercrime, prompting a shift in criminal activity. As digital transactions become integral to commerce, consumer behaviour, and daily life, it underscores the importance of taxing electronic transactions (World Customs Organization, 2024).

A qualitative research approach is employed to examine the impact of innovation and agility in strengthening the institution's strategic capabilities, while continually adapting to taxpayer expectations, technological progress, and rapid changes in its operating environment. An investigation into the institution's innovation, agility, and strategic capabilities offers insights into the enhancements that ERS can apply to streamline operations effectively and meet its strategic objectives.

Although it operates within the government's broad framework, for efficiency, the ERS functions independently of the civil service as a state-owned enterprise (SOE). Established

through the Eswatini Revenue Services Authority Act of 2008, the ERS is a semi-autonomous agency responsible for revenue collection and tax administration. In fulfilling its mandate, the ERS regularly faces fiscal and economic challenges owing to adverse economic conditions. Over the years, the country's economy has relied heavily on fluctuations in the South African Customs Union (SACU) receipts.

Further justification for this study draws from the World Bank's recognition that substantial improvements in revenue mobilisation are connected to the modernisation of revenue collection policies and administrative systems. According to World Bank (2024), among other innovations, an accelerated shift towards digital revenue management is one of the primary strategies adopted by low- and middle-income countries. As traditional business models and systems become outdated and struggle to meet the changing demands of internal and external business environments, the need to find effective strategies for managing the mandates of SOEs has become more urgent. The disparity observed is that African governments' SOEs are failing to meet their mandates, facing an unprecedented rise in costs and resource-related constraints (Kumalo & Scheepers, 2020). It is important to note that these findings stem from general studies of SOEs; however, this study specifically focuses on the ERS and Eswatini context.

The World Bank defines SOEs as entities owned and/or controlled by the state to perform specific mandates for providing goods and/or services on a commercial basis. This definition also clarifies that an entity is considered an SOE if: (i) it is legally controlled by the state through ownership of shares and/or other means; (ii) it is legally and financially autonomous from the state, with its own legal personality, rules of operation usually established under a legal regime via statutes, and clearly specified sources of revenue and funding; and (iii) it operates in a market for goods or services that could, in theory, be supplied by a private company (World Bank, 2024).

Milinkovich et al. (2025) acknowledge the need for businesses to adopt an AI-first approach in modernising organisational capabilities to drive sustainable business value and to adapt to, and harness, the latest advancements. This approach avoids clinging to outdated technologies that can hinder innovation and development speed. As further argued, effective modernisation and transformation require data-powered, organisation-wide, reusable AI components and capabilities. Essential, comprehensive, and organisation-wide capabilities are key to successful AI integration. Such capabilities may include reimagined engagement,

AI-powered decision-making, enhanced infrastructure, and integrated data platforms. To maximise the impact of AI across the organisation, businesses must invest in technology.

1.2. The business relevance for the research

At the global stage, setting the tone for a complex yet vital mandate, building new capabilities with limited resources is recognised as essential for national tax and customs authorities to promote financial sustainability in a world sensitive to volatility and disruption. Drawing from the limited resources available for country customs organisation, resource optimisation is a key consideration in order to concentrate workforce efforts, allocate financial resources to the key strategic objectives, and provide value for money (World Customs Organization, 2024)

As reported by the African Development Bank Group, in the *Eswatini Country Focus Report* (2025), Eswatini's tax revenue accounted for 29.4% of the total 30% Gross Domestic Product (GDP). In essence, this means that non-tax revenue only accounted for about 1.1% of GDP in 2024 (African Development Bank Group, 2024).

Although the focus of the study is on the ERS, its importance goes beyond the efficiency of the ERS in fulfilling its tax collection and service delivery mandate. With increasing pressure on government departments and institutions to enhance transparency, efficiency, and accountability in their operations, understanding the role of innovation and agility in transforming strategic capabilities and operational efficiency becomes essential (Dom et al., 2022). The practical relevance of this study is highlighted by Turksen and Abukari (2021), who note that the unprecedented growth of the digital economy heightens the urgency for agile innovation of taxation systems, as demonstrated by countries like Estonia that pioneered technology-driven solutions to tax fraud.

Strategically, the ERS recognises its digitalisation ambitions and identifies operational efficiency as a key strategic theme in 2024–2027, to be 'Digitalised and data-driven with our partners Eswatini Revenue services (2024a; 2024b)'. The digitalisation strategy aligns with the SACU 2022–2027 Strategic Plan pillar to enhance the effectiveness of SACU institutions. The expectation of this study is that the ERS roadmap, which aims to continuously innovate towards a digitalised, data-driven revenue mobilisation agency for sustained relevance and efficiency, challenges the organisation to be agile in innovation and in the reimagination of its strategic capabilities. Notably, the highly sought digitisation of structural reforms primarily focuses on business models and processes related to the registration and payment of taxes.

Against this backdrop, this research aimed to provide insights into the recent work of academic scholars who have extensively explored the drivers, enablers, successes, and failures of strategic capabilities in similar constructs but in different contexts from that of Eswatini and the ERS landscape. The study intended to make a business contribution in three ways. *First*, the findings from this research are expected to benefit and inform the ERS's strategic development and execution processes beyond tax and revenue collection, aiming to improve service delivery, overall organisational performance, and effectiveness. This generates insights into the unique capabilities suited for the innovation, agility, and transformation of the ERS's strategic capability and operational model. *Second*, the study guides ERS leadership on effective strategies and capabilities that they can adopt to successfully implement innovation under resource constraints. *Third*, although the focus is specifically on the ERS, its findings may also inform the development of strategic capabilities in other SOEs, which would be essential for enhancing their performance.

1.3. The theoretical need for research

The study identified innovation and strategic agility as essential constructs for examining the ERS's strategic capabilities, drawing on the theories of Dynamic Capabilities (DCs) and Resources-Based View (RBV). Existing literature affirms the importance of DC and RBV theories in relation to the agility and resilience of both profit and non-profit business models. As noted in Kumalo and Scheepers (2020), previous research on SOEs has mainly focused on the decline and recovery of failing SOEs. Combining the theories of RBV and DC, the study aims to demonstrate how organisations can leverage their resources and capabilities to adapt to and compete in an ever-changing environment (Kumalo & Scheepers, 2020).

The RBV relates to the utilisation of an organisation's tangible and intangible resources to gain a competitive advantage and generate superior economic value. Mainly, the RBV theory emphasises the VRIO framework—value, rarity, imitability, and organisation—focusing on resources such as knowledge-based, human, physical, organisational, and technological assets. Meanwhile, the focus of studies on DC theory has been on marketing, operational, innovation, and integration capabilities (Kero & Bogale, 2023).

In Hock-Doepgen et al. (2025), the management of innovation is recognised as a form of organisational capability, and the process is seen as knowledge-intensive, requiring strategic decision-making alongside the harnessing of an institution's knowledge development and co-creation processes. Managerial expertise is identified as essential for the success of business model innovation and competitiveness. Jafari-Sadeghi et al. (2022) define agility as a set of

characteristics that help businesses make better decisions and build organisational resilience, innovation, sustainability, and adaptability in the era of digitisation.

In expanding the study's RBV theoretical perspective to include DC, the researched aimed to explore the regeneration of essential skills to maintain a sustainable competitive advantage. Unlike a potentially rigid RBV approach, the DC theory is based on the needs and circumstances of a rapidly changing environment, continuously building, adapting, regenerating, restructuring, and integrating both internal and external competencies to sustain competitive advantage (Kero & Bogale, 2023). It is further argued that the scope of the DC theory includes organisational and strategic processes in response to external environmental demands. According to the DC theory, organisations succeed by constantly rearranging their resources, competencies, and abilities to align with external changes, thereby securing a sustainable competitive advantage. Kero and Bogale (2023) identified underexplored areas, including (i) the types of resources influencing financial and non-financial performance, (ii) methods for measuring a firm's capabilities, and (iii) critiques of the RBV theory, which offer potential directions for future research. Consequently, the conclusion prompts the study to examine the factors influencing the performance of the ERS, an organisation operating under a non-profit business model.

Extant literature on the subject reveals a biased narrative favouring the private sector, leaving ample scope for future scholarly research to explore deeper insights into various approaches that can be adopted by the ERS. In line with the assertions in Sultana et al. (2022), the study further investigates the role of strategic agility in enhancing business performance through data-driven innovation capabilities, which remains notably understudied. According to the RBV argument, Sultana et al. (2022) contend that strategic capabilities, including the strategic deployment of resources, are vital for maintaining a business's competitive advantage. The study highlights the theoretical importance of the RBV in sustaining innovation and relevance.

The assertions in previous scholarship seemingly aligns with the observation in Kumalo and Scheepers (2020), that over the years, the focus of academic research has concentrated on poor performance and the rescue of failing SOEs, rather than a transformation-oriented outlook. A gap in academic scholarship is further seen in a study focused on SMEs' capability, which explored how SMEs leverage agility; the study identified a gap in understanding the drivers and outcomes of agility as a capability and business enabler (Jafari-Sadeghi et al., 2022). A theoretical need for this research is also heightened by the limited number of empirical studies in the context of African developing countries like Eswatini that investigate

the role of innovation and agility in driving strategic capabilities in both private and public sectors.

The study contributes to theories of strategic capabilities in two ways. *First*, as a contribution to theory, it aimed to introduce new insights and refine existing literature based on findings from the African context. Such insights may help scholars and business leaders to proactively develop effective strategies for sustainable business model innovation. *Second*, the study sought to shift the narrative that academic research has focused mainly on poor performance and the rescue of failing SOEs, rather than on a transformation-oriented perspective. In this regard, the study combines the RBV and DC theories for an in-depth understanding of how ERS has, or might, innovate and enhance its agility to generate relevant strategic capabilities suited to a dynamic yet resource-constrained environment.

1.4. Research contribution

A tentative claim of the study's contribution to strategic capabilities is to make a potential contribution that addresses a potential gap in strategic capabilities within the public sector and emerging economies, which are reportedly understudied compared to their private sector profit-making counterparts (Luo et al., 2024; Melesse, 2025) based on the following.

The ERS study provides a unique exploration of the limitations of strategic capabilities within operational constraints that pertain to state-owned enterprises operating under restrictive legislation, limited financial autonomy, and reliance solely on government budget cycles and decisions.

The study also provides a regulatory focus on the use of data analytics and partnership strategies for fiscal enforcement and taxpayer compliance analysis, as opposed to market-driven product development and profitability focus.

The study further offers a specific avenue for future theoretical development of the public stakeholder management approach beyond the common compliance enforcement strategy. It challenges the notion of stakeholder legitimacy and co-creation capability within tax administration as strategic assets for securing taxpayer buy-in.

1.5. Project scope

A case study on ERS, an SOE, was conducted in this research. The focus of the study was the geographic area of Eswatini. The study aimed to interview the ERS executive management team responsible for strategic decision-making; middle management, as the first line of

oversight, are responsible for implementing the institution's business strategy, and managing other employees in key strategic roles.

1.6. The research questions (RQs)

Based on the literature review discussed in Chapter 2, the research aims to answer the three listed research questions.

Research Question 1: What are the current challenges and issues impacting the ERS strategic capabilities?

Research Question 2: How can agility help the ERS to enhance its strategic capabilities?

Research Question 3: How can innovation enhance the ERS strategic capabilities?

CHAPTER 2: LITERATURE REVIEW

2.1. Introduction

The section examines the relevant literature on the research topic and study constructs to establish the debates among academic scholars. The researcher aims to perform a comparative analysis of the similarities and differences in scholars' discussions and findings to identify the existing literature gap that justifies this specific research focus. To explore the current debates surrounding the study topic, the researcher used the keywords: "innovation", "agility", "strategic capabilities", "resource-based view", and "dynamic capabilities".

Theoretically, the study is based on the DC and RBV theories. Research by various scholars confirms the importance of these theories in understanding the agility and resilience of strategic management in both profit and non-profit business models. The study employs innovation and agility as the primary concepts for analysing the ERS's strategic capabilities.

2.1.1. The Resource-Based View (RBV)

The RBV is a fundamental element in strategic management literature, building on the work of Wernerfelt (1984) and continuing to make significant contributions to the development of new strategic management concepts and perspectives (Helfat et al., 2023). According to Kero and Bogale (2023), the RBV emphasises achieving an organisation's competitive advantage through the exploitation of its valuable, rare, imitable, and organisational (VRIO) resources. Helfat et al. (2023) argue that businesses which possess and leverage their strategic resources outperform competitors and attain sustained competitive advantages. They identify strategic resources as including patented technology, organisational culture, and a strong brand reputation, among others. The study also highlights managerial capabilities as a source of competitive advantage for a business, alongside the necessity to leverage Artificial Intelligence (AI) to enhance managerial resources. Furthermore, the study suggests that AI will improve the speed of decision-making and positively affect the quality of decisions made, enabling better adaptation to current and future contexts than limited human judgement.

An RBV perspective guides the study to explore how the ERS can utilise its strategic resources, including knowledge, human capital, organisational assets, brand reputation, and technological capabilities, for the overall enhancement of its strategic skills. The perspective also focuses the study on exploring viable means of agility and innovation that are suitable for the ERS's resource-constrained environment and aligned with the strategic goal of optimising AI to drive its digitalisation strategy.

2.1.2. Relevance of RBV in the study

According to Turksen and Abukari (2021), in line with the OECD's Ten Global Principles (TGP), states must ensure that institutions responsible for tax administration and related crimes are provided with sufficient resources, including financial resources, to carry out their duties effectively. From an RBV perspective, Kero and Bogale (2023) argue that an organisation achieves its competitive advantage through the exploitation of its VRIO resources. Consistent with this view, Helfat et al. (2023) argue that businesses that possess and leverage strategic resources outperform competitors and earn sustained competitive advantages. The strategic resources in this regard are identified as patented technology, organisational culture, and a strong brand reputation, among others.

In the context of tax compliance administration, Turksen and Abukari (2021) emphasise the importance of sufficient resources to enforce tax compliance, including financial, human, and infrastructural resources in accordance with the TGP as fully recognised by the European Union (EU). Luo et al. (2024) highlight that government subsidies are crucial for shaping the strategic priorities and success of Chinese SOEs, supporting the achievement of national policy objectives like digitalisation. Similarly, the success of tax compliance measures depends on adequate financial resources. However, EU countries still face significant obstacles in resource acquisition, particularly in securing funding and skilled personnel, which hinder their ability to meet revenue targets. These challenges make tax enforcement agencies highly vulnerable to tax evasion at the slow pace of digitisation (Turksen & Abukari, 2021).

Turksen and Abukari (2021) highlighted that, since tax collection is not an end in itself, it can be demotivating if revenue fails to support good governance and service delivery. Therefore, it is important to allocate revenue to justified expenditure effectively. Investment in information technology is recognised as essential to tax reforms, but often suffers from cost overruns owing to excessive costs and misaligned timelines.

2.1.3. Dynamic capabilities (DCs)

Although a growing number of conceptual and empirical studies in DC literature have accumulated over the years, conceptually, the DC theory can be traced back to the seminal work of Teece (1990 as cited in Zahra et al., 2022a). The DC theory addresses the survival and adaptability of a business under increasingly complex conditions. For purposes of this study a DC lens enables the exploration of the role of agility in driving strategic capabilities to sense, seize and transform under turbulent times. It emphasises the importance for organisations to effectively develop and deploy dynamic capabilities for evolutionary success,

considering the complexities and challenges within the operating environment (Zahra et al., 2022b). The study reinforces the adaptability, sustainability, and evolutionary success of carefully curated and exploited geopolitical, institutional, technological, and social dynamic capabilities to counter threats and fully embed these within the interconnected operating context. The changing business landscape requires effective and agile integration, renewal, reconfiguration, and upgrading of strategic resources, processes, and capabilities for success. Zahra et al. (2022a) support studies by several scholars on the importance of DC in effectively aligning and deploying business resources to adapt to the dynamic environment. Zahra et al. (2022a) also stress the importance of countering unintentional consequences that may arise from the misappropriation of such resources in the absence of proper alignment.

For the purposes of this study, adopting a DC perspective informs how the ERS can continuously build, adapt, regenerate, and integrate its resources, processes, capabilities, knowledge management systems, and resource deployment both internally and externally in response to the complexities of the operating environment.

2.2. Strategic capabilities

2.2.1. The definition of strategic capabilities (SCs)

Kane et al. (2021) and Weritz et al. (2024) define SCs as a combination of capabilities and resources that collectively drive a firm's value delivery. The study identifies SCs as the foundation of business value. To explain how this combination works, Weritz et al. (2024) highlight that it requires the integration of outside-in and inside-out capabilities to achieve digital transformation. The combination aims to support the idea that one-dimensional capabilities may not be sufficient to realise full value. To illustrate an outside-in approach, the study recognises the importance of leveraging insights from the external environment to develop suitable internal capabilities that can effectively respond to external threats and opportunities. Meanwhile, Hermans et al. (2024), affirms the view that business SCs must evolve as the business develops to maintain a competitive advantage. Similar to Weritz et al. (2024), the study by Nusair et al. (2022) confirms the link between SCs and superior performance. Melesse (2025) also supports the findings related to the connection between SCs, business performance, and competitiveness.

Weritz et al. (2024) highlight that inflexible processes create conflicts and hinder a business's ability to adapt quickly to environmental changes, which is essential for maintaining competitiveness and high performance. They stress that rigidity reduces strategic agility and

flexibility, key factors for superior business results. Similarly, Melesse (2025) agrees, noting that strong system integration enables organisations to outsource and better utilise supplier resources. Melesse (2025) states that deploying strategic resources such as human and technological capabilities greatly improves business effectiveness and performance. Furthermore, delays do not signify success; instead, they reveal poor execution and strategic shortcomings, resulting in the business not meeting its objectives (Nusair et al., 2022). A gap in previous research on SCs is noted, as previous studies have seldom concentrated on emerging markets and industries such as the service and public sectors.

2.2.2. The key success factors of strategic capabilities

Weritz et al. (2024) emphasise the importance of complementary SCs as enablers of business value and the redefinition of an organisation's identity as essential for successful digital transformation and ultimately superior performance. In this context, the study classifies the six dimensions of the necessary digital transformation as outside-in SCs, which include networking capabilities for collaboration and customer centrality to understand market needs. This perspective is supported by the findings of Nusair et al. (2022), who state that SCs enabling businesses to strengthen relationships with their customers have a significant positive impact on customer satisfaction in service-based institutions compared to non-service-based ones.

Weritz et al. (2024) emphasise that strategic partnerships are vital for adopting digital solutions and shared databases, playing a key role in the success of digital transformation by enabling access to real-time business data. Mellese (2025) contends that e-business capabilities, such as system integration, are essential for enhancing business performance and strengthening the overall resource base. Weritz et al. (2024) defines strategic partnership capabilities as the accumulation of resources and knowledge that is leveraged mainly from external relationships yet is critical for the achievement of a business's competitiveness and performance. Weritz et al. (2024) argue that SCs are dependent on coordinating activities and the utilisation of assets through bundles of accumulated skills and knowledge. In this regard, Weritz et al. (2024) recognise capabilities as the key resources that grant a business a competitive advantage.

Turksen et al. (2021) further recognise the need for collaboration between tax authorities and other domestic law enforcement agencies, coupled with strong international cooperation, to reduce tax crimes. In fact, the OECD and World Bank are strong advocates of a whole of government approach to tackling financial crimes.

Meanwhile, the alignment of human resources for collaboration across different departments in an organisation is recognised as part of the spanning capabilities that are crucial for exploring the outside environment. From an inside-out capabilities perspective, Weritz et al. (2024) identify organisational agility as essential to quickly adapt to external changes and shocks, paired with innovation capability to foster the continuous regeneration of ideas by employees suited for future value creation (Weritz et al., 2024).

In addition to identifying human resources as a source of competitive advantage, Helfat et al. (2023) equally observe that traditional human resource skills may become obsolete as new technologies take up space, thus ushering in human-machine capabilities for optimal performance differentials. The same view is corroborated by Weritz et al. (2024), who introduced an empowered talent dimension of digital transformation. This dimension refers to employees who possess widely distributed digital skills that are essential for delivering digital transformation initiatives. Such initiatives require experience with new technologies such as AI, machine learning, and social media, as exemplified by ERS. In this regard the RBV strategic resource decay concept, which observes the diminishing impact of star employees and explores the organisational impact of losing and replacing star employees is relevant to explore the appropriate mitigation strategies. Losing a star employee can be mitigated through robust talent acquisition and recruitment capabilities, whereas the loss of a non-star employee can be mitigated by strong skills development capabilities that focus on existing staff (Helfat et al., 2023)

Teece (2007) and Nusair et al. (2022) observe that, in addition to possessing the right resources, their strategic use can be a superior driver of overall business competitiveness. Both scholars emphasise the importance of leadership competency in making the right decisions to optimise the resources a firm has at its disposal. Melesse (2025) attributes superior business performance to a firm's agile processes, as well as its learning, market, customer, and entrepreneurial orientations, which are key SCs. The study further identifies innovation, adaptability, flexibility, creativity, vision, leadership, as well as talent acquisition and retention, as crucial SCs for business success (Melesse, 2025). It also proposes a new dimension where intellectual resources, combined with SCs, drive the co-creation of value within service- and knowledge-based institutions. In addition, the study introduces a new classification of SCs into motivator and hygiene clusters. It concludes that supply chain, human resources, management, and information technology competencies have the highest impact on business performance. Weritz et al. (2024) and Melesse (2025) corroborate the importance of the constructs (innovation and agility) as key inside-out capabilities, which are

essential for reimagining, developing, and regenerating a business's relevance to compete and respond to customer needs, as well as adapt to the changing business environment.

2.3. Literature gap

However, Weritz et al. (2024) identified a gap in the literature that could guide future research to examine the reciprocal relationship between digital transformation and SCs. In this study, digital transformation features as a key component discussed across all constructs as a success factor, outcome, or enabler.

2.4. Relevance of strategic capabilities for the study

In terms of relevance to the ERS, SCs are essential to fulfilling the ERS' mandate and strategic objectives. Such capabilities include the institution's business model, operations, and processes aimed at achieving and maintaining the mission of ERS. In this regard, the study aims to generate insights and an understanding of the ERS' existing and future SCs.

2.5. Strategic agility

2.5.1. The concept of strategic agility

Bekos et al. (2025) define strategic agility as recognising that rapid changes in the economy, technology, customer preferences, and competition in the evolving business environment require quick responses. The definition argues that failing or delaying the implementation of strategic responses risks a business's survival, with emphasis on the need to understand the appropriate conditions for leveraging agility. Bekos et al. (2025) makes the interesting observation that agility alone, without the necessary architectural capabilities, may undermine performance.

In the literature, strategic agility is regarded as a dynamic capability that is ideal for volatile and turbulent business environments and, therefore, considered a crucial success factor (AlTaweel & Al-Hawary, 2021). Bekos et al. (2025) argue that agility relates to implementation capability for translating strategic ambitions into action-oriented and deliverable goals and projects. According to AlTaweel and Al-Hawary (2021), agility is necessary not only for sustaining a business's competitive advantage but also for the flexibility to adapt to the dynamic changes in the business environment.

AlTaweel and Al-Hawary (2021) acknowledge resource flexibility as essential for the reorganisation and reallocation of resources to capitalise on opportunities and adapt to environmental changes. Sampath et al. (2021) expand the resource adjustment capability to

emphasise the importance of continuous organisational learning and the leveraging of feedback to align competencies with external environmental demands on a constant basis. Furthermore, Sampath et al. (2021) recognise legacy systems and software integration challenges as key obstacles and limitations for quick response and the flexibility of information systems. These authors also highlight the importance of leadership or managerial capabilities that promote quick decision-making processes and foster an empowered culture of agility and learning (Sampath et al., 2021).

Bekos et al. (2025) argue that excessive reliance on high levels of rigid planning capabilities can potentially suppress organisational agility and similarly impede performance gains. The argument builds on the observation that while strategy implementation capabilities may positively support agility, overly comprehensive planning capabilities may negatively moderate agility.

According to AlTaweel and Al-Hawary (2021), agility is a coping mechanism in dynamic business environments with high levels of uncertainty. While Bekos et al. (2025) acknowledge the need for continuous technological evolution to maintain agility, Weritz et al. (2024) recognise the importance of responding swiftly to market trends, and Jafari-Sadeghi et al. (2022) emphasise the need to redeploy and reassign resources effectively in the process. AlTaweel and Al-Hawary (2021) argue that agility supported by dynamic capabilities is vital for organisations to recognise and capitalise on opportunities for sustained growth. Sultana et al. (2022) further assert that value creation during turbulent times can only be realised through the effective mobilisation of dynamic capabilities.

2.5.2. Key success factors of strategic agility

In strategic management literature, Sampath et al. (2021) acknowledge strategic agility (SA) as a prominent construct and a key driver and enabler of business competitiveness and responsiveness. The scholars in the study observe that the combination of resource fluidity and strategic sensitivity are the two capabilities that enable strategic agility for informed, market-responsive strategies. Other authors have different perceptions regarding the enablers of responsiveness to the change in environment. For example, Jafari-Sadeghi et al. (2022), suggest that employing a dynamic capabilities approach, identifying nine capabilities would promote and enhance SA. The study aligns with the perception of the link between agility and business performance and further emphasises the need for in-depth investigation of the conditions under which agility is more or less conducive to enhancing business performance. The study offers an interesting perspective on the demanding nature of SA to

outpace less agile decision-making processes of competitors in order to seize early wins on emerging market opportunities (Bekos et al., 2025).

Contrary to these benefits, Bekos et al. (2025) present a contrasting view on the pressure SA exerts on the quality of business decisions if not undertaken with due care, as it may lead to modest performance or business value. Businesses might spend more time on planning and implementing strategic decisions. The study argues that capabilities can either hinder or facilitate agility; in fact, an interaction between specific organisational capabilities and agility drives business success. However, Bekos et al. (2025) argue that agility alone, without the necessary architectural capabilities, may undermine performance. The timely completion of projects is directly linked to organisational agility, which relates to the capacity to adapt quickly and respond swiftly to internal and external dynamics (Bekos et al., 2025). Melesse (2025) emphasise the view that poor execution results in strategy failure. Leadership and management's involvement in project portfolio governance structures reflects leadership unity, which serves as a key element of SA (AlTaweel & Al-Hawary, 2021).

From a risk perspective, Melesse (2025), argues that the identification of risks and threats for prompt action aligns with the work of strategic dynamic capabilities as key aspects of managing risks. According to Bekos et al. (2025), an organisation may still grapple with the risk associated with agile change which may be information overload or a disruption of essential revenue generating streams. According to Bekos et al. (2025), such risk considerations may be overshadowed by a linear focus on risk identification.

2.5.3. Literature gap and invitation for future research

While Sampath et al. (2021), Jafari-Sadeghi et al. (2022), and AlTaweel & Al-Hawary (2021) agree on the importance of agility in driving business success, responsiveness, and competitiveness, especially in the era of digitisation and increased complexity, AlTaweel and Al-Hawary (2021) and Sultana et al. (2022) suggest there is a gap in the literature regarding the development of sustainable competitive advantage. Jafari-Sadeghi et al. (2022) and AlTaweel and Al-Hawary (2021) concur on the necessity of agility to navigate complexity. However, the scholars seem to hold differing views on what enables and drives SA. Sampath et al. (2021) identify resource availability and strategic sensitivity as key enablers and drivers, whereas Jafari-Sadeghi et al. (2022), employing a dynamic capabilities approach, identify nine capabilities that promote and enhance SA. Sultana et al. (2022) further note that strategic market agility, especially in data-driven markets as a business capability for organisational performance, has not been extensively researched. Conversely, Jafari-Sadeghi et al. (2022)

point out that the increasing complexity of business operations necessitates digitisation to improve operational efficiency, thus highlighting the need to explore its drivers and outcomes.

Bekos et al. (2025) emphasise the importance of exercising caution to ensure that agility does not overwhelm the business or disrupt its established revenue streams. The study clarifies the dynamic interplay between business competencies and capabilities. It also suggests that further scholarly research should explore the relationship between agility and performance, as well as the potential positive and negative consequences through which agility can both enhance and undermine firm performance. Bekos et al. (2025) also encourage future research into how agility affects employee-related outcomes such as employee wellbeing, job satisfaction, and intentions to leave.

2.5.4 The impact of strategic agility on business success

Jafari-Sadeghi et al. (2022) argue that agility is a vital element for the success of business operations, especially in an era of increased business complexities under digitisation. The study explored and assessed the drivers of agility in companies of different sizes. Based on the dynamic capabilities approach, the study identified nine capabilities that contributed to the growth trajectory of high-tech SMEs in building agility into their cross-border activities. The discussion emphasises the role of agility in addressing evolving customer needs and enhancing strategic competitive performance.

The importance of agility lies in the threat that befalls the business in the event that it fails to adapt to the changing environment. In contrast, other authors directly correlate an organisation's ability to navigate a turbulent environment with its overall business success. That was noted by AlTaweel and Al-Hawary (2021) who highlighted the importance of agility in driving business success, responsiveness, and competitiveness, especially in the era of digitisation and increased complexity. Furthermore, agility allows for the development of capabilities and competitiveness against less agile business models. Jafari-Sadeghi et al. (2022) further argue that emerging industry technological innovations increase the demand for businesses to be agile.

An internationally focused study by Jafari-Sadeghi et al. (2022) defines agility as an enabler for businesses to make wiser decisions and build organisational resilience, innovation, sustainability, and adaptability in the era of digitisation. The study's aim was to examine the relevant capabilities associated with organisational agility, as well as the causation and effectuation relationship that enhances agility. Consequently, the study concluded that five out of nine dynamic capabilities, including technological and innovation capabilities, belong to the

causation logic, while four factors, including flexibility and speed, refer to effectuation logic. Jafari-Sadeghi et al. (2022) recognise the need for businesses to continually improve their ability to adapt by utilising emerging technologies. It observed that the increasing complexity of business operations necessitates digitisation to achieve operational efficiencies. Agility allows for the development of capabilities and competitiveness against less agile business models. Jafari-Sadeghi et al. (2022) further argue that emerging industry technological innovations increase the demand for businesses to be agile.

A limitation of this study is that it mainly focused on SMEs' ability to leverage agility in their international operations and found that businesses rarely paid attention to the drivers and outcomes of agility as key business capabilities and enablers.

2.5.5 Agility in resourcing capabilities

In line with the DC theory, AlTaweel and Al-Hawary (2021) define SA as the resource modification strategies employed by organisations during highly turbulent periods to flexibly navigate complexity and achieve business success. AlTaweel and Al-Hawary (2021) further argued that organisations seeking to survive turbulence and complexity during heightened seasons of business competitiveness must prioritise adapting to market changes to maintain a competitive edge.

The significance of forming cross-functional teams to harness diverse skills and knowledge is emphasised by the fact that capabilities such as cross-functional collaboration involve planning and coordinating departments' work, promoting transparency, and finding solutions for new ways of working (Weritz et al., 2024). Notably, the positive impact of cross-functional collaboration on digital integration practices is highlighted and aligns with the claim that complex digital transformation (DT) relies on synergy capabilities such as cross-collaboration to streamline work and break down silos.

Bekos et al. (2025) acknowledge the inherent tensions in strategic planning and argue that extensive process planning often causes unwanted rigidities and hampers the ability to respond quickly and flexibly to the operating context, basically during project execution. Meanwhile, Jafari-Sadeghi et al. (2022) recognise that managing the duality and effectiveness of a project process paradox requires balancing the duality of the planning process and the project's responsive actions.

Weritz et al. (2024) highlight that silos hinder the benefits of the spanning capabilities of cross-functional teams. When implemented effectively, these abilities should improve information

sharing and departmental synergies. However, AlTaweel and Al-Hawary (2021) warn that uneven resource distribution can block resource fluidity and reduce organisational flexibility for innovation. This contradiction underscores that poor implementation can damage collaboration and project focus (Bekos et al., 2025).

The importance of resource fluidity is further recognised in Sultana et al. (2022), who define resource fluidity as the ability of an organisation to assign and reallocate assets, resources, and capabilities in response to environmental changes. This scope is further expanded by Jafari-Sadeghi et al. (2022), who acknowledge the necessity to constantly monitor stakeholder sentiments regarding the perceived value of a project or initiative.

2.5.6 The literature gap and invitation for future research

While Sampath et al. (2021), Jafari-Sadeghi et al. (2022), and AlTaweel and Al-Hawary (2021) agree on the importance of agility in driving business success, responsiveness, and competitiveness, especially in the era of digitisation and increased complexity, AlTaweel and Al-Hawary (2021) and Sultana et al. (2022) suggest there is a gap in the literature regarding the development of sustainable competitive advantage. Jafari-Sadeghi et al. (2022) and AlTaweel and Al-Hawary (2021) concur on the necessity of agility to navigate complexity. However, the scholars seem to hold differing views on what enables and drives SA. Sampath et al. (2021) identify resource availability and strategic sensitivity as key enablers and drivers, whereas Jafari-Sadeghi et al. (2022), employing a DC approach, identify nine capabilities that promote and enhance SA. Sultana et al. (2022) further note that strategic market agility, especially in data-driven markets as a business capability for organisational performance, has not been extensively researched. Conversely, Jafari-Sadeghi et al. (2022) point out that the increasing complexity of business operations necessitates digitisation to improve operational efficiency, thus highlighting the need to explore its drivers and outcomes. Lastly, Helfat et al. (2023) argue that the subject of data analytics and AI has been underexplored in academic studies, yet AI capabilities, big data and analytics are sources of competitive advantages and essential for data-driven innovation (DDI).

2.5.7 Eswatini Revenue Services and relevance of agility

The relevance of the construct of SA to the research question relates to the ERS' capability and flexibility to effectively adapt technological innovation and resources in response to internal and external demands, given the complexity of its operating context. The literature discussion confirms the role of SA in enhancing SCs for organisational performance.

2.6. Innovation

2.6.1. Innovation as a strategic capability

Innovation capabilities, also called intangible resources, are defined as the knowledge and skills of human resources involved in developing new processes, products, and services to satisfy business needs. The observation is that technologically skilled and innovative firms are more competitive than their peers. Innovative organisations cultivate their competitive advantage through their capacity to develop new business approaches and improve process efficiencies which are key for strategic execution. Organisational process capabilities, specifically process efficiency and integration, are crucial for the effective execution of strategy and maintaining a competitive edge (Melesse, 2025). Furthermore, according to Jafari-Sadeghi et al. (2022), innovativeness allows businesses to adapt and respond quickly to environmental changes.

Innovation therefore is perfectly correlated to agility, and openness to new ideas. That was confirmed by recognised by AlTaweel and Al-Hawary (2021) and Jafari-Sadeghi et al. (2022), who emphasise its role in fostering organisational openness to new ideas. Innovativeness thrives well in an open ecosystem where the organisation scans the external environment and collaborates with its strategic stakeholders for innovative ideas exchange. According to Weritz et al. (2024) collaborative innovation, networking capability, and proactive engagement within the business ecosystem, including competitors, are crucial for knowledge exchange and enhancing the success of DT.

The same view is supported by Hock-Doepgen et al. (2025), who note that business model innovation is a knowledge-driven process that requires strategic decision-making and utilises knowledge co-creation and development processes. It is in this context that managerial expertise is seen as essential for the success of business model innovation and maintaining competitiveness, while the management of innovation is recognised as a form of organisational capability (Hock-Doepgen et al., 2025).

2.6.2 Innovation capabilities

Foss et al. (2023) emphasise that coordination and cooperation challenges in dynamic ecosystems highlight the crucial role of innovation capabilities in managing complexity effectively. According to Foss et al. (2023), innovation is described as the systematic organisation of various components to create business value, emphasising the significance of innovative strategies in the digital economy. While their primary focus is on the EU, Turksen

and Abukari (2021) recognise the need for proactive, sustainable solutions to combat tax crimes through deterrence, punishment, and criminal justice measures. The expanding digital economy highlights the urgency of continuous technological innovation to enhance tax systems, exemplified by Estonia's successful digitisation and electronic solutions to address tax fraud. Similarly, digitisation has transformed service delivery and operational models worldwide to improve performance, but developing countries in Africa face infrastructural challenges that restrict the effectiveness of digitisation (Christopher et al., 2024).

Innovation capabilities, also called intangible resources, are defined as the knowledge and skills of human resources involved in developing new processes, products, and services to satisfy business needs (Jafari-Sadeghi et al., 2022). The observation is that technologically skilled and innovative firms are more competitive than their peers. According to Jafari-Sadeghi et al. (2022), innovativeness allows businesses to adapt and respond quickly to environmental changes.

The role of innovation capability is recognised by AlTaweel and Al-Hawary (2021) and Jafari-Sadeghi et al. (2022), who emphasise its complexity and role in fostering organisational openness to new ideas. It is further noted in Melesse (2025) that human resources practices like talent management and staff retention are essential for organisational growth, particularly in knowledge-driven sectors. Weritz et al. (2024) note that rewarding employees for generating successful and innovative ideas promotes an environment that fosters innovation.

2.6.3 Building a culture of innovation

The formalisation of a business structure to fully embed and integrate AI capabilities is recognised as a strategic capability (Melesse, 2025). According to Weritz et al. (2024), DT is enabled when firms establish a solid foundation and infrastructure that embraces the use of value-embedded data in addition to leveraging capabilities such as empowered talent, digital skills and advanced analytics (Sultana et al., 2022).

Furthermore, the significance of innovation talent capabilities is demonstrated in the argument that the deployment of AI requires human-machine capabilities (Sultana et al., 2022). In addition to possessing these capabilities, Helfat et al. (2023) argue about the need for businesses to build versatile employee skills. The significant influence of quality leadership on organisational performance is seen as a key strategic capability that drives value co-creation as well as the effective development and deployment of organisational capabilities and resources (AlTaweel & Al-Hawary, 2021). The same view is corroborated by Jafari-Sadeghi et al. (2022) in the argument that managerial capabilities constitute highly interconnected factors

contributing to organisational agility, from identifying innovation to resource allocation to preparing the environment for successful innovation implementation. Moreover, AlTaweel and Al-Hawary (2021), state that resistance to adopting agile methodologies undermines both innovation and agility goals for quick decision-making in system, process, and structure modifications, a risk referred to as a rigidity trap in the SA literature. Lastly, Weritz et al. (2024) highlight the importance of functional collaboration, transparency, and acceptance of differences. The finding thus implies a potential override of expert talent contributions.

Weritz et al. (2024) acknowledge outside-in capabilities such as networking and customer centricity as essential capabilities for DT. Among other benefits, networking capabilities enable shared databases and easy access to customer and operational data. In contrast, complex DT may require spanning capabilities such as cross-functional collaboration capability to fully achieve cross-functional integration across the ecosystem (Weritz et al., 2024).

Luo et al. (2024) does recognise that digitisation is an unusual subject in the public sector context as extant literature shows a strong bias for private sector interest. Luo et al. (2024) observe that, in the context of SOEs, digitisation is guided by a national strategy and introduced as a political mission, with dedicated attention, rather than for long-term financial returns. The use of big data for market-oriented outcomes like product development and performance or profitability is reported (Saulitis & Chapkovski, 2025).

2.6.4 Business model innovations (BMI)

Loon et al. (2020) emphasise the importance for firms to adapt to rising competition and the evolving 'new normal' environment by boosting innovation, especially in creating new business models. Their study explores how micro foundations within human resource management (HRM) help foster innovation by building key capabilities. It concludes with a note on a theoretical gap linking HR practices, performance improvements, and BMI, highlighting the need to develop people's skills effectively by leveraging performance management. The research also calls for future studies to examine how organisational learning supports sustaining a new business model (Loon et al., 2020).

Harrison et al. (2024) further explore the BMI debate to establish its contribution to innovative business outcomes. The study reiterates the competence for sound judgement, as observed by other scholars, but further acknowledges the significant contribution of chief executive officers (CEOs) who possess hands-on-innovation work experience to scale business success through the successful delivery of innovative projects. Harrison et al. (2024) further makes the distinction between the success levels of exploratory and exploitative innovation. The scholars

strongly advance a divergent argument that exploitative innovation is limited to obvious incremental innovations as opposed to radical innovations that extend beyond novelty. This extends the argument beyond more innovation outputs to more contingent effects regarding the outputs' trajectory.

Hock-Doepgen et al. (2025) note that although BMI is said to be supported by managerial capabilities, there is a lack of studies exploring the mechanisms through which these capabilities, managerial skills, facilitate BMI. The study found that internal and external advice seeking serve as the micro foundations of dynamic managerial capabilities for BMI. The conclusion is that external advice seeking capabilities positively influence BMI, while internal advice seeking is mediated by coordination flexibility capabilities (CFC). Furthermore, the extent to which internal advice seeking affects CFC is enhanced in firms with high levels of digitisation.

2.6.5 Digitisation, data analytics and artificial intelligence

Doshi et al. (2025) underscore the crucial role of innovation, especially predictive AI-generated options, noting that strategic decisions are irreversible once made. They also bolster the academic argument by strongly supporting the use of generative AI to enhance human decision-making. While Doshi et al. (2025) recognise that generative AI can sometimes produce biased or inconsistent assessments, they argue that its ability to mimic human decision processes allows for valuable insights at a relatively low cost in terms of time and resources. Helfat et al. (2023) agree, emphasising AI's potential to improve both the quality and speed of managerial decisions.

Sultana et al. (2022) observe that successful businesses anchor their strategies on the RBV as a key framework for managing innovation, and that combining big data analytics with information governance shapes their innovation capabilities. They also acknowledge that businesses can leverage accumulated knowledge to develop strong strategies suitable for a dynamic, innovative environment. Moreover, the study points out that firms relying on DDI to build their capabilities tend to outperform their competitors.

Successfully implementing strategy depends on organisational resources, particularly processes and capabilities. This is commonly described as an organisation's strategic capability (Melesse, 2025). Organisational process capabilities, particularly process efficiency and integration, are essential for effective strategy execution and maintaining a competitive advantage (Melesse, 2025). Luo (2025) recognises that digitalisation involves empowering management and corporate functions through digital technologies and IT capabilities. Melesse

(2025) also affirms that enhanced process agility, enabled by IT capabilities, substantially boosts organisational agility and performance, mainly in service delivery and compliance facilitation.

Regarding organisational capability-building principles, Melesse (2025) emphasises that performance measurement and evaluation are essential. Furthermore, Turksen et al. (2021) note that in tax administration, technology significantly enhances the transparency and auditability of internal processes, helping to reduce corruption and motivate good performance.

In line with the observation in Turksen and Abukari (2021), the study also examines the extent of innovation to determine how the ERS is adapting its technological innovations to the complexities of the digital economy. In addition, the study explores what influences the innovation trajectory of the ERS. Lastly, the gap identified in Christopher et al. (2024) concerning infrastructural challenges that hinder effective digitisation in African countries is also relevant.

2.6.6 The literature gap and invitation for future research

As can be seen from the literature review, there is merit in stating that scholars exhibit divergent yet progressive views about innovation. While Jafari-Sadeghi et al. (2022) argue that innovation drives agility, Hock-Doepgen et al. (2025) contend that the management of innovation is recognised as a form of organisational capability. A literature gap for future studies to explore the dynamic managerial capability that drives BMI is observed in Hock-Doepgen et al. (2025). The EU's perspective, as stated by Turksen et al. (2021), on the need for technological innovations for tax fraud solutions aligns with scholars' views on the practice of innovation providing solutions to emerging complexities; this perspective is highly relevant to the study of the ERS's innovation capabilities. Sultana et al. (2022) also argue that there is a lack of academic studies on the role of SA in realising business performance through DDI. The researcher observes that business performance and service efficiency examined through the lens of DDI, in the context of tax collection agencies in Africa, is understudied making it difficult to explore in-depth.

2.7. Conclusion

The review emphasised the significance of innovation and agility for organisational SCs. In the face of increased complexity and shifting stakeholder and customer demands, the importance of innovation and agility in developing a business's SCs, whether profit or non-

profit, is prominently highlighted in the literature review. In conclusion, the literature reveals both similarities and differences, as well as gaps that warrant further investigation regarding the study constructs. It also demonstrates that SA can drive innovation to improve business performance. Therefore, this review provides sufficient grounds for the researcher to explore the extent of relevance of innovation and agility in the SCs of the ERS.

CHAPTER 3: RESEARCH QUESTIONS

3.1 Introduction

Building on the theoretical framing of the research problem in Chapter 1, this chapter explores the research questions based on the literature gap identified in Chapter 2 of the Literature Review. Three research questions were developed based on the literature review of the three constructs of innovation, agility, and SCs. Collectively, the three questions enabled the study to thoroughly examine the role of innovation and agility in shaping the SCs of the ERS.

3.2. Research Question 1:

What are the current challenges and issues impacting the ERS's strategic capabilities?

The question aimed to identify potential challenges and areas for improvement that could enhance the ERS's SCs. It also facilitated a detailed exploration of the capabilities and resources that collectively enable the ERS to sense, seize, and transform its business strategy. Furthermore, the question allowed the researcher to gain insights into the ERS's core SCs and their impact on organisational performance and the achievement of strategic objectives.

3.3. Research Question 2:

How can agility help the ERS to enhance its strategic capabilities?

The question aimed to assess ERS's capabilities to adapt to rapid changes in its operating environment quickly and also to explore existing and potential limitations that hindered and, to some extent, diminished the agility of ERS's SCs. Furthermore, the question facilitated the study of the evolving changes in the ERS's business landscape, including the economy, technology, and customer preferences, or as deemed relevant among other factors.

3.4. Research Question 3:

How can innovation enhance the ERS's strategic capabilities?

The question inquired about how the ERS has leveraged innovation within its SCs to foster the development of new processes, products, and services to deliver on its mandate and to quickly adjust its business strategy to environmental changes. Moreover, the question sought participants' views on innovation gaps within the ERS's SCs.

Overall, investigating the study constructs of agility and innovation offers insights into the improvements that ERS can adopt to streamline operations effectively and achieve its strategic objectives.

CHAPTER 4: RESEARCH METHODOLOGY

This section discusses the research methodology that the researcher adopted to answer the research question on the “Role of innovation and agility to drive the SCs of the ERS”. The questions followed the theoretical framing of the research problem as described in Chapter 1.

4.1. Research design

4.1.1 Research paradigm

The research question in the study aimed to explore different assumptions within the interpretivist paradigm. Conversely, the researcher could have adopted a positivist paradigm to address a descriptive research question. According to Quinlan et al. (2019), a strong start to a successful research project involves matching the research question with the appropriate research paradigm. The same view is supported by Bogie (2025), who asserts that assumptions in the interpretivist paradigm align with an exploratory question to investigate and elicit new insights and understanding of study constructs from data sources.

4.1.2 Research methodology and justification

In line with the definition provided by Creswell and Creswell (2023), a qualitative interpretivist approach is well-suited for exploring alternative ways of understanding the phenomena raised in the question of the ERS’s SCs. Creswell and Creswell (2023) define qualitative research as an approach suitable for exploring and understanding the meanings that individuals and groups derive from a social or human problem. A phenomenological qualitative research approach ensured that the study sample was limited to individuals with in-depth understanding and experience of the phenomenon. Creswell and Creswell (2023) further define a phenomenological approach as a philosophy and psychological design of enquiry that focuses on studying the experiences of study participants. In line with Quinlan et al. (2019), qualitative research methods do not focus on gathering and interpreting numeric data but on analysing human interpretations of phenomena for new in-depth insights. Therefore, on this basis, rather than collecting and interpreting numeric data, the study aimed to understand the views and experiences of key decision makers and employees in strategic leadership, management, and strategy implementation roles in the ERS.

For a nuanced understanding of ERS’s SCs as the explored phenomenon, the researcher adopted a qualitative case study approach with primary and secondary data sets. The study identified ERS as the study setting. Rådberg and Löfsten (2024) argue that a case study approach is well-suited for theory development, research gap identification, and for guiding

future research. Against this backdrop, study drew on theory both in designing the data collection instruments and in interpreting the insights during the data analysis stage. Peel (2020) asserts that a case study provides a comprehensive enquiry into the complexities of a fixed study setting. The same view is supported by Farquhar et al. (2020), who state that case study research is a form of in-depth empirical enquiry within a real-world setting into a specific phenomenon. Consequently, the case study approach enabled the researcher to observe recurring themes from the narrative descriptions, as several responses frequently repeated similar issues (Quinlan et al., 2019).

To build theory and identify the main themes of the study, the researcher employed inductive data analysis methods. According to Creswell and Creswell (2023), an inductive approach involves building from the bottom up; this approach was used to facilitate cross-case analysis. To better understand the interconnectivity of insights from the limited data sources in the study the researcher used a mono-method qualitative research methodology. The utilisation of semi-structured interviews was well-suited for a mono-qualitative study design.

In this approach, the researcher utilised both primary data that was collected through semi-structured interviews with ERS executives, middle management, and staff in key strategic roles.

4.2. Population/ setting

Quinlan et al. (2019) define a population as a complete group of things sharing common characteristics, while a sample is a subset or smaller group that represents the entire population. The level of analysis for this study was at the organisational level of the ERS's strategy. According to Bogie (2025), the level of analysis refers to the particular aspect being studied at any given time to understand the research's aims. As reported in the ERS's annual integrated report for the financial year 2024/2025, the ERS's total staff complement of 616 employees included 7 members of the executive management team (Eswatini Revenue Services, 2024). Based on this, the researcher emphasised the importance of including employees from various ranks in the organisational hierarchy to elicit diverse yet balanced insights that do not reflect a minority viewpoint.

4.3. Unit of analysis

According to Bogie (2025), the unit of analysis is the perspective and opinion of the person used to gather data about what is being studied, 'the thing'. The interpretivist research design guided the study's focus on the unit of analysis, which included executive management, middle

management, and employees in key strategic roles within ERS. The researcher deliberately mixed the units of analysis to reduce bias and enhance the triangulation of insights and experiences from employees at various levels of the organisational hierarchy. However, during data collection, it proved difficult to secure the participation of employees at the non-managerial level, as they declined and cited limited familiarity with the strategy development, implementation, and monitoring processes. Conversely, the executive management demonstrated a higher willingness to participate.

4.4. Sampling

Czernek-Marszałek and McCabe (2024) contend that sampling is a crucial element of qualitative research, helping to prevent subjectivity and the misrepresentation of participants' lived experiences. The study emphasises that providing detailed information about sample selection and its limitations further enhances the credibility of data interpretation.

As defined in Quinlan et al. (2019), a sample is a smaller group selected to represent the entire population. Sampling aims to make conclusions about the characteristics of the larger population. Quinlan et al. (2019) emphasise the significance of accuracy and reliability in results obtained from a properly selected sample. Correctly identifying the sample is essential for research objectivity and helps prevent common sampling errors such as under- or over-representation within the sampling frame. In addition, the researcher must exercise due diligence in defining the sampling frame to ensure the sample accurately reflects all elements of the study, thereby producing meaningful research outcomes (Quinlan et al., 2019).

4.4.1. Sampling criteria

The researcher employed a purposive sampling approach to gather primary data. According to Creswell and Creswell (2023), a purposive sampling approach targets participants with the knowledge and experience necessary to answer questions in a way that reflects the broader population. Bogie (2025) describes purposive sampling as a non-probability method that deliberately selects individuals with relevant knowledge and expertise for addressing the research questions. Following Bogie (2025), purposive sampling was deemed suitable for the exploratory nature of the research, particularly because the study adopted a qualitative research design. Czernek-Marszałek and McCabe (2024) argue that purposive sampling is a commonly used approach in qualitative research, emphasising the importance of recognising the sampling criteria, as these significantly affect the study's findings.

Czernek-Marszałek and McCabe (2024) also refer to purposive sampling as judgement sampling, recognising that sampling relies on the researcher's judgement and their selection

of participants whose lived experiences and knowledge can enrich the study's findings. Therefore, to ensure the depth and relevance of the perspectives and experiences of interview participants, the researcher carefully selected and interviewed individuals with at least three years of experience and employment with the ERS. Moreover, employees with less work experience were deemed less suitable for providing meaningful insights into the institution's strategic processes and capabilities (Farquhar et al., 2020).

To maintain sampling rigour, an effort was made to diversify the sampling criteria to include executive management, middle management, and employees in strategic roles, based on their different firsthand experiences and knowledge of ERS's SCs at a micro-organisational level (Bogie, 2025). The research focus guided the participant selection. The choice was carefully made to gather in-depth understanding and experiences of the ERS strategic journey, its development and deployment of SCs, and its agility to adapt continuously. Otherwise, the absence of clear criteria could increase the risk of interviewing employees who lack the necessary experience and knowledge of the ERS's SCs. Poor sampling could also limit the diversity and triangulation of interviewee perspectives. During data collection, it proved nearly impossible to secure interviews with junior staff, presumably owing to limited experience and reluctance to contribute meaningfully to the discussion of the ERS's SCs. In response to interview invitations, junior staff preferred to call the researcher to politely express their inability to participate in the discussion of the research topic competently.

4.4.2. Sampling size

As stated in Bogie (2025), the recommended sample size for thematic analysis at the Master of Philosophy level is approximately 15 data sources. However, from a population of over 600 employees, the study aimed to interview ideally 18 participants, with a minimum of 12 still considered sufficient for diverse primary data insights. Bogie (2025) emphasises the importance of maintaining flexibility if the researcher is unable to interview the desired number of participants. Therefore, to complete the report on time, the researcher was compelled to interview fewer than the initially intended 18 participants. The details is shown in Tables 4.1 and 4.2.

Table 4.2: Summary of interview participants by job level/ group level

Job Level Category	Group Identifier	Number of Participants
Executive Management	Blue Group	4
Director Level	Green Group	5

Manager Level	Yellow Group	5
Non-Managerial	Grey Group	1

Source: Author's own

Table 4.3: Participant list

No.	Participant (Anonymous Identifier)	Job Level Category	Group Identifier
1	P001	Executive	Blue
2	P005	Executive	Blue
3	P006	Executive	Blue
4	P007	Executive	Blue
5	P002	Director	Green
6	P008	Director	Green
7	P011	Director	Green
8	P014	Director	Green
9	P015	Director	Green
10	P003	Manager	Yellow
11	P004	Manager	Yellow
12	P009	Manager	Yellow
13	P012	Manager	Yellow
14	P013	Manager	Yellow
15	P010	Non-Managerial	Grey

Source: Author's own

Firstly, the researcher obtained sponsorship and permission from the ERS Commissioner General (in his capacity as the CEO of ERS) to conduct the study and access employees in relevant categories who were willing to participate in interviews. In addition to securing formal organisational approval to study ERS's SCs, the Commissioner General's personal assistant facilitated the researcher's introduction to the target population. The researcher also leveraged contacts from her professional network within ERS to gain introductions to additional

individuals holding key strategic roles for interviews. Besides introductions, the researcher was authorised to directly send email invitations to potential participants to secure their voluntary participation in the interviews. According to Creswell and Creswell (2023), incompetent recruitment strategies can pose a significant challenge to the research process, as evidenced by the delays the researcher encountered in securing interviews. The researcher's experience was that some participants were unresponsive, reluctant, and not keen to participate. Moreover, others cancelled interview appointments at the last minute while some struggled to accommodate the researcher owing to conflicting schedules.

4.5. Data gathering process

The study conducted semi-structured one-on-one interviews with the selected participants. Brailas (2025) describes semi-structured interviews as a vital method for collecting empirical data. The benefit of semi-structured interviews is that they use open-ended questions, which allow the interview to flow naturally and help uncover unexpected insights beyond simply giving specific answers. Furthermore, semi-structured interviews enabled the researcher to probe further and gather more detailed responses, resulting in richer participant narratives (Brailas, 2025).

Before each interview, the researcher sent an email with an informed consent form for the interviewee to sign and return as proof of their voluntary participation, explaining that it would be recorded and transcribed without identifiers. To keep the research project on schedule, recorded interviews were conducted virtually via Microsoft Teams. Appointments were scheduled in advance to avoid disruptions. On average, each interview lasted less than an hour, ranging from 25 minutes to a maximum of 45 minutes. The first five minutes of each session were used to introduce the interview, establish context, confirm voluntary consent, and seek permission to record and transcribe. The researcher also took the opportunity to explain the participant's right to withdraw at any point if they felt uncomfortable with proceeding.

At the start of each interview, the interviewer highlighted that participants had the right to voluntarily participate or withdraw without penalty. Czernek-Marszałek and McCabe (2024) emphasise the importance of establishing an atmosphere of trust at the beginning of the interview. The interviewer also explained and sought the participant's permission to record, transcribe, and securely store the data, while ensuring that the identities of the interviewees remained confidential.

All interviews were recorded to assist with transcription and data analysis for the final interpretation of study findings. Instead of employing a third-party transcriber, the researcher chose to transcribe the interview recordings personally, thereby eliminating the need for a confidentiality agreement with a third-party transcriber. Data was encrypted and securely stored on the cloud to ensure confidentiality and participant anonymity for at least 10 years. In accordance with the study's ethical standards, interviewees were not subjected to any form of coercion nor incentivised to take part in the interview.

4.6. Data collection instrument

In line with Josselson (2013), to minimise bias, the researcher carefully designed the interview questions to be exploratory and open-ended, rather than leading questions seeking yes-or-no answers. Although insights from existing literature informed the questions, careful attention was paid to ensure the questions were simplified into plain language for easy understanding, instead of using complex questions that were theoretically and conceptually intricate.

The interview protocol was divided into three parts: opening, core, and closing. This helped the researcher standardise the process to encourage agency and efficiency in eliciting more meaningful narratives beyond superficial enquiry. The opening question aimed to assist the researcher in establishing rapport and creating an engaging atmosphere within the first five minutes of the interview (Brailas, 2025).

The core questions' interview section was based on the study's three foundational research questions. Two interview questions were developed from each of the research questions in Chapter 1. In this case, the three key questions related to the three study constructs: innovation, agility, and SCs of the ERS. A semi-structured interview approach allowed the interviewer to probe for clarity in participants' responses, thereby offering deeper insights and a better understanding of their experiences. In line with Brailas (2025), the last five minutes of each interview were dedicated to concluding the session with reflections on each participant's overall perception of the contribution of innovation and agility in driving ERS's SCs in the short, medium, and long-term.

To prepare for the interviews and ensure a smooth process, the researcher conducted two pilot tests. The researcher engaged two colleagues experienced in strategy, leadership, management, and execution to assist with the pilot interviews. These tests not only allowed the researcher to assess the quality and clarity of the interview questions but also tested the functionality of recording devices before the actual interviews. Although Siswati is the official

language of the target audience, all interviews were conducted in English to facilitate transcription.

Creswell and Creswell (2023) commend the interview approach for giving the researcher full control over questions, considering this a strength, while recognising that the researcher's presence may lead participants to give biased responses. Unlike adhering to a strict questionnaire format, Bogie (2025) claims that the interview method offers flexibility to ask follow-up questions for clarification and for probing. The benefit of this approach is that it enhances understanding of the research questions and increases the accuracy of responses, rather than confining the line of questioning to a rigid questionnaire. Table 4.3 shows the structure of the questionnaire, the core construct and the related question.

Table 4.4: Interview protocol

Structure	Question
Opening Question	1. Could you relate your experience in developing, executing, and monitoring the implementation of the ERS Strategy?
Research Question 1 What are the current challenges and issues affecting the ERS strategic capability?	2. What are the key ERS's SCs, and how do you believe these capabilities influence the performance and achievement of strategic objectives?
Strategic Capabilities	3. How do you think the ERS can enhance its strategic capabilities to achieve its business objectives?
Research Question 2 How can agility assist the ERS to improve its strategic capability?	4. Based on your understanding of organisational agility, what role does agility play in the strategic capabilities of the ERS?
Organisational agility	5. What areas of improvement should the ERS prioritise to enhance its agility?
Structure	Question
Research Question 3 How can innovation improve the ERS strategic capability?	6. In your perspective on innovation, how has the ERS leveraged innovation within its strategic capabilities to effectively fulfil its mandate?
Innovation	7. What are the key considerations for the successful innovation of ERS' strategic capabilities?

Closing question	8. To close the interview, would you share how you see innovation and agility impacting ERS's strategic capabilities in the short-, medium- and long-term future?
Probing and clarifying questions	○ Please tell me more about that ○ Please clarify your response further ○ Could you please give me an example of that?

Source: Author's own

4.7. Data analysis

Data analysis involves the preparation and organisation of information into themes through coding to identify and group common ideas. This process helps to develop a narrative during the interpretation and complex analysis of emerging themes. Analysis was conducted separately for each research question. According to Creswell and Creswell (2023), using a qualitative computer data analysis programme to organise, sort, and search for information in text and images assists the researcher in analysing, storing, and retrieving data efficiently.

In line with Creswell and Creswell (2023), the researcher employed an inductive analysis method to identify key themes within the data. First and foremost, recorded interviews were transcribed and encrypted for secure storage in accordance with GIBS Business data protection regulations. In analysing interview data, the researcher used Atlas.ti, which is recognised for its rapid and precise text analysis, including coding, theme detection, and pattern recognition (Mastrobattista et al., 2024). The process involved reviewing interview transcripts to easily identify emerging common themes, codes, and ideas from participants, thereby facilitating coding and analysis for each research question. Additionally, Atlas.ti generated a graph that clearly indicated when sufficient data had been analysed. Naeem et al. (2024) describe data saturation as the stage in thematic analysis where no new themes emerge, indicating that the analysis has reached a sufficient point for answering research questions and that further data no longer produce new insights. For this study, data saturation was essential to strengthen and validate the conclusions of the thematic analysis.

Several advantages of Atlas.ti are highlighted by Mastrobattista et al. (2024), including its capabilities for coding and organising information, which aid in identifying and rearranging emerging pattern themes. According to Mastrobattista et al. (2024), Atlas.ti offers data

visualisation benefits, such as graphical analysis for clear presentation and communication of findings. In addition to visualisation, Atlas.ti further provided data backup and protection measures, which are essential for secure storage.

Creswell and Creswell (2023) also outline the following seven sequential steps, as shown in Table 4.1, for analysing qualitative data.

4.8. Data trustworthiness, reliability, and validity

Creswell and Creswell (2023) argue that validity is one of the strengths of qualitative research, as it assesses the accuracy of findings from the perspectives of the researcher, participant, and reader. Therefore, to establish the validity of the proposed study findings and to reassure the reader, the researcher employed the following validity and trustworthiness strategies. These strategies detail the steps taken to ensure the accuracy and credibility of the findings.

4.8.1. Trustworthiness

According to Shenton (2004), in qualitative research, trustworthiness includes credibility, dependability, and rigour of the findings. Valid and reliable outcomes result from ethically conducted research that avoids bias and genuinely reflects participants' perspectives and experiences. The researcher conducted the study ethically and transparently by following the trustworthiness strategies outlined by Shenton (2004) to manage personal bias and ensure the credibility, transferability, dependability, and confirmability of the results. To uphold credibility, the researcher carefully reviewed and verified interview transcripts to ensure they accurately represent participants' responses and viewpoints, rather than the researcher's bias (Shenton, 2004). In addition, detailed information about the study setting and unit of analysis is provided to help readers assess how transferable the findings are to other contexts, such as other SOEs or non-profit organisations. Although the study focuses on SOEs, it emphasises that the core relates to ERS's SCs; therefore, the results cannot be easily generalised to similar institutions. A thorough description of the research design, the effectiveness of semi-structured interviews, and rigorous data analysis support the potential for replication and demonstrate the dependability of the study. Finally, the researcher disclosed any personal biases she might have had, providing a detailed account to ensure the confirmability of the findings, prevent bias from skewing results, and protect interview transcripts from tampering or misrecording ((Shenton, 2004).

4.8.2. Triangulation

Farquhar et al. (2020) emphasise the importance of triangulation in case study research to enhance the validity and reliability of findings, whether they converge, complement, or diverge across various data sources. Triangulation provides rigour and quality in case study research (Farquhar et al., 2020). The researcher compared the differences and similarities in perspectives and experiences among executive management, middle management, and staff in key strategic but non-managerial roles.

4.8.3. Reflexivity

In qualitative research, reflexivity is recognised as a crucial characteristic for validity because it resonates with readers and enhances the credibility of the study by demonstrating the researcher's self-awareness of how their background biases can influence the interpretation of findings (Creswell & Creswell, 2023). The importance of researcher reflexivity during the process of selecting a sample and considering its characteristics is emphasised in Czernek-Marszałek and McCabe (2024). In this context, the researcher openly employed reflexivity to highlight and draw the reader's attention to any biases she might potentially bring to the narrative and interpretation of findings. Such biases in this context may relate to the potential influence of the researcher's gender, age, race, or ethnicity.

4.8.4. Reliability/ quality

Conversely, using thematic analysis to review the data has ensured accuracy in the transcription and analysis processes. The researcher's ethical obligation to eliminate errors during interviews, data collection, and transcription confirms data reliability. The researcher further exercised due care in testing the interview protocol for quality before conducting interviews and in ensuring that the coding accurately matches the designated code book during analysis.

Furthermore, to ensure the accuracy and reliability of study findings, the researcher exercised great caution in sampling, data collection, transcription, analysis, and interpretation of results. Quinlan et al. (2019) emphasise the importance of accurate and reliable results from a properly selected sample. Correctly identifying the target audience is essential for research accuracy and to avoid common sampling errors such as under- or over-representation of a sampling frame. Similarly, Czernek-Marszałek and McCabe (2024) observe that providing detailed sample information reconciles the ethical and methodological integrity of a qualitative research study.

4.8.5. Ethical considerations

In Moe et al. (2025), research ethics are described as the moral standards, usually expressed as norms and values, that guide research conduct. These standards also encompass the social responsibilities of researchers regarding the benefits of scientific and technological progress, which are closely linked to human rights. Nordtug and Haldar (2024) identify the four traditional research ethical principles as informed consent, opposition to deception, safeguards to protect privacy, and, finally, confidentiality and ensuring accuracy in research outcomes.

First and foremost, as an ethical consideration, the researcher only began the data collection process after securing GIBS ethical clearance. This ethical clearance is a crucial step that verifies whether the researcher's methodology adheres to academic ethical standards.

In accordance with the principle of informed consent, since the study was conducted within ERS, the researcher formally requested and obtained a pro forma organisational consent letter as proof that the institution granted permission for the specific study to proceed.

Prior to each interview, the researcher asked each participant to read, sign, and return an informed consent form confirming their voluntary participation (see Appendix 5). The form clearly stated that participation was voluntary and that participants could withdraw at any time without penalty. It also informed participants that the interview would be recorded and transcribed, and that if the transcription was carried out by a third-party service provider the provider would be required to sign a non-disclosure agreement.

To further safeguard the privacy and confidentiality of the data collected, the researcher signed a confidentiality agreement and non-disclosure agreement. In line with stringent data protection regulations required by GIBS, the data collected was encrypted and securely stored on the researcher's cloud storage for a minimum of 10 years.

As a safeguard against researcher bias and any related compromise to the data, the researcher exercised due diligence to ensure that the study does not focus on her company of employment. Otherwise, situating the study within her company of employment could potentially compromise the integrity of the participants' responses and ultimately the study findings (Creswell and Creswell, 2023).

4.9. Research limitations

The research limitations in this study may relate to the subjectivity inherent in exploratory studies. This subjectivity could stem from perceived researcher bias, which might lead to biased responses from interview participants. Another limitation might be that the study sample was selected through purposive sampling, raising concerns that the responses may not accurately reflect the entire ERS population.

Although the researcher initially assumed that she would be able to access the appropriate people for interviews, the failure to do so has limited study insights to executive management and middle management perspectives. In addition, there is a potential limitation in assuming that interviewees will be open, frank, and honest. Difficulties in obtaining relevant data to

enrich the research findings could present a significant limitation to the depth of analysis in this paper.

Furthermore, although deliberate, since this is a case study, the results and findings are limited to the ERS and cannot be generalised to the contexts of other SOEs in Eswatini.

Lastly, the limited time allocated to complete the research restricted the investigation and the ability to thoroughly explore long-term future and historical changes in the role of innovation and agility at ERS.

CHAPTER 5

5.1. Introduction

To present the study's results clearly, this section discussing the themes extracted from the empirical data in response to each RQ as summarised in Figure 5.1.

Figure 5.1: Research themes

Research Question	Main Themes	Sub Themes
RQ 1	Theme 1: Funding and government support challenges	
	Theme 2: Policy, legislation, regulatory and operating environment challenges	Sub Theme 1: Operating Environment
		Sub Theme 2: Procurement challenges
		Sub Theme 3: Legislation
	Theme 3: Strategic Enablers	Sub Theme 1: Strategic partnerships
		Sub Theme 2: Internal human capabilities
RQ 2	Theme 1: Organisational agility and strategic iteration	
	Theme 2: Triggers of agility	Sub Theme 1: Benefits realisation
		Sub Theme 2: Business relevance and risk optimisation
	Theme 3: Project management capabilities	
RQ 3	Theme: 1 Process and operational innovation	
	Theme 2: Human centered Innovation	Sub Theme 1: ERS Innovations Framework
		Sub Theme 2: Leadership capability
	Theme 3: Technological and digital innovation	Sub Theme 1: Digitilisation
		Sub Theme 1: Data analytics and Artificial Intelligence

Comparisons form a key aspect of the data analysis and the findings. The findings are discussed from the perspective of the individual cases per interview participant, and are also compared across participants. A case refers to the data from a single interview or source. As practically as possible, the researcher aims to triangulate data to identify similarities and differences in the evidence from different cases or sources. However, a comparison does not necessarily imply consensus or commonality, as similarities and differences still carry the same level of academic significance and are equally considered. This is presented below as *case and cross-case analysis*.

Each theme's discussion structure starts with a presentation of the evidence for each theme in a table of verbatim quotes from research participants to support the findings from the data analysis.

The participant list includes employees from different occupational levels of the organisation, at executive, director, managerial and non-managerial levels. To adhere to confidentiality and ethical guidelines against disclosing participants' identities, demographic details have been intentionally withheld, as this is not a gender focused study. Furthermore, as shown in Tables

4.1 and 4.2 contained in Chapter 4, the specific job roles of participants are not disclosed to protect confidentiality and uphold ethical standards.

5.2 Research Question 1: Challenges and issues affecting the ERS's strategic capabilities

The process of developing and implementing the ERS business strategy has faced multiple challenges. This section discusses the five themes related to the research question that emerged from data analysis on the challenges affecting ERS's SCs. Figure 5.2 contains a summary. These challenges include funding, government support, policy, legislative, regulatory, environmental, organisational and cultural gaps, strategic partnerships, technological integration and internal human capabilities. Furthermore, there were five sub-themes that emerged from the two main sub-themes.

Figure 5.2: Research Question 1 Themes

Research Question	Main Themes	Sub Themes
RQ 1	Theme 1: Funding and government support challenges	
	Theme 2: Policy, Legislative, Regulatory and Environmental challenges	Sub Theme 1: Operating Environment
		Sub Theme 2: Procurement challenges
		Sub Theme 3: Legislation
	Theme 3: Organisational buy in and cultural gaps	Sub Theme 1: Organisational cultural gaps
	Theme 4: Strategic partnership and technological intergration	Sub Theme 2: Employee invovement and buyin
	Theme 5: Internal Human Capabilities	

5.2.1 RQ1 Theme 1: Funding and government support challenges

One of the key challenges that emerged from issues affecting the ERS's SCs was funding and government support as discussed in Table 5.1.

Evidence of funding and government support challenges

Table 5.1 Research Q1 Theme 1– Funding and government support challenges

Research SubQ1 Theme 1– Funding and Government Support challenges
P002: <i>Having said that another capability I can refer to is obviously funds. Since we rely on subventions, there has been times where we present our budget to government it would be approved however we will have challenges when it comes to receiving the actual cash from government but nonetheless, we always find a way to reprioritise our activities or delivery of strategic objectives. For instance, under tough circumstances, the main focus shifts to immediate revenue collections which means we defer some of the medium- and long-term projects.</i>

P005: However, this is also a drawback about government as they have failed to fully fund the strategy so it's a strength and weakness at the same time. There are points where they have been good enough, but generally they have struggled to fund our fully strategy.

P005: Well, I think the major thing we may have to improve is on the sourcing of funding for the strategy, it is very big area to improve on.

P011: In terms of barriers I will start with funding or at least insufficient funding. As you might be aware, we are a government funded entity. So we rely on subventions to run our day to day operations and that has an element of risk in that it can be delayed and now we cannot basically implement some of the things we aim to achieve on time.

P005: No matter how great an innovation is, if it can't be funded, then you can't implement it.

P006: So once it is approved that these are our strategic projects for the strategic period we will then assist the project office to develop project briefs. So the project briefs will then form annexures in our strategic plans to say this is the strategy and these are the projects that we will roll out and as we roll them out as projects these are the project outcomes and expected benefits. It will be executed by these people and this is the required budget to roll out the project.

P007: What I can say is that the other one aspect would probably be from a financial aspect. Of course, you know, we are not profit-making so sometimes some of the projects that we need to execute will require significant funding.

P014: Okay we do have the ideas, but we don't have the money to implement and we don't have the support to implement some of these initiatives.

P0014: Although were technologically advanced, but we know that we are not where we want be because we need support from government to be able to achieve much.

P006: Although you can plan for these things, poor planning and funding of projects may hinder implementation of project initiatives. For instance, as we are start the budgeting cycle we are able to plan and budget for the remaining initiatives.

P005: Yeah. So in terms of funding we are funded by the government, our funding comes from the government. So we motivate to government, request for funding and we receive those funds to run the ERS. What has happened in the past is that despite motivations, we do not receive the funds that we need to run the projects that we have put in the strategy and that's the part that becomes a challenge when we have plans, strategic goals, objectives and projects, but we can't implement them because there is no enough funds to do that. And unfortunately, the government is our only source of funding and the law, especially PFMA is not supportive of us generating our own funds, because

the PFMA indicates that public finance management indicates that any funds we generate must go to the government. So even if you'd self-generate, we would unfortunately have to take the funds to government before they can come back to us, so that becomes a bit of a challenge.

P010: Mostly when it comes to digitisation and innovations, it all boils down to money because as much as we want to all of these things, we still have to put it in monetary value. T say we are looking for this amount to get this funding and then to do such things.

In case and cross-case analysis of the evidence

In both case and cross-case analyses, funding is identified as a challenge that negatively affects the ERS's SCs. In the Green group, P002 recognises funding as a key capability in the ERS's strategy and highlights unfortunate instances where, despite the government approving the ERS budget, it fails to release the actual funds. Consequently, as noted by P002, this failure poses a serious challenge to the implementation of strategic projects, forcing the ERS to defer its medium- and long-term projects to prioritise short-term revenue collection efforts. P005 in the Blue group also identifies funding as a major drawback related to the government, which has generally failed to fully fund the ERS strategy, marking a significant area for improvement. Moreover, P007 in the Blue group observes that without sufficient funding, the ERS cannot implement its strategic plans, goals, objectives, and projects. This sentiment is echoed in the Green group by P011, who identified insufficient funding as the primary barrier to the ERS's SCs, since the institution solely relies on government subventions. According to P011, delayed subventions prevent the ERS from executing its strategic deliverables in a timely manner.

The impact of funding on the ERS's SCs is highlighted in P005's perspective within the Blue group, which states that regardless of how advanced the ERS's ability to generate innovative ideas is, it cannot be effective without funding, as the institution cannot realise those ideas or benefit from innovation. In the Green group, P014 adds that the absence of funds to implement innovative ideas is seen as a lack of support, presumably from the government, which is identified in the cross-case analysis as the sole sponsor of the ERS's budget under the establishing Eswatini Revenue Authority Act of 2008, as amended.

The importance of the funding needed for delivering some strategic projects that require considerable financial resources is emphasised by P007 in the Blue group. Legislative restrictions under the Public Finance Management Act (PFMA), which make it unlawful for the ERS to generate its own funds and which stipulate that all funds collected can only be remitted to the government for redistribution as it sees fit, were noted in P005's sentiment.

However, P002 gives a unique insight in the Green group by observing that notwithstanding these challenges under difficult financial circumstances, the ERS would not hesitate to shift its focus to pursue equally important non-financial capital-intensive projects such as revenue collection.

Conclusion of the analysis of funding and government support challenges

As P005 observed in the Blue group, funding is a key challenge and area for improvement for the ERS. Although a budget is compiled and submitted in advance for the funding of key strategic projects, the findings revealed that the release of funds is often delayed and sometimes inconsistent, thus compelling the ERS to refocus on less capital-intensive initiatives. It was highlighted that the successful implementation of the ERS strategy relies heavily on securing sufficient funding. Evidence indicated that this issue not only causes delays in reaching strategic objectives but also restricts the ERS's capacity to pursue innovative strategic initiatives that require financial support. Consequently, in the case of the ERS, this limitation culminates in poor enforcement of compliance, tax evasion, and substandard service delivery. Furthermore, delays or failures in releasing funds signify a lack of government backing and hinder the ability to generate revenue needed to support the overall government budget.

5.2.2 RQ1: Theme 2: Policy, legislation, regulatory and operating environment challenges

One of the key challenges that emerged from issues affecting the ERS's SCs was policy, legislation, regulatory and environmental challenges with sub-themes as discussed below.

5.2.2.1 RQ1: Sub-Theme 1: Operating environment challenges

Operating environment challenges as shown in Table 5.2 emerged as a key sub-theme of the challenges that affect the ERS SCs under Research Question 1.

Evidence of operating environment challenges

Table 5.2: Operating environment challenges

P008: We are operating an environment that is extremely challenging and extremely dynamic.
P009: There's a lot of changes happening globally. We need to align to what is happening outside especially at Eswatini where we doing our collection. We need to appreciate the dynamics that are coming through, the economic changes.

P009: So we are trying to ensure that we constantly accommodate the changes that have happening in our space of work and in the economy as a whole.

P009: We are trying as much as possible to align to international standards in how we do tax administration.

P009: I would think as a way of ensuring that we stay relevant, we would need to constantly consider the impact of how and what we are doing.

P011: So one of the key things is that we are very cognisant of the environment we are operating in and that's why our strategy is always reviewed each and every time. Our strategic period which is three years is too short for a revenue administrator but for us it shows that we are cognisant that our environment changes more frequently than most stabilised countries. For instance, SARS [South African Revenue Service] has a five-year strategy, which serves them well but I think for us, when it comes our agility in that we try to be responsive to the environment as it changes.

P011: We do a lot of benchmarking exercises, with other tax administrations that help us to understand where our economy or at least our tax base maturing into. Do we need to now focus more on services than expecting goods at the border.

P012: I think things are changing very rapidly. So I think to stay relevant, we really need innovations because people are moving to technology that maybe we are not using, so you really need to stay ahead of the game so that we could follow them.

P014: Agility actually helps because you don't end up having white elephants because of not responding to the changes that are happening around you. So it really helps a lot because we are able to exploit things that were not there at the beginning. We are able to cut and change things along the way so that you improve or you ensure that whatever you wanted to do does give you the benefits that you anticipated. So if you are not agile it won't work because you'll end up with many white elephants because as you implement, the environment is changing so you need to be flexible to change.

In case and cross-case analysis of the evidence

The operating environment sub-theme also revealed significant challenges in the ERS's operating environment, although it was only discussed by two groups, the Yellow and the Green groups respectively. Insights from both groups highlighted the importance of the ERS's constant adaptability, despite its limited resources, to meet its revenue collection, service delivery, and tax compliance mandates. In the Green group, P008 described the ERS operating environment as extremely challenging and dynamic, while P009 in the Yellow group

recognised the need to continuously adapt to changes occurring both within the country and internationally, particularly regarding international tax administration standards. According to P011 in the Green group, the ERS's three-year strategy, as opposed to the five-year strategic period adopted by other tax authorities, demonstrates a strong awareness of environmental changes by the ERS.

The importance of the ERS to continuously evaluate its impact on service delivery and its role in enforcing compliance is emphasised in the sentiment expressed by P009 in the Yellow group. The obligation to maintain international standards applicable to tax administration is also recognised, given the prevailing and unforeseen global and economic changes.

In the Green group P014 also highlighted the need to seize new opportunities and avert the risk of 'white elephants'. In the absence of agility, ERS may end up with many 'white elephants' because as they implement the environment constantly evolves, emphasising the need to be adaptable. P011 further added that the ERS benchmarks itself closely with other tax authorities to understand where the country's economy and tax base are maturing or, for instance, to focus more on services rather than expecting goods at the border. In light of the rapid changes in the operating environment, P012 in the Yellow group observed the importance of leveraging technology and innovation as people adopt more advanced technologies compared to the ERS's systems.

Conclusion of the analysis on operating environment

The evidence is that the ERS is constantly challenged to adapt to changes in its dynamic operating environment, both within and outside the country, yet it operates with limited resources. The insights from the Yellow and Green groups outlined the risks and benefits of adapting or not adapting to changes. Significantly, the insights highlight the need for the ERS to uphold international tax standards and adopt the latest technology to remain current as the environment evolves with new technological innovations. The findings further emphasise that the operating environment forces the ERS to continuously evaluate its impact on service delivery, while assessing risks and seizing new opportunities. The findings also reveal that the dynamic operating environment compels the ERS to pursue short-term over long-term strategies, for instance, three-year instead of five-year strategic plans.

5.2.2.2 RQ1: Sub-Theme 2: Procurement challenges

Procurement challenges, as shown in Table 5.3, emerged as a key sub-theme of the challenges that affect the ERS's SCs under Research Question 1.

Evidence of procurement challenges

Table 5.3: Procurement challenges

Research SubQ1 Theme 2 – Procurement Challenges
P004: <i>Even if you would want to outsource that work, then we have the regulator for public procurement processes, ESPPRA [Eswatini Public Procurement Regulatory Agency], that also has their own process and timelines for how you can do that. So it then in a way, slows down everything.</i>
P012: <i>The procurement processes take long. You end up executing your project in the second year. And then in the third year of the strategy you are still trying to finish off your project or change. And by the time we will be preparing the following strategic year and most of these changes would be not finished due to the delays in the procurement processes.</i>
P012: <i>I think maybe we can improve by making sure that we speed up the procurement processes and to execute these changes in the correct strategic year</i>
P006: <i>I get frustrated on the process side of things, for instance our procurement process is rigid which frustrates our strategic procurements. This then delays and supresses progress.</i>
P015: <i>Sometimes some of the factors that frustrate us is our processes in particular, the procurement process from the ESPPRA. It doesn't allow that agility which then impacts even our payments in terms of how you pay in your project, how you contract, it has to be factored in terms of the agile approach, but now we can't apply that.</i>
P014: <i>So you will then have more initiatives being completed within the strategic period unlike right now where our biggest problem is too much carry overs to the next strategic period because we couldn't finish those initiatives in the previous strategic period.</i>
P001: <i>We also invested significantly on world-class technology in the ERS. We've recently introduced a tax system that is ranked amongst the best in the world, it's an Oracle based system.</i>
P015: <i>And if there are opportunities in the market or in the economy, you exploit those opportunities like emerging technologies, exploiting those technologies will help you get the efficiency like the cost of collecting the revenue will be low and you will be able because we have been given this target by our principal who is the minister of finance with assessing the economy and performance in terms of GDP.</i>
P015: <i>Let's say you're buying a product from IBM. If there is no IBM office in the country the will group you in a region. And then you can't buy the service direct with IBM. You would be told that</i>

you need to access IBM South Africa through a partner that is resident in South Africa because I think they want to standardise the way they do business.

In case and cross-case analysis of the evidence

Regarding other challenges related to strategic barriers, procurement processes stand out. In a cross-case analysis of four cases, participants expressed frustration with the public procurement process that the ERS is required to follow when acquiring goods and services. P006 from the Blue group voiced frustration that the procurement process is rigid and thus hampers strategic procurement efforts, leading to delays and stifled progress. P004 in the Yellow group also noted that navigating the public procurement process slows down the ERS's ability to meet its strategic objectives, and does not facilitate outsourcing of strategic projects which could otherwise accelerate delivery.

In addition to the delays observed by the two participants, P015 from the Blue group noted that the public procurement processes further hinder the contracting and payment terms of strategic projects, as the procurement process assumes a linear project execution approach rather than the project sprints followed by the ERS in the agile process. P015 mentioned that this rigid approach makes it difficult to effectively implement the agile process, and also challenging to incorporate the agile process within the rigid procurement framework. From a strategic capability perspective, the overall impact of the protracted procurement processes is articulated in P012's perspective from the Yellow group, who observes that this leads to project carryovers into the following year, which then results in the failure to complete projects within the set strategic period. The sentiment on carryovers corroborates a unique observation by P014 from the Blue group, who states that the biggest problem the ERS faces is too many carryovers of initiatives from one strategic period to the next.

Conclusion of the analysis on procurement challenges

The findings indicate that although the governance of the public procurement process aims to protect public institutions from common procurement malpractices, it also presents challenges in purchasing goods and services, which can hinder the timely achievement of strategic objectives. In the case of the ERS the process inhibits the outsourcing of strategic projects which could otherwise accelerate delivery. Importantly, the evidence suggests that the procurement process is incompatible with the agile project management approach used by the ERS to meet its strategic goals, as it does not support the agile sprints method that allows contracting and payment at the end of each sprint. Instead, the procurement process follows a step-by-step approach for contracting and payment. The evidence shows that the process is rigid and cumbersome, which hampers progress, causes delays in executing strategic projects, and often results in projects carrying over into the next strategic period or year.

5.2.2.3 RQ1: Sub-Theme 3: Legislation

Policy, legislation and regulation emerged as a key sub-theme of the challenges that affect the ERS's SCs under Research Question 1.

Evidence of policy, legislation and regulation

Table 5.4: Evidence of policy, legislation and regulation challenges

Research SubQ1 Theme 3 – Policy, Legislation and Regulation Challenges
<i>P010: There are some things that we can do more agile, but sometimes the limitations of our geological structure like in Eswatini there are things that you may want but you may find that some of the infrastructure that you are looking for, the country is not ready for. So you now have to wait your turn until some of requirements are met. I can make an example. You want to do a major improvement in the way tax payers are complying but the law does not allow.</i>
<i>P011: There is also challenges in relation to legacy systems. By that I mean we are innovating at a very fast pace, but we still have to integrate with legacy systems either entire with the government or so for example, I will make the example that we are trying to have this revenue take over a project where we want to process all government payments, but those government payments are still processed in a legacy system called Entire. That system is a very old system so the integration between the newer system that we have invested as the ERS has created some problem and also it is also created room for resistance to change in terms of some of our partners.</i>
<i>P009: Sometimes it takes a while for us as a country to pass certain laws.</i>

P003: Also worth highlighting is the ERS's move to migrate to cloud. So ORMB is a cloud-based solution, and I think we are one of the few state-owned entities that have moved business data to the cloud. I think government has always been hesitant about hosting government or personal information on the cloud.

P005: Yeah. So in terms of funding we are funded by the government, our funding comes from the government. So we motivate to government, request for funding and we receive those funds to run the ERS. What has happened in the past is that despite motivations, we do not receive the funds that we need to run the projects that we have put in the strategy and that's the part that becomes a challenge when we have plans, strategic goals, objectives and projects, but we can't implement them because there is no enough funds to do that. And unfortunately, the government is our only source of funding and the law, especially PFMA is not supportive of us generating our own funds, because the PFMA indicates that public finance management indicates that any funds we generate must go to the government. So even if you'd self-generate, we would unfortunately have to take the funds to government before they can come back to us, so that becomes a bit of a challenge.

In case and cross-case analysis of the evidence

As ERS is a creature of statute, the participants fully recognised the value of complying with legislation and government policy. However, participants acknowledged some significant obstacles related to legislation and government policy that impede ERS's SCs and its ability to adapt to environmental changes. P010 from the Grey group explained that ERS cannot significantly improve taxpayer compliance without undergoing a lengthy legislative amendment process. While P009 from the Yellow group generalised this challenge, the overall sentiment was that the slow legislative process in the country hampers ERS's capacity to adapt swiftly. Essentially, this limits ERS's ability to manage risks and capitalise on opportunities in real time. The Yellow group also shared their experience with the government's initial reluctance to allow ERS to leverage cloud hosting for its business data, similar to other reputable organisations, though eventually, approval was granted. Lastly, P005 from the Blue group noted that the PFMA restricts ERS from self-generating funds, requiring such funds to be remitted to the government and allocated through the usual subvention process for strategic planning and goal achievement.

Conclusion of the analysis on legislation

Being a public institution and a creature of statute, the ERS must adhere to government policy and the due process of law in all its dealings. Whether aiming to implement improvements or to reduce risks, the legislative process remains the same and may therefore lead to missed

opportunities to scale, prevent, or minimise risk. Evidence from various groups highlights different challenges in the legislative process, including the slow amendment approval process, which hampers the ERS's capability to adapt to the changing environment. The slow legislative process further limits the ERS' ability to manage risks and capitalise on opportunities in real time. Furthermore, the government's stance and reluctance to innovate impedes the ERS's pace to innovate, and it is also clear that the legislation does not permit the ERS to explore self-generation of income to fund its operations, although the ERS is capable of doing so.

5.2.3. RQ1: Theme 3: Strategic enablers

The process of developing and implementing the ERS's business strategy has several enablers. This section discusses the three sub-themes related to enablers that emerged from data analysis, as summarised in Table 5.5. These enablers include employee involvement and buy in, strategic partnerships dealing with internal human capabilities. However, this section will discuss two prominent themes, strategic partnerships and internal human capabilities.

5.2.3.1 RQ1: Sub-Theme 1: Strategic partnerships

Evidence of strategic partnerships

Strategic partnerships emerged as a key sub-theme of the enablers that affect the ERS's SCs under Research Question 1.

Table 5.5: Evidence of strategic partnerships

P001: *The entire strategy then is about digitalisation, is about introducing, data analytics, processes, and systems, and it is about improving relationships with our partners, our partners would be the clients, it would be ecosystem channel partners such as the banks.*

P001: *To that extent our strategic theme is digitalised, data-driven, with our partners, so we want to be digitalised and data-driven with our partners.*

P001: *So think about it as an ecosystem, you have the ERS which cannot operate on their own. They need the banks to be able to operate and they need government.*

P001: *They need the banks to be able to operate and they need government. In government, think about the various ministries; one of them is commerce, the other would be finance and the other would-be Home Affairs. Commerce for the company register, Home Affairs for the civil registration system, the banks for the flow of funds and then you have taxpayer representative bodies.*

P001: *So they're being a public entity, we will require coordination and collaboration with a number of other public entities, we call this one a public infrastructure. So we need an improved public infrastructure for us to effectively achieve our objectives and we are working on that with our partners.*

The partnership is the one that emphasises that whatever we do, we will be prioritising, simplifying processes for our clients.

P002: *We thrive for excellence in what we do. I think the underlying factor in everything is building relationship with stakeholders both internally and externally.*

P002: *Another capability that we have is relationships/ strategic partnerships as we have managed to establish with different partners and stakeholders locally, regional and globally.*

P002: *These partnerships are founded on what we want to benefit and how they can benefit our partners. I think these partnerships have yielded positively for the ERS and its partners.*

P002: *The full participation of our superiors which is government, I think if we can win government participation we can do exceptionally well. The reason I say this is because government holds about 70% of the data that we need. Yet we are working for the very same government but we have had challenges for the longest time in that respect.*

P002: *For example, as Eswatini we are losing a lot of revenue when it comes to digital sales yet people pay for Netflix, make online purchases such as games from the Swazi economy and yet not benefitting our economy as it should. So maybe we can come up with ways with our regional and global partners to say, for income sourced from Eswatini a specific portion must remain within Eswatini.*

So it's more like we need to be digitalised and data-driven, obviously we do this together with our partners since we cannot achieve it alone.

P003: *I think one of them is the ORMB [Oracle Revenue Management and Billing] system which came with a lot of capabilities to support the ERS vision to be digitalised and data-driven with our partners.*

P009: *Probably we have room to partner with institutions of higher learning and we could leverage on young minds there. We also have information collection points with our clients. We are constantly tracking our net promoter scores and where clients actually rate our service and further make submissions on how they feel we can better deliver our service to them.*

P010: *One, we have seamless integrations with other other entities, which makes things easy for us.*

P011: *There is also challenges in relation to legacy systems. By that I mean we are innovating at a very fast pace, but we still have to integrate with legacy systems either entire with the government or*

so for example, I will make the example that we are trying to have this revenue take over a project where we want to process all government payments, but those government payments are still processed in a legacy system called Entire. That system is a very old system so the integration between the newer system that we have invested as the ERS has created some problem and also it is also created room for resistance to change in terms of some of our partners.

P013: Introducing Bafundzise stakeholder education. I'm sure you've heard about it. But basically promoting taxpayer education, which means we are informing and educating taxpayers about taxes and how they can comply.

I think for me for them to be successful, they need to involve their key stakeholders, by key stakeholders I mean taxpayers. You cannot do anything without getting buy in from them. So it's very, important to include them in the process. And also if you are going to rely on government or intergrade with government, they also need to be part of the success.

P015: It would be nice though to say when you are trying to improve or bring value to your client, you cocreate the product with them.

But the problem is, whatever we're doing, we're doing on our own, without our customers, Even though we have our customers in mind, but we do not co-create.

P014: One key consideration would be to have one government because we are not operating in an island but an environment where we are servicing citizens and they are citizens are being serviced by ERS. So if we are not integrated and not sharing services, we are not sharing data, then I think we are letting the citizens down because right now we are taking over the revenue offices where you would normally go and buy car renewal discs.

P001: Now, the challenges that we have now is there are some key players in our ecosystem that are falling behind in this digitalisation journey. So to enhance our own, let me just give you a very simple analogy. Let's say you are running a transport system, operating a shuttle between Manzini and OR Tambo in South Africa. There are so many dependencies. One of the key dependencies is the is the quality of the roads, the other dependency is turnaround time at the borders, you with me? Yeah. So for you to run a truly, truly efficient transport system, you need good roads, you also need adequate throughput with the passport processing at the border and so many other requirements.

In case and cross-case analysis of evidence in strategic partnerships and technological integration

Strategic partnership is a prominent theme in various cases, illustrating its central role in the functioning of the ERS. The significance of strategic partnerships in enabling ERS's SCs is clearly depicted in the ERS strategic theme, as highlighted by P001 in the Blue group who

states it is '*To be digitalised, data-driven with our partners.*' P001 in the Blue group, explains that the entire strategy revolves around digitalisation and the implementation of data analytics, processes, and systems, which necessitates the ERS to strengthen relationships with its partners, including their clients. It is important to note that in this context, 'clients' refers to taxpayers, while 'partners' refers to ecosystem channel partners, including banks.

P001 emphasises that the ERS cannot exist in isolation but requires key institutions such as banks and the government to fulfil its mandate. According to P001, the ERS must collaborate with various ministries within the government, including the Ministry of Commerce, the Ministry of Finance, and the Ministry of Home Affairs. P001 emphasises that they need the Ministry of Commerce for the company register, the Ministry of Home Affairs for the registration system, banks for the flow of funds, and various taxpayer representative bodies to enforce compliance, which the ERS mainly achieves through rigorous taxpayer education. In this regard, P013 in the Yellow group recognises the Bafundzise stakeholder education process as one that involves creating awareness and taxpayer education on how taxpayers can comply with tax obligations.

P001 also explains that the ERS aims for improved public infrastructure, which necessitates intense coordination and collaboration efforts to enable the ERS to achieve its objectives while working effectively with partners. Similarly, P014 in the Blue group acknowledges that the ERS does not operate in isolation, hence the need to strive for one integrated government service to effectively serve the needs of taxpayers and stakeholders. In the same breath, P002 from the Green group concurs with the sentiment on external stakeholders and further brings in the importance of relationships and an integrated government system to share data with both internal and external stakeholders. According to P003 in the Yellow group, the ERS's recently launched ORMB system has introduced a lot of capabilities to support the ERS' strategic theme to be digitised and data driven with its partners.

From the Green group, P002 actually defines strategic partnerships and relationships as one of the ERS's key SCs, which it has built with partners beyond the borders of Eswatini, including regionally and globally. According to P002, the partnerships are mainly based on what the ERS and its partners aim to achieve together, which has resulted in significant benefits for the ERS over the years. The government's full participation is highlighted as a vital enabler, as the government holds about 70% of the data needed for the ERS to effectively deliver on its strategic goals. In this regard, P002 recognises that for a long time the ERS has struggled to fully integrate its systems with the rest of government. As a result of this challenge, the country has been losing substantial revenue, particularly from digital sales, which currently do not

benefit the Swazi economy as they should or as they do in other jurisdictions. Concerning digital sales, P002 notes the need to leverage regional and global partners beyond the government.

The importance of government partnerships is reiterated in the Green group by P011, who highlights a current challenge in integrating the ERS's recently acquired world-class ORMB tax system with legacy government systems, as the ERS has just taken over revenue collection from the government. According to P011, the challenge of integration has sparked pockets of resistance to change from some government stakeholders.

It is notable that a difference is observed in the Grey group by P010's observation that the ERS already has seamless integrations with other entities, which makes things easy for the ERS.

From the Yellow group, P009 offers a different perspective on further collaborating with higher education institutions to utilise the skills and competencies of students and recent graduates for the emerging roles that the ERS requires in its journey to become digitised and data-driven. A contrasting viewpoint is also presented by P015 from the Green group, who emphasises that the ERS's area for improvement is its tendency to do everything independently without co-creating with its customers and taxpayers to gain their support. The observation suggests that involving clients and taxpayers in the process would yield more value.

Conclusion of analysis on strategic partnerships

Predominantly, case and cross-case analyses reflect a consensus on the value of strategic partnerships in enhancing ERS's SCs, although expressed differently. The evidence acknowledges the importance of collaborations with various government ministries, banks, global partners and taxpayer organisations to achieve data management and payment system integration, aiming to improve tax compliance and service delivery. While the overwhelming evidence indicates that ERS relies on these strategic partnerships to meet its objectives, only one participant appears to hold a dissenting view, believing that ERS is performing well independently. The evidence suggests that although ERS has made significant progress in executing its strategy—especially given the increasing complexities in the operating environment—there remains room for improvement through full integration and efficiency gains in the tax collection system via digitisation with strategic partners. The current system may not yet be robust enough to detect non-compliance and fully enable taxpayers to comply. A need for improved public infrastructure necessitates intensive coordination and collaboration efforts between the ERS and its strategic partners. Lastly, partnerships with academic

institutions to leverage young graduates' future skills are also identified as essential for ERS innovation through the injection of new skills and competencies.

Room for improvement is further identified in enhancing co-creation efforts to ensure taxpayers' buy-in on introduced changes, as the ERS appears to have unilaterally made and executed decisions without their contributions and input as key stakeholders.

5.2.3.2 RQ1: Sub Theme 2: Internal human capabilities

The findings also highlight the need for human capabilities; including skills and competencies, staff involvement, building of internal capacity, breaking down of silos and a supportive organisational culture as enablers for strategic capability.

Evidence of internal human capabilities

Table 5.6: Evidence of internal human capabilities

Research SubQ1 Theme 5 – Internal Human Capabilities
P001: So, in terms of capabilities, internally we've got capabilities for developing the strategy. And the development of the strategy, because we are doing it internally, right, allows us to factor in the views of internal staff.
P001: And we have used internal resources, we have developed sufficient capacity internally to develop strategies. So we've used our own people to develop the strategy.
P001: We have a division called Research, Strategy and Statistics. So the strategy function reports to that director. We also have a research function that reports to that director and a statistics function that reports to that director. This is not IT [Information Technology], we have a separate IT department but this is strictly research. But we are introducing another unit that will be sort of an extension of research focusing on intelligence, understanding taxpayer behaviour and understanding interventions that have impact on compliance basically interventions that changes tax payer behaviour. Not even as part of strategy but as part of operations we will be recruiting mathematical modelers, actuarial scientists, data analysts that would just be using data to fully understand and even predict future behaviour of clients so that we can be proactive in responding to those client behaviours.
P002: In essence our key strategic capabilities include our people, business processes and we have also been exposed to project and change management as key capabilities. Pretty much these summarises the ERS's key competencies.

P002: Another key capability is our people because we have capable people that can perform highly skilled jobs such as research, forecasting, taxation including people that are well-versed in the legal aspects of taxation and so forth.

P002: Internally we have invested a lot in our people not necessarily through formal training and I think we will soon get there but the investment I am referring to is embedding innovative thinking.

P003: We have highly skilled personnel.

P005: And of course, the skills that you require, that agility inside the structure itself and the team is what may also be absent, the skills in the human resources.

P005: The efficient and effective use of tools from technology to the very human resources has played the important role.

P006: I think the ERS was intelligent for capacitating its our own people in the strategy development, we were clever if you look at the our achievements and the strategies we have made. If you look at the strategy development, implementation and monitoring process, we no longer use consultants on everything.

P006: Before we used to consultants but we now have resources internally. I am one of those that have also been certified on orgtology strategic planning. So a number of people at the ERS have been certified on this orgtology strategy planning process where we used a process construct formula.

P007: And then also I would say the other one is the knowledge and skills that we have internally because not everything can be outsourced, it does eventually become costly, but if you do have the skills internally, for example, your developers, also your key projects management skills.

P007: From a retention perspective where you do find that you need now monetary incentives to retain the skills that you have internally and because some skills are being developed as we journey because it's it's a ground where we've never really operated on, so we are really acquiring new knowledge as we conduct the projects.

P008: I can comfortably say that we have quite a rich pool of skills and knowledgeable people with regards to projects which the more people are able to run projects, and the more we build that capacity, that obviously enhances the manner in which we deliver on the strategy, considering the way that we actually run our strategy.

P008: Because as the ERS we have had quite a turnover.

P008: *So I think everything around people, culture, performance management, accountability, we can just focus on that maybe for the next two to three years and really firm up on that. I think it would actually take us even further with regard to what we've been able to achieve so far.*

P006: *I may understand the agility because of my background but I get frustrated on the process side of things, for instance our finance processes are not agile for instance the procurement process is rigid which frustrates our strategic procurements. Also our HC or human resource processes they are inflexible in terms of enabling business to acquire and bring in the skills that we urgently require to be agile in the delivery of our strategic initiatives through the relevant mediums of capturing today's audience. This then delays and supresses progress.*

P011: *We still have some skills issues, but we are trying to upskill our staff members. We are providing training, but there is always capacity issues, particularly now that the technology is improved. You always need to upskill our employees.*

P004: *I think we need to invest in our internal innovations development team or capacity because we have opportunities to improve our existing processes, or existing products, but the capacity to do that and do it within short turnaround times I find is limited.*

P011: *And the second one, from a people's standpoint, I think we are still trying to embed the culture of digital transformation, to be specific, because there are still beliefs that AI is replacing jobs, but we are saying AI is to make you more productive. So, instead of now being a tax officer, you are now a tax adviser, simply confirming things and not necessarily doing the number crunching in that regard.*

P002: *So everyone within the ERS is covered by the process and we measure the performance of processes.*

P008: *And then performance management, yes, we do have some gaps here and there, but I must say that and we sort of have quite a long way to go with regards to things such as accountability.*

Analysis of evidence on internal human capabilities

Some similarities can be noted from the evidence of several interview participants who confirm that the ERS considers its mastery and internalisation of the strategy development, coordination, monitoring, and evaluation processes as a key capability that has driven its strategic successes. P001 in the Blue group, believes that the internal capability to develop the strategy enables the ERS to meaningfully engage and incorporate the views of internal staff members quite significantly. Meanwhile, P002 in the Green group observes people as a key strategic capability, as the ERS prides itself on the competence levels of its staff to perform

highly skilled jobs. The same view is supported by P003 in the Yellow group, who states that the ERS has highly skilled personnel. Similarly, in the Blue group, P006 acknowledges the ERS's intellectual capacity in empowering its own people to lead the strategy development process as an important step that has propelled the institution's strategic achievements over the years. To support this, P006 notes the absence of external consultants throughout the strategy development, implementation, and monitoring processes, as the ERS no longer relies on consultants.

To emphasise the significance of internal capabilities in this area, P007 in the Blue group notes that the quality of their internal skills means they no longer need to outsource and pay high fees for that process, allowing them to deliver on the strategy cost-effectively. Among the other skills that the ERS does not need to outsource, P007 highlights abilities such as those held by developers and project managers. P008, from the Green group, also supports the evidence regarding project management skills; P008 acknowledged that the ERS has a strong pool of project management expertise and knowledgeable personnel. However, in addition to possessing such skills and expertise, P008 further notes the need to continually work on enhancing existing skills to consistently improve the delivery of the ERS strategy. A unique insight is provided by P008, who acknowledges a challenge and the risk of high staff turnover that the ERS has been battling with, which threatens the accumulated skills base.

Regarding differences, participants from the Yellow, Blue, and Green groups highlight gaps in skills and capabilities. In the Green group, P011 recognises a skills gap, noting that the ERS still faces some issues and is providing training to improve staff skills. If left unaddressed, these gaps could delay and hinder progress toward strategic goals. From the Blue group, P006 points out that the ERS's rigid human capital processes cause delays and impede progress by preventing the urgent acquisition of necessary skills, which could boost the ERS's capability and agility. P007 also emphasises the risk of staff turnover and the importance of incentivising staff retention, especially for scarce skills, to protect the ERS's investment in skills development. Furthermore, P008 from the Green group notes that the ERS needs to improve in enforcing accountability across the organisation.

Conclusion of the analysis on internal human capabilities

Overall, internal human capabilities proved prominent in the sentiments of several interview participants. It appears that internalising strategy development and coordination, strengthening project management skills, advancing staff development, and empowering resources to match technology upgrades are all vital to the success of the ERS strategy. While

all participants acknowledge the quality of current capabilities, there is a strong call to harness these skills by continuously investing in the development of skills to adapt to changes in the ERS operating environment. The evidence shows a clear awareness of the consequences of failing to internalise, harness, or close the skills gap on ERS's strategic performance.

An imminent risk of skills erosion owing to high staff turnover highlights the importance of internal human capability as a key priority for the business continuity plan. A shortage of some future skills has been identified as an area for improvement; if left unaddressed, it could affect ERS's ability to deliver strategic projects. Rigid human capital processes have been noted as a critical area of improvement to accelerate the acquisition of essential skills. Performance accountability has also been recognised as a significant area for improvement to strengthen accountability for individual and team performance

5.3 Research Question 2: How can agility help the ERS to enhance its strategic capabilities?

The research question regarding how agility assists the ERS in enhancing its SCs attracted a wide range of responses. Notable codes identified in the analysis included benefits realisation, ISO certification, long-term strategies, operating environment, prioritisation, project dependencies, project portfolio management, reporting, risk optimisation, and strategic iteration, among others. Subsequently, the three main themes that emerged from the analysis were organisational agility and strategic iteration, triggers of agility with 2 sub-themes, and project management capabilities. This is shown in Figure 5.3.

Figure 5.3: Research Question 2 Themes

Research Question	Main Themes	Sub Themes
RQ 2	Theme 1: Organisational agility and strategic iteration	
	Theme 2: Triggers of agility	Sub Theme 1: Benefits realisation
		Sub Theme 2: Business relevance
		Sub Theme 3: Operating environment
	Theme 3: Project management capabilities	Sub Theme 4: Risk optimisation

5.3.1 RQ2: Theme 1: Organisational agility and strategic iteration

The theme of organisational agility and strategic iteration is presented in Table 5.7.

Evidence of organisational agility and strategic iteration

Table 5.7: Evidence of organisational agility and strategic iteration

P002: We always find a way to reprioritise our activities or delivery of strategic objectives. For instance, under tough circumstances, the main focus shifts to immediate revenue collections which means we defer some of the medium- and long-term projects.
P010: There are some things that we can do more agile, but sometimes the limitations of our geological structure like in Eswatini there are things that you may want but you may find that some of the infrastructure that you are looking for, the country is not ready for.
P011: There is also challenges in relation to legacy systems. By that I mean we are innovating at a very fast pace, but we still have to integrate with legacy systems either entire with the government or so for example, I will make the example that we are trying to have this revenue take over a project where we want to process all government payments, but those government payments are still processed in a legacy system called Entire. That system is a very old system so the integration between the newer system that we have invested as the ERS has created some problem and also it is also created room for resistance to change in terms of some of our partners.
P001: So we review the portfolio of the projects, annually. And I'm saying annually deliberately. If there is any project midway through the year, that comes up we would assess it assess it on the need to enrol it or just to keep it in the shelf until the next scheduled prioritisation period.
P001: In the context of strategy, if whenever I assess my projects, and conclude that the projects are no longer effective in taking me to achieve my objective or the project is no longer efficient I should not hesitate to end the project, can it meaning to close the project, suspend the project and put it aside. And I should be open to considering new projects. As long as these new projects in my assessment, they help me achieve my strategy objective. So that's agility.

P001: *So that's the agility dimension as well because our strategic plan is for a period of three years, but every year we take a step back to look at progress on the previous years' projects. We look at opportunities for adding new projects and prioritise, so we drop some and we enrol some.*

P001: *The agility is required in reviewing the projects continuously. This means review the projects and review the projects portfolio continuously. Now, that's the agility.*

P001: *So we prioritise the projects, drop some and enrol some.*

Sphehile: *So I think having those structures and the timelines that are associated with when these structures are coming in together helps to ensure that everything happens according to plan or when we need to deviate. Like there's a closed eye that's keeping track of what is happening so that we don't have passion projects poking up on the side that no one is aware of but are taking up resources. We focus on these ones that we know are of priority. Yes, we do also have business as usual projects that are managed at departmental level, but we also had a unit that was ensuring that it assist business to keep track of those important business projects that are running at departmental level. Unique insights of passion projects.*

P003: *And also I think what I saw was that the flexibility from the senior management the team was empowered to actually take decisions.*

P005: *Our strength in the strategy development and implementation is that very agility because with us, we continuously scan the environment. We don't do it just at strategy development and stop. So we are continuously scanning and responsive to changes around our environment. And then we align our projects and processes to those changes, and it's more of an iterative process. While we maintain the key objectives we want to achieve over a period but how we achieve them is how what will always remain agile and be responsive, iterative depending on what the business needs to achieve and also the resourcing.*

P006: *Luckily for us we have adopted the agile methodologies in a number of frameworks that we have. When they started project management at the ERS, we started with the Prince2 methodology but we then moved on three years back, and felt that agility nowadays we need to move into agile project management.*

P007: *Agility has helped the organisation to maintain some form of, I really don't want to call it competitive advantage, but to maintain that sort of always being ahead, a step ahead kind of environment.*

P008: *If it doesn't work I need to be prepared to go back to EXCO and say yes I committed to ABC and D but I feel like this year is not working therefore we need to maybe drastically change this year in this direction so that we are able win.*

P009: I have just mentioned that the evolving economy or the global changes require that we are in sync with that. So we need to kind of put in that element of being agile to changes that are happening. Now we have also accommodated that in our project management model, whereby before we would frame a project from start to end, but we have now also accommodated that agility in our projects whereby we cut the project in sprints.

P011: My understanding of organisational agility, for us every time in April, we are back at zero and we have to collect a new target. So we are always agile in the problems that we face, our taxpayers that we collect from are moving, and their business models are changing for instance we are now seeing ecommerce, we're now seeing the move from where we used to see servers coming at the border of physically, now people are moving to cloud.

P013: *The ERS is a very agile environment and things change quickly.*

P004: *So for example, as we are doing a project, maybe down the line, we realise that this is not the right path we are on. We're able to take a pause and say, okay, let's go back to the drawing board. What's going on here? Yet I would assume in other entities, it then becomes you we started this thing let's just push it to the end even though it's no longer yielding value.*

P008: *We've got so many initiatives running and because we are running so fast, you find that if something doesn't perform what we tend to do is that we just drop it off and focus on this one that is performing. And yet we need to go back and say, yes we say we will be running with this one that is performing, but this one, that is not performing, let's understand what is it about it that made it not perform. So that next time we don't repeat that mistake. So what happens if you don't go through that process, you tend to then keep on making the same mistakes in terms of identifying your priority initiatives or coming up with your innovative initiatives.*

P008: *If it doesn't work I need to be prepared to go back to EXCO and say yes I committed to ABC and D but I feel like this year is not working therefore we need to maybe drastically change this year in this direction so that we are able win.*

In case analysis of the evidence on organisational agility and strategic iteration

First and foremost, the main observation from the participants' responses is that their understanding of the word 'agility' is equivalent to the ERS's agile project management approach. In the Blue group, P006 shared that, three years prior, the ERS adopted agile methodologies instead of the PRINCE2 project management methodology. According to P009 in the Yellow group, the agile project approach enabled the ERS 'to cut projects to sprints' to accommodate the evolving economy and global changes. They were able to restructure projects into short, cyclical development stages consistent with agile methodologies. Several

successes and limitations are noted in the participants' responses regarding the ERS's agility in executing its business strategy. In the Green group P002 mentioned that even under challenging circumstances, the ERS always manages to reprioritise the delivery of its strategic objectives, such as shifting from medium to long-term projects to immediate revenue collection.

In the Blue group, P005 noted that agility is the ERS's main strength in strategy development and implementation, as the institution continuously scans and responds to changes in the operating environment by aligning its projects and processes through an iterative process. From the Yellow group P013 shared that the ERS operates in a very agile environment as things change quickly. P007 in the Blue group held the same view and added that, through practising agility, the ERS has been able to always stay a step ahead in its operating environment.

P004 also added that instead of pushing forward with a project that is not yielding the desired results, they are able to pause, reflect, and return to the drawing board if a project is not progressing well. Similar to this view, P001 emphasised the capability to prioritise or drop projects that are no longer relevant. According to P008 in the Green group, in order to drop a non-performing or irrelevant project, one must be prepared to motivate for that change before EXCO for their approval and support of the changes. P009 alluded to the fact that, on an annual or even more frequent, half-yearly basis, the ERS reviews the relevance of the initially identified projects and initiatives.

P003 from the Yellow group shared the unique perspective that the flexibility of senior management to empower project teams to make decisions during projects is a key enabler of SCs. In the Blue group P001 acknowledged that for the ERS, agility is required to ensure that projects are continuously reviewed to detect and terminate projects that are no longer relevant while remaining open to enrol new projects. According to P001, although the ERS undertakes an annual review of projects, midway throughout the year, if there are projects that come up, they are assessed to determine whether to enrol immediately or keep them on the shelf until the next scheduled prioritisation period. P001 further added on the need to ensure that there are no 'passion projects' popping up and taking up resources that can be allocated to priority projects.

From a tax collection perspective, P011 in the Green group highlighted that the ERS is always agile in addressing the challenges it faces, as taxpayers have proven to be using more advanced business models, including e-commerce. Advanced taxpayer technologies simply

mean that the ERS must adapt its systems to match the same level as the taxpayer in order to keep track of and enforce compliance. P010 from the Grey group highlighted some limitations in the ERS's agility owing to Eswatini's geological structure, as it appears that the country either lacks or may not be ready to adopt the necessary infrastructure for the required adaptation. Legacy system challenges are highlighted in P011's view in the Green group, which states that although the ERS is innovating rapidly, it faces difficulties in integrating with legacy government systems, potentially significantly impeding agility. Meanwhile, P008 in the Green group expressed concern that underperforming initiatives are quickly abandoned in favour of prioritising successful ones. The observation is that a comprehensive review must be conducted to identify and prevent the recurrence of similar challenges.

Conclusion of analysis on organisational agility and strategic iteration

The evidence indicates that at ERS, the term 'agile' mainly relates to participants' experiences with the organisation's agile project management approach. This approach enables them to execute time-bound projects that can adapt to environmental changes. It is also clear that ERS reprioritises project delivery during challenging circumstances, viewing agility as both a strength and a strategic resource in a rapidly changing environment. Furthermore, ERS's ability to remain competitive is linked to its flexible adaptation to change. The evidence also shows that ERS regularly reviews the effectiveness and relevance of its projects to stay aligned or to be able to adopt more suitable initiatives and to further ensure that there are no 'passion projects' popping up and taking up resources. Ongoing project evaluations are considered crucial for directing resources towards viable projects. However, infrastructure issues and legacy systems are identified as barriers to adaptation, which could limit ERS's quick response to changes in tax and revenue administration. Furthermore, it is noted that ERS could benefit from a more structured process for reprioritising its projects, rather than the current approach that does not thoroughly examine the reasons for underperformance. Most importantly, senior management's ability to empower teams to make decisions during project execution stands out as a key enabler of agility. This means that ERS must find a balance between empowering teams to make prioritisation decisions and following a proper process to suspend non-performing initiatives.

5.3.2 RQ2: Theme 2: Triggers of agility

Another theme that emerged on ensuring agility at the ERS pertained to the triggers of agility with 2 sub-themes.

5.3.2.1 RQ2: Theme 2 Sub-Theme 1: Benefits realisation

Benefits realisation emerged as a sub-theme under triggers of agility as discussed in Table 5.8.

Evidence of benefits realisation

Table 5.8: Evidence of benefits realisation

P003: *We have this processes that we've been using but I always refer to the law of the diminishing returns to say that there comes a saturation point where no matter how much resources in terms of maybe investment in time, or whatever that you put in the returns will be minimal and maybe start to go down. So now you just need to rethink the way that you do things so that's where the tax admin came in that the ERS is trying to adapt and you'll find other ways to improve voluntary compliance. So I think that in itself, show that we are an agile organisation.*

P003: *I think agility has played a huge role especially in the short term, because with our agile approach, we've been able to deliver results within very short spaces of time. So in a sprints of about two weeks to a month, where we deliver new functionality.*

P004: *I think the combination of agility and innovation, if we embrace it fully and give it the time and the resources that it requires, we will be able to attain what we have set out to do in our strategy, quicker and the right quality. But if we do not address the limitations that we have, we will continue to move slower and maybe find that we have carryovers from one strategic periods to the next, because we are not able to move things around quick enough.*

P006: *I feel like we don't give ourselves time to unpack clearly such that when you look at it post implementation of the strategy you wonder how we had agreed on an initiative without defining how it would be measured and things get confusing at that point yet it should have been a key consideration at the planning phase or start of the initiative.*

P008: *Yes I think for me it's the benefits realisation. Sometimes we run too far ahead in the spirit of agility and then we forget to actually take stock and say that, are we even moving in the right direction.*

P009: *They agility part plays a critical role on that because it would help to show that we broke the project in smaller chunks and already we are reaping benefits from this first portion of the initiative that we implemented and then it does bring in that visibility of the efforts that*

we have put in or the rewards that are coming with it. So I think we need to reinforce on benefits tracking.

P011: When it comes to agility there is a thin line between changing too quickly before something materialises and so it's that thin line to say are we changing too quickly before something starts to bear fruit? I think the biggest challenge for us is finding that balance for now in terms of that, but I think we are learning as over the last two years, we've managed to hit our revenue target which is testament to striking the balance.

P002: So it's a question of identifying where we can get the data that can give us the revenue that we want for the state. Basically, I can say that the strategy to an extent just remains a name as we always have plans that we monitor and evaluate to improve.

P002: So everyone within the ERS is covered by the process and we measure the performance of processes.

P005: And the strong monitoring and evaluation, because EXCO meets every month or every two weeks to talk about strategy and projects. So that's another significant strength.

P007: Almost everything that we do now is managed in terms of a project so that just helps us to be able to track and monitor our progress as we commence.

In case analysis of the evidence

In response to RQ2 regarding how agility can help the ERS enhance its SCs, several participants identified benefits realisation as a key driver of the ERS's SA. In addition to sharing that the ERS constantly reviews its strategy to assess what is effective and what is not, in the Yellow group, P003 used the analogy of the law of diminishing returns to explain that the ERS continually monitors the return on investment of resource allocations to swiftly modify and adapt low-return initiatives. Furthermore, P003 added that agility plays a crucial role because it enables projects to deliver results in the shortest possible time. A detailed contextual explanation of benefits realisation was provided by P004 in the Yellow group, indicating that it relates to achieving set targets more quickly and efficiently, while maintaining the required standard of quality. P004 emphasised the importance of addressing limitations within the process to ensure the timely execution of strategic initiatives and to prevent carryovers of these initiatives into the next strategic period.

Finally, P002 in the Green group noted that monitoring and evaluation play a crucial role in shaping the ERS strategy, as they constantly review their progress towards targets and look

for ways to enhance performance by identifying tax leakages. P005 in the Blue group also highlights strong monitoring and evaluation as a major strength of the ERS, underscoring EXCO's regular monthly and weekly efforts to monitor the outcomes of strategic projects.

However, an area for improvement in benefits realisation was noted in the response shared by P008 in the Green group, who observed that sometimes, in the spirit of agility, the ERS runs too quickly without assessing whether they are doing well or need improvement. Similarly, P011 within the Green group concurred with this sentiment and shared the view that although the ERS has consecutively met its revenue targets for the past two years, there is perhaps a need to find a better balance instead of changing too quickly before something begins to bear fruit. Furthermore, P011 in the Green group offers a thought-provoking insight for the institution, emphasising the importance of striking a balance and avoiding rapid changes before strategic initiatives materialise. P004 from the Yellow group also shared that if the ERS fully embraced agility and innovation, it would be able to meet its targets and thus prevent carryovers from one strategic period to the next. A unique insight is also drawn from P006 in the Blue group, who observes that there could be some shortcomings in the way the ERS defines measures of success at the initiative development stage, which leads to poor benefit realisation. The feeling is that defining measures of success should be a key consideration at the planning phase or prior to the execution of each initiative to avoid any confusion later in the process.

P009 believes that agility plays a vital role and emphasises the benefit of tracking, as it helps keep focus on the true value derived from each business initiative. According to P004, if the ERS embraced agility and innovation, it would enable the ERS to meet its strategic objectives more quickly and foster a supportive culture.

Conclusion of analysis on benefits realisation

The evidence suggests that benefits realisation is essential for ERS's SA and strategy iteration process. This process involves monitoring inputs and outputs to ensure objectives are met. Benefits realisation enables ongoing checks to be made on whether projects remain relevant, are completed on time, and achieve expected quality outcomes. Most importantly, the ERS uses benefits realisation to identify and eliminate projects that are not delivering results, allowing a focus on more relevant initiatives. While the significance of benefits realisation has been highlighted, some evidence indicates gaps in defining success measures, as it is only during monitoring and evaluation that it becomes apparent that some performance indicators were not clearly specified during the project planning phase. This then presents a considerable risk to the institution's strategic iteration process, which relies on these indicators to inform business decisions to either proceed or scale back project execution.

Overall benefits realisation involves the ongoing monitoring of the return on investment from resource allocations, aiming to quickly modify and adapt initiatives with low returns. Benefit realisation is regularly tracked through weekly and monthly reviews to assess progress in delivering strategic projects. Lastly, benefit tracking is crucial as it assists in measuring the true value derived from each initiative.

5.3.2.2 RQ2: Sub Theme 2: Business relevance and risk optimisation

Business relevance emerged as the second sub-theme under triggers of agility, as presented in Table 5.9.

Evidence of business relevance and risk optimisation

Table 5.9: Evidence of business relevance and risk optimisation

P007: *How I see it impacting the ERS strategic capabilities is that as the organisation continues to be as innovative and as agile, it will continue to remain firstly relevant in its business and in how it goes about executing its business.*

P009: *So we come up with as a strategy because we want to stay relevant. For us to stay relevant is to ensure that our processes are up to date and we do that by analysing the projects to identify the processes that are falling behind, then a project is identified fertilise or improve that process.*

P009: *Also as we are always working with the international community we have to constantly adopt some of the best practices that are coming there. Yes, sometimes it takes a while for us as a country to pass certain laws.*

P009: *So progress report is reported monthly on issues, mostly since they measure issues and risk, because we know that there are a lot of risks or issues that come up when we try to do our implementation.*

P014: *I think for us to be there and to be relevant we need to be agile and we need to be pushing boundaries.*

P014: *If you are not agile, then it defies the whole purpose of being innovative because a solution today would be the greatest idea to implement, but tomorrow it changes because technology is moving fast.*

P002: *Another thing in the process, we constantly look for possible risk, that is, what could go wrong, so that we manage that and by so doing, we are being proactive in case something similar can occur in the future.*

P003: *I think I've mentioned a couple that if we are able to interface with Ministry of Commerce, then we are able to detect clients that should be registered a business but haven't come to register for a TIN so we are able to detect that. And we're also able to detect when someone has deregistered or had their company liquidated, we are immediately able to get that information and update our system ORMB and update the custom system which is ASYCUDA.*

P003: *Another key strategic capability is the risk engine. Also the Paradox system allows you to define some business rules that we have, you define them, and then the system uses the data that's coming into the system, and then flags some of the cases that might be of interest to you. And then they go through whatever flow that you' defined.*

P014: *We have another platform where we look at the company risk, company operational risk. We call it a compliance improvement plan, but basically we are looking at risks that have to do with our customers, which at taxpayers not paying tax.*

P014: *Because most of the time we tend to look at risk as a negative thing, yet sometimes risk can present an opportunity that you need to exploit and get benefits from there.*

In case analysis of the evidence

Business relevance was also identified as a sub-theme based on three participants' responses in the Blue, Green and Yellow groups. In the Blue group, P007 mentioned that innovation and agility are crucial for ERS's SCs to remain relevant in its market. This highlights the importance of agility in enabling ERS to innovate and maintain relevant. From the Yellow group, P009 pointed out that the primary goal of the ERS strategy is to position ERS as relevant, which they achieve through continuous improvement of business processes. P009 explained that

the strategic process involves identifying projects and initiatives aimed at enhancing these processes, aligning with ERS's approach. According to P009, ERS develops strategies to stay relevant, emphasising the need for adaptability. P009 further noted that ERS first creates strategies to sustain relevance by ensuring its processes keep pace with the operating environment and adopt best practices from the international community. P014 added that to stay relevant the organisation must be agile and continually push boundaries; without agility, innovation efforts are pointless.

Risk optimisation further emerged as a unique insight from the responses of a few interview participants on the role of agility in the ERS's SCs. P003 in the Yellow group made a reasoned judgement on the ERS's risk engine as a strategic capability in relation to a paradox system that enables the creation of defined rules for the system to flag potential risks as cases of interest. Similarly P014 made reference to a compliance improvement plan that enables the ERS to study the risks of its customers and taxpayers and detect taxpayers who are not paying tax. Further building on this capability, P003 noted that ERS's integration with the Ministry of Commerce would enable the ERS to curb the risk of tax evasion through system capabilities to instantly detect a company's Taxpayer Identification Number (TIN), and also registrations, deregistrations, and liquidations.

P014 in the Green group noted that while risk is often seen as negative, it can also be an opportunity to assess business value. P014 mentioned that the ERS's compliance improvement plan helps assess risks related to taxpayers who do not pay or who evade taxes. According to P002 in the Yellow group, the ERS actively seeks out risks to prevent their occurrence and avoid future or repeated issues. To show its dedication to risk monitoring, P009 in the Yellow group stated that risks are regularly tracked and reported through monthly progress reports.

Conclusion of analysis of business relevance and risk optimisation

The findings strongly indicate that business relevance is a crucial strategic element for the ERS, guiding the company's strategy, project implementation, and process enhancements for constant value creation. The evidence highlights the importance of spotting underperforming business processes to initiate strategic projects aimed at enhancing and improving them. It also underscores the necessity of aligning the ERS with international best practices, despite the slow legislative process in Eswatini. In addition, maintaining agility in response to rapid technological changes is identified as equally vital for the ERS as is maintaining the same level of technological advancement with taxpayers and stakeholders.

The theme underscores the importance of risk optimisation in the ERS's strategy development process. It specifically demonstrates the risk mechanisms and processes used by the ERS to identify and manage risks effectively. These include the risk engine that detects potential risks and the compliance improvement plan that helps identify non-compliant taxpayers. Early detection of non-compliance or potential risks is essential, as it allows for early interventions or preventive measures. The findings also reveal that the ERS consistently tracks and reports risks on a monthly basis, while the compliance improvement plan enables the ERS to analyse and identify risks related to customers and taxpayers' non-compliance. Regarding the role of agility in the ERS's SCs, this response partly explains how the ERS employs agility to identify and mitigate risks that could hinder its strategic objectives. Specifically, the ERS's integration with the Ministry of Commerce would enable it to reduce risk evasion through system capabilities that allow instant detection of TIN registration, deregistration, or liquidation.

5.3.3. RQ2: Theme 3: Project management capabilities

Project management emerged as a main theme under Research Question 2 on how agility enhances ERS's strategic capability through project management capability.

Evidence of project management capabilities

Table 5.10: Project management capabilities

P006: <i>Most importantly the capabilities that contribute a lot is our adopted strategy methodology as the ERS. The one methodology that is a capability is the project management. As I have mentioned earlier on that we deliver our strategy through projects which ensures that things are done and project start and finish timelines are clear.</i>
P008: <i>Our approach to strategy is the projects. which is an area that we've developed quite extensively over the years. So project management is something that, you know, when you compare us 10 years back and now.</i>
P004: <i>So by the time we then start having the strategic projects or the things that will set up to get us to what we set as a strategy, we then ensure that we have teams that are like cross-functional teams coming together to bring in their knowledge, technical skills, because the business of tax and customs is a bit technical. So they bring in that technical expertise and then others will bring ICT knowledge and everything else they can. And we collectively work on this one thing and we understand why we are doing it and how it fits into the bigger future. So I think for me, that was one of the things that make it easy for us to really be intentional about, this is the work we are doing and this is why we are doing it and we want to see the outcomes that we started with.</i>

P009: *We have a governing board called the portfolio board where all the projects are endorsed and prioritised. And then from that end, those projects are now run through the programme office, but hand in hand with the respective department.*

P011: *So we use that project processes paradox as driving our strategy.*

P014: *The first one would be the delivery of the strategy using projects because it ensures that what you have a start and end date for what you will deliver on the strategy and there is someone who is looking after it, a project manager.*

P004: *My view is that sometimes we want to do everything at the same time because we believe we can, but sometimes that works against us in the sense that sometimes, due to the nature of the projects, they will demand on a particular group of stakeholders and you find that now they have too many things on their plate and they're not able to adequately show up and be productive in all the assignments that they have. So that then will cause some delay.*

P004: *We are always encouraged to share ideas that we have regarding how we can do things better, even though the projects list has been approved, but you can still say, uh, no, we think this and this can work better if it is done like this. So our management or portfolio body is open to those recommendations.*

P008: *We pay very little attention on collaboration and trying to achieve the strategy such that you find a siloed approach to running those projects.*

But even then, I think the gap that I have seen is that you find that there is no synergies that are being pursued between the projects themselves.

In case analysis of the project management capabilities

Project management is identified as a key strategic capability that drives the achievement of strategic objectives at ERS. According to P011 in the Green group, the ERS follows a project and process paradox to drive its strategy. P008, also from the Green group, attributes ERS's strategic success to their project management approach, noting that they have developed their project management capabilities considerably over the years compared to how ERS executed its strategy 10 years ago. P006 in the Blue group shared that project management methodology is a key strategic capability that enables the ERS to complete tasks with clear start and finish timelines.

In the Green group, P014 expands on this view by adding that assigning a dedicated project manager to oversee the project delivery helps ensure completion within the designated start

and end dates. P009 from the Yellow group explains that the ERS's project governance structure includes the project portfolio board, which is responsible for endorsing and prioritising all projects. Furthermore, the governance structure clarifies that ERS's strategic projects are managed through the ERS Programme Office but are carried out in collaboration with the respective departments.

P004 from the Yellow group explains in detail the reasoning behind forming cross-functional project teams to leverage diverse skills and knowledge, considering the complexities of customs and tax businesses. When establishing these teams, P004 believes that the ERS acts deliberately as it is vital to ensure that the teams fully grasp why the project matters, how it aligns with the bigger picture, and to specify the outcomes it seeks to deliver. P004 further observes the need to balance operational and strategic projects, rather than aiming to do everything simultaneously, since both types of project compete for the same resource pool and stakeholders. P008 in the Green group, stated that very little attention is paid to collaboration since a siloed approach is followed in the running of some projects. Eventually, this leads to a lack of synergy between projects.

Conclusion of analysis on project management capabilities

The evidence suggests that the ERS attributes its strategic success to its developed project management capabilities, following a project and process paradox to guide its strategy. Participants agree that a key benefit of project management is the ability to start and finish projects on time. The involvement of executive management in the project portfolio board demonstrates strong leadership commitment. Another significant strength of the project management approach is that projects form cross-functional teams to leverage diverse skills and knowledge, considering the complexities of customs and tax businesses. While some participants noted that the project management approach promotes collaboration across departments, others observed a siloed approach and uneven resource distribution between operational and strategic projects, which are causes of delays. Participants emphasised the importance of enhancing collaboration and generating synergies across projects. They believe that effective project execution is a vital strategic capability that underpins ERS's strategy implementation, especially given the high failure rate of business strategies owing to poor execution.

5.4 Research Question 3: How can innovation enhance the ERS's strategic capabilities?

The research question on how innovation enhances the ERS's SCs attracted the highest number of responses and analytical codes accordingly. Three main themes emerging from the analysis are process and operational innovation, human-centred innovation as well as technological and digital innovation. Moreover, four sub-themes emerged and the discussion is presented in Figure 5.4.

Figure 5.4: Research Question 3 themes

Research Question	Main Themes	Sub Themes
RQ 3	Theme: 1 Process and operational innovation	
	Theme 2: Human centered Innovation	Sub Theme 1: ERS Innovations Framework Sub Theme 2: Leadership capability
	Theme 3: Technological and digital innovation	Sub Theme 1: Digitilisation
		Sub Theme 1: Data analytics and Artificial Intelligence

5.4.1 RQ3: Theme 1: Process and operational innovation

The first main theme on how innovation can enhance strategy capabilities is process and operational innovation and the discussion is presented in Table 5.11.

Evidence of process and operational innovation

Table 5.11: Evidence of process and operational innovation

P001: <i>We are one of very few organisations in the country that has documented and I'm going to say this and say it's slowly that has documented all their business processes.</i> P001: <i>We make it easy to comply we simplify our processes and we also introduce technology to automate the processes. So in essence we are about compliance.</i> <i>Now, then the development of the strategy is about introducing simplified processes for compliance. It is about taxpayer education and it is about introducing technology in order to improve this compliance.</i>
P002: <i>By process I am referring to a workflow of doing things. For example, when you drive to work everyday, there are processes that you follow, although you follow them unconsciously.</i>
P002: <i>I will relate that question to the resources that we have in terms of our process management which is very sound. I can attribute our success to the way that we manage and reengineer our processes to achieve our targets.</i>

P002: We are able to measure, for example, how long it takes to process a request? So if the standard is three minutes, I should stick to that or even take less than that.

P002: Basically, our process is just a workflow, the way of doing things step-by-step from start to end to make sure we achieve the desired targets at the desired rate and quality level. Have you identified potential risk? And how well are you managing those risks? And is everybody complying with the process. So, is the process standardised, known and owned by everyone? Is everyone putting in an improvement? If you happen to deviate from the process, you need to justify your reasons and you may be called to realign with the process or there could be a need to review certain things in the process itself.

P003: We also have a capability for configuring workflows flows and case management so any process that works by creating a case, tracking it until completion. whatever process that fits that model, we just use a system called paradox to create whatever workflows that need to be created there and then the system takes over.

P003: We have this processes that we've been using but I always refer to the law of the diminishing returns to say that there comes a saturation point where no matter how much resources in terms of maybe investment in time, or whatever that you put in the returns will be minimal and maybe start to go down. So now you just need to rethink the way that you do things so that's where the tax admin came in that the ERS is trying to adapt and you'll find other ways to improve voluntary compliance.

P003: We are reengineering our processes to allow us to be fully embedded in our taxpayers' natural systems such that they don't even see us but tax just happens as they are carrying on with their business as I've just said.

P007: ... transforming and automating our process for effective client service.

P009: Our model as the ERS is that we have processes and we have projects. Our approach is that whatever is put in the strategy is meant to improve on the processes, we call it fertilisation of the processes.

P011: I would say process engineering. We follow a process-led implementation of our strategy.

P015: The ERS adopted the process construct concept, which is orgtology. Where we look at the functions that we do which forms up processes or systems that we operate in.

P015: When we implement a strategy, we look at it as a project which is supposed to come and improve the performance of the processes, like its enhancing the processes.

So when you look at it in terms of the process construct, like I've mentioned, the three core processes, which is the customer, the resources and the revenue collection.

P007: I would say firstly it's the processes that are in place because our processes are defined and it really assist us in being able to drive our automations from a baseline perspective.

In case and cross-case analysis of the evidence of process and operational innovation

In support of the view that process management is a key capability for enabling the realisation of strategic outcomes, P002 in the Green group defined a process as a step-by-step workflow of performing tasks from start to finish to achieve specific targets at the desired rate and quality level. In another perspective, P001 in the Blue group shared that the ERS prides itself on being one of the few organisations in the country with documented business processes, a sentiment echoed by P002 in the Green group, who described the processes as very sound. P002 attributes the ERS's success to its reengineering of processes to meet targets at the required rate and quality. For example, P002 explains that their processes enable them to measure how long it takes to process a request or transaction. P001 adds that beyond simply defining processes, the ERS simplifies and automates them to make it easier for taxpayers to comply.

Consensus in the perspective of participants in the Yellow, Blue and Green groups can be noted as P001 (Blue group), P009 (Green group), and P015 (Green group) are unanimous on the relationship between strategy, projects and processes. The shared perspective is that the strategy enhances and improves the performance of processes through projects as acknowledged in P001's sentiment that the development and implementation of the strategy is about introducing simplified processes through taxpayer education and technology in order to improve compliance.

In the Green group, P002 further integrates a risk perspective into the response by emphasising that processes enable proactive identification of potential risks and various ways to effectively mitigate them once identified. Moreover, through processes, they can easily detect deviations and verify whether everyone is adhering to the processes. To ensure the absorption and standardisation of the process, regular checks are carried out to confirm that the process is well-understood and owned by all, demonstrating everyone's commitment to improvement. P002 also offers a unique insight, highlighting that for someone to deviate from the defined process, they must first provide a reason, even if they are still required to follow the process. Over time, such a need for deviation could be leveraged as a justification for

continuous improvement, facilitating the introduction of new changes and adjustments to processes.

To demonstrate the strategic capability of processes at ERS, P003 in the Yellow group shared that ERS has a capability for configuring workflows as well as case management, meaning they create a case for each process to track until completion and, if successful, automate the workflow using the Paradox system. In explaining the significance and depth of process capabilities, P003 added that ERS is reengineering its processes to be fully embedded in systems that taxpayers already use; this ensures 100% voluntary compliance. Similar to the perspectives elicited from the Green and Yellow groups, P007 in the Blue group concurs on the need to transform and automate processes for effective and efficient client service delivery. According to P011 in the Green group, ERS follows a process-led implementation of its strategy, hence, the reasoning that process reengineering is a key strategic capability. Lastly, the three core ERS processes are identified by P015 in the Green group as related to customers, resources, and revenue collection functions.

Conclusion of analysis on process and operational innovation

The ERS attributes its success to the documentation and effective management of all business processes, following a process-led approach to implementing its strategy. In case and cross-case analysis notable similarities were identified in participants' experiences and perspectives on the importance of process capabilities in fulfilling the ERS's strategy. Evidence indicates deliberate steps by the ERS in defining, monitoring, and improving processes to achieve desired outcomes with quality and efficiency. Continuous monitoring of process compliance, risk management, and standardisation are vital aspects of the ERS's process management and reengineering approach. The evidence also shows that the ERS regularly measures process turnaround times against targets and checks for adherence versus deviation among staff. In addition, the leveraging of technology to automate, transform, and embed processes into systems that taxpayers naturally use enhances service delivery and tax compliance. The core processes of ERS focus on customers, resources, and revenue collection, with further capabilities identified in workflow configuration and case management. There is a shared understanding among groups that strategy is implemented through projects aimed at improving process performance, emphasising the link between strategy, projects, and processes.

5.4.2 RQ3: Theme 2: Human-centred innovation

5.4.2.1 Sub-theme 1: ERS's innovations framework

Another theme on how innovation enhances the ERS strategic capability is ERS's innovation framework. This is shown in Table 5.12.

Evidence of ERS innovations framework

Table 5.12: Evidence of ERS's innovation framework

P001: *But we want the culture of innovation and agility to spread throughout the organisation so that every officer would be challenging themselves and not wait for the development of the strategic plan to recommend improvements.*

P001: *We are encouraging every employee to continuously challenge themselves, challenge the processes that they follow as they do their work. Challenge them, to ask themselves, if there are no better ways of executing those processes or even proposing ways to improve the process or eliminating the process or even digitalising the processes.*

P001: *We want to be doing it all the time and one of the vehicles we are introducing for that is ISO certification. We are pursuing certification for early next year because I did share with you that every process at the ERS is documented so right now the environment is ripe for ISO certification. Now, our certification promise would be continuous improvement.*

P002: *Internally we have invested a lot in our people not necessarily through formal training and I think we will soon get there but the investment I am referring to is embedding innovative thinking.*

P002: *... was referring to online training for all staff where employees are exposed to the different models of innovative thinking in a practical manner. For example, we have an internal platform where we encourage people to submit their innovative ideas and winning ideas get to be recognised. These ideas have implemented and the employees who bring them are duly recognised for their ideas. To mention a few products of this initiative, our recently launched self-service platform called TaxPal is one of them. This platform can be downloaded online to access most of ERS services.*

P002: *We have a platform where we allow our people to showcase and submit their innovative ideas. We have adopted and implemented some of them and have recognised the individuals who come up with winning innovative ideas. Another one is the kind of training that we were exposed to and given timelines within which you can finish that training. The training exposed all of us to different models and methods of innovative thinking.*

P002: *I think being innovative alone you cannot achieve anything but need a sound leadership in order to present a compelling vision to the people so that they can be inspired by that vision. And you should allow them to think out of the box, you need to inspire them while allowing them to make mistakes.*

P003: *I think mostly the ORMB provided significant innovation capabilities.*

P003: *We also to gamify the experience as there is prizes and awards for the best innovative ideas. We have staff appreciation days where these awards are given. Some of these innovators are recognised and awarded.*

P003: *Here's a platform that they've developed for putting in ideas for these innovations.*

P003: *But in the long-term for VAT, we want to move away from what they call the periodic transaction control, which is submitting of something, whether the return or the schedule, to what they call a continuous transaction control, where the data just streams in real time to the ERS, and it is sort of event-based data. So that's the long-term where now we are saying we are now in Tax admin 3, where we are embedded in the taxpayer systems, they don't even see us, they don't have to lift a finger and we move towards a no return policy where you don't submit returns to the ERS.*

P005: *So innovation is one of our core values and we take it very seriously and we even have what we call an innovations platform where the team or the employees can put in their innovative ideas and there's an innovation's committee that analyses those ideas for feasibility and also to make them more clearer and then the good ones they recommend for implementation.*

P005: *But also in terms of innovation itself, there are so many ideas but the team that looks at them is just part time and they have not much time to actually analyse so it makes them analysis slower than it would have been. So maybe setting up a function that tries to deal with this innovation, for us it operates a project rather than a permanent structure or an office.*

P006: *But we have in the past rewarded them, for instance the recently launched TaxPal mobile application was an employee of the ERS that we rewarded for the innovative idea. As well, the debt relief project that assisted taxpayers to pay their principal debts and the ERS waived their penalties and interests was an idea that came from the team members and we rewarded the idea.*

P006: *As we are implementing our strategy, we also get to review it to identify what is working and what is not working. So we need the innovative ideas from our people to point us on being agile to adapt to what can work for us in order to achieve our targets.*

P006: *We will have a positive impact if we adopt innovative ideas and manage to adapt them in an agile manner.*

P007: *Probably first worth mentioning is that for us innovation is one of our values. So that just already highlights how critical it is for us and within our space. It's also something that the organisation has picked as a continuous journey, so as highlighted.*

P007: *We do have the skills and knowledge within in terms of our resources so what we do is we have a platform and it's an innovations platform where anyone anywhere within the an organisation that has an idea or an innovative idea where it's within your division or in another division, you log onto that platform and you capture your innovative idea. There's a committee that meets weekly that reviews the submitted innovations. You get an opportunity to present it to that committee and if the committee there's value in it, it gets presented to the wider organisation through an ERS business update forum and that committee also then just ensures that implementation of those innovative ideas does eventually come to play.*

P007: *We do have in our recognition and reward programme a category where we recognise and reward those employees who have come up with innovative ideas that have been implemented.*

P008: *Innovation has played a key role because quite a lot of what we have done over the years is basically groundbreaking. Yes, we do a lot of benchmarking with other RAs who are just as innovative as us.*

P012: Okay let me try to list them, to say the strategy comes up with innovation, there is also an innovations platform, culture has shifted and I think at the highest level the leadership.

P013: Innovation does improve performance.

P013: And then also innovation provides a culture of a continuous improvement. It allows people to be able to think out of the box.

P014: *We have sort of a programme that runs every week where we ask staff to come up with innovative ideas and a log them in a certain platform where then the innovations committee will come and scrutinise those ideas to identify the ones that can be useful in our organisation and those innovations will be forwarded to be inputs into the strategy.*

P015: *I would say we have leveraged innovation for about 60% we have been able to exploit innovation or innovative ideas in our projects or initiatives that you are doing.*

P015: *We have not extended that platform to our clients so that when we come up with an idea, the product will then co-create with them because they will be able to validate the ideas and say when you get to say this is the best idea that you're going to implement we make that decision together with our customer. So somehow, we want to improve or add value to our customer's bud the ideas that we use to improve service does not come from both internal staff and our customers. It would be nice though to say when you are trying to improve or bring value to your client, you cocreate the product with them. So that is the drawback that I think we currently have in terms of innovation.*

P004: I think we need to invest in our internal innovations development team or capacity because we have opportunities to improve our existing processes, or existing products, but the capacity to do that and do it within short turnaround times I find is limited.

In case analysis of ERS' innovations framework

The subject of innovation appears to be a familiar phenomenon among interview participants whose responses drew extensively from the ERS's values and the innovations framework with examples of successfully implemented innovative ideas that came through the innovations platform. According to P008 in the Green group, over the years innovation has significantly played a key role in enabling the ERS to achieve groundbreaking milestones. In the Green group, P015 estimated that the ERS has leveraged innovation for about 60% through exploiting innovation and innovative ideas in its projects. P003 in the Yellow group shared that the ERS' successful migration to cloud was a groundbreaking milestone. It is one of the few SOEs that have moved business data to cloud despite broader government reluctance. The

ORMB cloud-based tax solution was further acknowledged by P003 as one of the ERS's significant innovation capabilities.

Some similarities are observed in the responses of two participants, P005 and P007, in the Blue group. They both emphasised that innovation is a core value of the ERS and that this reflects the organisation's high regard for innovation and its commitment to viewing innovation as an ongoing journey.

Future plans

During the process, P003 from the Yellow group revealed that ERS aims to innovate VAT compliance by shifting from periodic transaction checks to real-time, continuous monitoring. The participant clarified that traditional transaction control involves submitting VAT returns or schedules periodically, while continuous control is an event-based approach that streams data in real-time. Significantly, this indicates that ERS systems will be fully integrated and embedded within the taxpayer's systems, marking the end of the traditional return filing policy. Consequently, taxpayers would no longer need to file returns.

Innovation culture

P001 in the Blue group noted that the ERS is cultivating a culture of innovation and organisational agility. This orientation extends throughout the organisation, encouraging employees to constantly challenges themselves and their work processes to determine ways to improve, eliminate or even digitalise their processes without waiting for the strategic plan development process to recommend improvements. To fully embed innovation as a continuous process of improvement, P001 shared that the ERS is pursuing ISO certification for early next year; the ERS's ISO certification promise is that of continuous improvement. A similar insight was shared by P013 from the yellow group whose experience is that innovation provides a culture of improvement.

Successfully implemented ideas from the innovations platform

P002 shared that the ERS has an innovations platform where employees are encouraged to share their innovative ideas; these are reviewed by the innovations committee on a weekly basis to determine and reward winning ideas. As an example of the success of the innovations framework, P002 in the Green group shared the example of a recently launched mobile application self-service platform called TaxPal which makes available most of the ERS's services on mobile devices. In addition to TaxPal, P006 in the Blue group noted that the successful debt relief project, which assisted taxpayers to settle their principal debts while the

ERS waived penalties and interest, also came as an innovative idea submission from an employee who was recognised and rewarded for the same.

Role of leadership

Two unique insights can be drawn from P002's response in the Green group. First, the participant extends the discussion beyond innovation itself to emphasise the importance of sound leadership. Second, this leadership is characterised not only by the ability to articulate a compelling vision that inspires both team and individual innovation, but also by the creation of a safe environment for experimentation, where employees can learn through their own mistakes without fear of reprisal.

Areas of improvement

From the Green group, P002 further emphasised the need to invest in cultivating innovative thinking by exposing employees to various models of innovation in a practical way. A unique insight also emerged from P005's observation in the Blue group, who noted that the current process of analysing innovative ideas is very slow because the innovations committee is a temporary structure, and therefore unable to fully immerse itself in thoroughly examining all submitted ideas. Instead of a temporary arrangement, P005 proposed exploring a dedicated function or a permanent office to focus solely on innovation. P004 in the Yellow group further added a slightly different perspective, suggesting that the ERS needs to invest in developing the team's capacity to improve existing processes in short turnaround times.

Similarly, an area of improvement is noted in P006's response in the Blue group, that the ERS innovations framework will have a positive impact if innovative ideas were adopted in an agile manner. Lastly, P015 in the Green group highlighted a perceived drawback in the ERS's innovations framework, namely that the platform is not extended to its clients and taxpayers to foster co-creation and validation of innovative ideas.

Conclusion of analysis on ERS's innovations framework

The ERS's innovation framework demonstrates its commitment and investment in cultivating a culture of innovative thinking that encourages employees to think outside the box. Consensus emerges among participants that the organisation has achieved significant milestones through innovation. The findings reveal numerous successful innovations that have been implemented, including the Tax Pal mobile application; TaxEase, an electronic tax return filing capability, and a debt relief project that waived penalties to motivate taxpayers to settle longstanding debts. The success of the framework is evident in the reactions, as the findings

clearly showcase examples of successfully adopted and executed innovative ideas. Participants further concurred that the designation of innovation as a core organisational value underscores its central importance to the ERS. Furthermore, the evidence confirms that employees are rewarded and recognised for their successful innovative ideas.

Most importantly, leadership capability is recognised as a major strength for the institution in fostering an innovative culture, as the leadership is currently perceived to be innovative and open to experimentation, which is a significant aspect of innovation. Although the insights acknowledge that the team's knowledge and skills are undeniable, a threat of staff attrition is duly noted, alongside a need to devise a skills attraction, continuous development, and retention plan to acquire, develop, and retain future skills. It is also recognised as a shortcoming that the innovations committee is a temporary structure. As a result, it lacks the authority either to delay reviews or to expedite the review and timely implementation of successful ideas. The suggestion is that perhaps the institution could consider establishing a permanent function to oversee this critical role. Further areas for improvement include the need to implement innovative ideas without delay and to extend the innovations framework to external stakeholders to enhance ERS's innovation through a co-creation process.

Taken together, the findings suggest that the ERS effectively harnesses the collective intelligence and innovative ideas of its employees to adapt to more agile business strategies.

5.4.2.2 Sub-theme 2: Leadership capability

Another sub-theme on human-centred innovation is leadership capability as discussed in Table 5.13.

Evidence of leadership capability

Table 5.13: Evidence of leadership capability

P005: *The first capability is on leadership, we have a very strong leadership team that is fairly engaged and educated in the field we are working on, but also this leadership team takes strategy very seriously and consider it important for the business and hence that one is very important in strategic capabilities, or ability to deliver on the strategy.*

P012: *And I think at the highest level the CG is an innovative guy and he's always looking at new ways of doing the business. So hopefully those are the elements that are making innovation to be the biggest part of the organisation and performance of the ERS.*

P004: *I believe it has to do with number one, our leadership capability in being able to communicate the strategic intent in the language that is understood by all staff.*

P004: *We do have the fortune of being led by someone who is for innovation.”*

P002: *So I think another thing is to ensure that leadership, draw the line between being leaders and technocrats, being a leader is about dedicating your life to the wellbeing of your team, in order ensure that they are capacitated, well taken care of with a healthy work life balance, you identify their capabilities and recognise them so that they can feel important.*

P015: *For us to remain relevant and agile, there are changes in the economy, we are able to respond positively to whatever changes that come. It talks to a management that has a vision that would make the organisation to remain relevant despite whatever changes are happening in the economy. So I would basically say it speak to the two competencies, which is the business acumen and the visionary leadership.*

P003: *I think there's a bit of work that needs to be done there. I think also with the senior management just to manage their expectations in terms of agile in terms of the agile unique type of planning compared to what they are used to.*

P001: *So on weekly basis, the Executives would monitor the projects assigned to them and then monthly we look at the progress of all the projects.”*

P009: *We have a governance structure, the portfolio body would be the highest structure, mostly constituted of the Executives and some other critical functions.*

P014: *At ERS we have a structure for projects which is basically led by the executive committee and that structure we call a portfolio board. Its responsibility is to look at all the projects that are happening in the organisation coming from the strategy. Then below that structure, we have programme boards, which you would.*

P005: *But also what has supported us is the big support from our superiors, first the board. We have a very strong board that supports the strategy and understand it and then also motivate for the resources to fund it and also the government at a high level has generally been supportive of our strategies and has attempted to provide us with the resources.*

P005: *And the strong monitoring and evaluation, because EXCO meets every month or every two weeks to talk about strategy and projects. So that's another significant strength.*

P008: *I must say that the way that we have structured ourselves from the very top and the manner in which we approach strategy, both from a planning and execution point of view, and over the years,*

we've just been refining and improving it as we move along and we are seeing the benefits in that regard.

P002: I think being innovative alone you cannot achieve anything but need a sound leadership in order to present a compelling vision to the people so that they can be inspired by that vision. And you should allow them to think out of the box, you need to inspire them while allowing them to make mistake.

Analysis of evidence on leadership capability

Analysis of evidence confirms the importance of leadership capabilities in driving ERS's strategic success. According to P015, to remain agile, relevant and responsive to the changing environment or economy, the institution requires business acumen and visionary leadership.

Similarities

According to P005, as its primary capability, the ERS has strong leadership that is engaged and sufficiently educated in strategy and the business itself, enabling it to deliver on its strategic objectives. At the helm of the organisation's SCs, evidence sourced from P004 and P012 shows that the executive leader of the institution, the Commissioner General, who is recognised as innovative and passionate about innovation, has embedded this as a key part of the ERS's strategic performance.

The importance of ERS's leadership capability in project management is further underscored in the case analysis of two cases that bring a project management perspective. P001 discussed the role of executive management in monitoring and reviewing the weekly and monthly progress of strategic projects assigned to each member of the project team. Meanwhile, P009 acknowledged that the portfolio body which serves as the governance structure of ERS's strategic projects is constituted of the executive management team. The sentiment is also corroborated in P014's observation of the ERS's project portfolio board structure which is led by the executive management to demonstrate the institution's commitment and accountability to successfully execute strategic projects.

Differences

However, while leadership capability is undisputed, as supported by the similarities in the evidence from several participants, further case analysis revealed dissenting views on the drawbacks associated with leadership capability. P003 observes that there is still some work to be done to manage the expectations of senior management, who remain entrenched in the old project management execution style. Meanwhile, P002 highlights the importance of drawing the line between their role as a leader or a technocrat. P003 made a distinction between the role of a leader, who dedicates their life to the wellbeing of the team and ensures the team is well capacitated, and that of a technocrat. The evidence suggests a distinction in leadership roles.

Conclusion of analysis on leadership capability

The discussed similarities and differences emphasise the benefits and contributions of ERS's leadership capabilities to the overall strategic abilities. In contrast, the highlighted downsides to leadership capabilities reveal the associated risks. It seems that the ERS possesses a strong, innovative leadership that is engaged, well-educated, and passionate, making it capable of driving and embedding innovation within the organisation. From the evidence, it appears that the ERS is experienced in strategy and the business itself, hence enabling the ERS to deliver on its strategic objectives. Extensive evidence discusses the prominent presence of executive management throughout strategic planning, project execution, and governance via the project portfolio board. The project portfolio management which is constituted of executive management serves as the governance structure for ERS's strategic projects. Leadership capability was identified in several interviews as a key strategic capability that underpins the success of the ERS strategy, though some leaders appear to still struggle with fully acquainting themselves with and adapting to the agile project management approach, instead relying on a waterfall, step-by-step method, which could affect the institution's agility in delivery. Furthermore, a unique insight emphasised the importance of leaders distinguishing between being a leader and a technocrat, suggesting that leadership may sometimes be overbearing and overshadow the technocrats employed for technical work.

5.4.3 RQ3: Theme 3: Technological and digital innovation

One main theme on how innovation enhances ERS's strategic capability is technological and digital innovation with sub-themes being digitalisation including data analytics and AI.

5.4.3.1 RQ3: Sub-Theme 1: Digitilisation

Digitalisation is one minor theme under technological and digital innovation and a discussion on it follows in Table 5.14.

Evidence of digitilisation

Table 5.14: Evidence of digitalisation

P011: But also, I would say one of the other things, the more recent things is shown in our shift from authority to service. This is basically digital service and taxpayer, interfacing, like how we have improved our taxpayer interfacing through the development of our apps. The improvement in some of our tax systems, we introduced a TaxEase system which from the UI perspective is much better for the taxpayer. So we have also now added a number of channels in which our taxpayers can reach us including WhatsApp, and also a new contact centre that at least is streamlined and avoid dropped calls, So that's another capability that we have brought to the fore that has helped us achieve our strategic goals.
P010: Mostly when it comes to digitisation and innovations, it all boils down to money because as much as we want to do all of these things, we still have to put it in monetary value. To say we are looking for this amount to get this funding and then to do such things. P010: I am seeing a lot of improvement, and in the long-term, because in the long-term, we now want to be integrating with all the other parastatal and entities, it is going to impact us greatly, that you will have like a one stop registration, you register in one place, all of you details are populated, you get your TIN, you get everything. ERS will be spending less time auditing, you will be spending less time requesting data, everything will be automated and autopopulated, and submitted without you intervening, you just approve and all of those things. P010: We do have a few systems in place that are helping us with that. Basically, we are even trying to push into a few of these systems like the seamless registration, to add that into this strategy of that. So we do have our internal systems that are in place. Some of them are in progress and some of them have to be implemented as we have noticed, we now have the Tax ease platform, which is an app, so that taxpayers can do everything with less help from ERS. P010: One, we have seamless integrations with other other entities, which makes things easy for us.
P011: Research and statistics typically support some of the data-driven initiatives that we are doing within the organisation. So as you might be aware, our strategic theme is data-driven, we want to be data-driven with our partners.

P011: *We have also invested a lot in IT. Just recently we launched our new tax administration systems which comes with better taxpayer supporting additions, including the app, including a much better e- filing system in terms of the user experience or at least the UI side of things. So we now basically have a new contact centre, so essentially we use this technology to serve our customers better.*

P011: *So I say in the short term, we are looking at how best we can enhance the current systems and services that we have with the emerging technologies?*

P011: *But also the fiscalisation technology we are bringing in, which will connect to the till, for example, not to suggest necessarily that it works like that, but we can record every transaction on your output.*

P001: *The entire strategy then is about digitalisation, is about introducing, data analytics, processes, and systems, and it is about improving relationships with our partners, our partners would be the clients, it would be ecosystem channel partners such as the banks.*

P003: *The ERS is currently working on other projects now that are still advancing the digitilisation agenda of the ERS. One of those projects is looking at making registration for a TIN as simple as possible. It's a project called seamless registration and there is another one called the fiscalisation project that looks at electronic invoicing and a reporting.*

P002: *So it's more like we need to be digitalised and data-driven, obviously we do this together with our partners since we cannot achieve it alone.*

In case and cross-case analysis of the evidence on digitilisation

In discussing the role of innovation within ERS's SCs, digitisation emerged as a key sub-theme in participants' responses. This likely reflects the ERS's strategic theme from P002's Green group response, which states that ERS aims to become digitalised and data-driven alongside its partners. P011 from the same group outlined milestones in service digitisation and taxpayer interaction, all aimed at strategic objectives. These include developing taxpayer apps, launching the TaxEase interface with features like WhatsApp and TaxPal, and creating a streamlined contact centre. From a system perspective, as noted by P001 in the Blue group, ERS has invested heavily in a cutting-edge Oracle based technology system, regarded as one of the best globally. Nonetheless, funding issues significantly limit ERS's capacity to enhance digitisation.

Aligned with the ERS's 100% voluntary compliance vision, P001 in the Blue group explained that the overall ERS's strategy involves streamlining processes to facilitate compliance,

promoting taxpayer education, and employing technology to improve compliance. On the periphery, P011 in the Green group highlighted efforts to advance digitalisation through fiscalisation technology, which ERS is deploying to track daily purchases at every shop paypoint nationwide. This aims to improve accuracy and transparency in VAT filings, among other benefits. P011 also emphasised the need for further system integration to fully align ERS's systems with emerging technologies and taxpayer systems, such as non-cash payment options and 24/7 ERS system access.

However, some inconsistencies and contradictory sentiments were observed in P010's perspective in the Grey group, which stated that the ERS has seamless integration with other entities. The sentiment conflicts with responses that emphasise that achieving 100% voluntary compliance depends on the full integration of ERS's systems with all other strategic partners, such as banks, government, and taxpayers, especially through the fiscalisation project.

Conclusion of analysis on digitilisation

The evidence suggests that digitisation is a crucial enabler of the ERS's SCs, significantly contributing to the improvement of digital services and taxpayer interface technologies like TaxEase, a tax return filing app. The ERS's strategic theme 'To be digitised and data-driven with our partners' outlines its roadmap, emphasising the role of digitisation in achieving its goals. It references the 2024–2027 plan to fully integrate with government agencies, banks, and other partners to promote 100% voluntary tax compliance. The evidence highlighted advanced progress to scale digitilisation through fiscalisation technology for real time filing of Value Added Tax, an improvement from monthly VAT returns that resulted in tax evasion. While the ERS invests in a world-class cutting edge Oracle tax system, it also recognises that successful integration with relevant government, banking, and taxpayer systems is essential for this vision to succeed. Among other innovations, the ERS has developed taxpayer applications, launched the TaxEase online tax return filing application, recently launched the TaxPal mobile application and created a streamlined contact centre all aimed at improving taxpayer access to services. Evidence highlights the ERS's focus on simplifying service delivery through automation, with integration expected to reduce processing times by enabling automation and auto-population of data without human input. Based on these findings, digitalisation is poised to significantly enhance ERS's SCs by transforming business operations. Moreover, the findings suggest that beyond data and analytics, building strong relationships with all strategic partners is vital to overcoming the challenges identified when presenting the findings from Research Question 1. The evidence revealed

that the overall goal is to intergrate ERS's systems with emerging technologies and taxpayer systems for non-cash payment options and 24/7 access to ERS's services.

Despite substantial investments in technology, the ERS faces funding limitations that hinder wider digitisation efforts. Operating in a resource-constrained environment, this issue directly relates to the improvement areas highlighted under the theme in Research Question 1 dealing with the funding challenges.

5.4.3.2 RQ3: Sub-Theme 2: Data analytics and artificial intelligence

Another sub-theme under technological and digital innovation is data analytics and AI as presented in Table 5.15.

Evidence of data analytics and artificial intelligence

Table 5.15: Data Analytics and Artificial Intelligence

P001: *To that extent our strategic theme is digitalised, data-driven, with our partners, so we want to be digital digitalised and data-driven with our partners.*

P001: *We have a division called Research, Strategy and Statistics. So the strategy function reports to that director. We also have a research function that reports to that director and a statistics function that reports to that director. This is not IT, we have a separate IT department but this is strictly research. But we are introducing another unit that will be sort of an extension of research focusing on intelligence, understanding taxpayer behaviour and understanding interventions that have impact on compliance basically interventions that changes tax payer behaviour. Not even as part of strategy but as part of operations we will be recruiting mathematical modelers, actuarial scientists, data analysts that would just be using data to fully understand and even predict future behaviour of clients so that we can be proactive in responding to those client behaviours.*

P002: *The underlying thing for ERS is that whatever may be stated in our strategy, for us, it's a question of gathering data as much as we want, this is data that we can convert into revenue or into cash.*

P002: *So if you are able to manipulate data, it always tells a story whether something good or bad is happening from your trend analysis.*

P002: *We need to have a central depository of that information and I guess we can employ AI to provide the common requested information.*

P002: *So it's a question of identifying where we can get the data that can give us the revenue that we want for the state. Basically, I can say that the strategy to an extent just remains a name as we always have plans that we monitor and evaluate to improve.*

P003: *Another key strategic capability is the risk engine. Also the Paradox system allows you to define some business rules that we have, you define them, and then the system uses the data that's coming into the system, and then flags some of the cases that might be of interest to you. And then they go through whatever flow that you've defined.*

P003: *But in the long-term for VAT, we want to move away from what they call the periodic transaction control, which is submitting of something, whether the return or the schedule, to what they call a continuous transaction control, where the data just streams in real time to the ERS, and it is sort of event-based data. So that's the long-term where now we are saying we are now in Tax admin 3, where we are embedded in the taxpayer systems, they don't even see us, they don't have to lift a finger and we move towards a no return policy where you don't submit returns to the ERS.*

P003: *We have support from the data and analytics team. I think they have been experimenting with AI and machine learning to improve our predictive analytics.*

P011: *And the other one that I was touching on is our data analytics capabilities, I think that's something that has helped us more recently, we are trying to integrate with third-party data sets, particularly government data sets that will help us in our attainment of our goals, including revenue collection targets.*

P011: *So one of the things that has helped us is a clear understanding of our taxpayers either through research, through a survey web that we conduct to say where is the taxpayer based now and what are the emerging trends.*

P011: *Like I said, we have been intentional in the use of data and analytics in not only just to understand our taxpayers, but also to analyse the risks to ensuring that our risk engines at the border are picking the right things, So I will say from an innovation standpoint the embedding of data and analytics, which we even set up into a whole data and analytics unit success factors.*

P015: *Like you need new skills, people should have capacity to analyse data, to help when you are making your decisions. Like when you make a decision, it must be informed. So if you need to have the capacity to analyse data, collect the data, analyse it and then apply that when you make decision. But if we continue employing skills that were there way in the past, we might not be able to benefit on the skills like on the capacity that is required for the future, even for the current situation.*

P001 The entire strategy then is about digitalisation, is about introducing, data analytics, processes, and systems, and it is about improving relationships with our partners, our partners would be the clients, it would be ecosystem channel partners such as the banks.

In case analysis of the evidence on data analytics and AI

From the findings, it appears that the strategic theme to be digitised and data-driven with partners is a well internalised and thought-through strategy around which the ERS has invested and is further looking to improve significantly. At the organisational structure level, P002 in the Green group shared that currently the statistics function reports to the research, strategy and statistics director and further shared the insight that the ERS is introducing an intelligence-focused unit that will be an extension of research. The main focus of the intelligence unit would be on understanding taxpayer behaviour and identifying interventions that impact on compliance and change taxpayer behaviour. P002 further shared that additional to this unit but on the operational side, the ERS is looking to recruit mathematical modellers, actuarial scientists, and data analysts who would be using data fully to understand and predict taxpayers and clients' future behaviours. Most importantly, according to P002, understanding and predicting future taxpayer and client behaviour will enable the ERS to respond proactively to those behaviours.

Regarding the value that the ERS assigns to data, P002 in the Green group mentioned that the ERS understands data is crucial for achieving strategic goals, hence they aim to collect as much data as possible. P002 further unpacked what data means to the ERS, in that the ERS can transform data into revenue or cash, hence the need for a central repository of information and data. P002 further added that the use of AI is essential to interpret past and current behaviour as well as predict future behaviour. A need to constantly scan for data that will translate to revenue was also highlighted. P002's further shared that the ERS can leverage AI to provide frequently requested information to clients.

In the Yellow group, P003 also emphasised the importance of data and shared that the ERS has begun experimenting with AI and machine learning to enhance its predictive analytics. Such experimentation is corroborated in the example, mentioned by P002 in the Green group, that the planned shift of Value Added Tax from periodic transaction control to continuous transaction control aims to enable real-time, event-based data streams for immediate insights and responses as needed. In P003's experience, data was also a crucial element in one of the ERS's major SCs, the ERS risk engine, which uses data to identify cases of interest. Without data, the risk engine would have little value. Similarly, P011 in the

Green group shared this perspective on using data to understand and predict taxpayer behaviour and added that the ERS has deliberately used data to analyse risks and ensure the risk engines gather the necessary information. From an innovation standpoint, P011 noted that the ERS has successfully integrated data and analytics into its business processes, particularly the risk engine. According to P011 in the Green group, data analytics have recently assisted in the ERS's integration with third-party data sets, especially government data sets, which are essential for achieving the ERS's strategic objectives as well as reaching its revenue targets. P011 also alluded to other means of collecting data through research surveys, which are conducted by the ERS to understand the different circumstances of taxpayers and emerging trends in the space.

Lastly, P015 stressed the importance of hiring future skills to enhance the ability to analyse data, collect data, and apply data in decision-making, which is essential for the ERS. Without this change, the efforts made so far may be undermined.

Conclusion of analysis on data analytics and artificial intelligence

The findings show a consensus on participants' views regarding the importance of data analytics and AI in shaping the current strategy, which is driven by a data-centric approach. The evidence showcases the ERS's advancements and future plans for digitising processes and systems, along with integrating ecosystem partners like banks and government infrastructure. Emphasising the importance of strengthening relationships with strategic allies, it is also clear that the ERS has already made structural changes and set up a dedicated data analytics unit. This unit focuses on data intelligence to analyse taxpayer behaviour, identify risks and emerging trends, and evaluate how compliance measures affect taxpayer compliance. This achievement marks a crucial step in embedding data analytics innovations throughout the ERS's system and organisational structure.

The importance of data in the ERS is emphasised by the views of different participants who share a common understanding of how data is used and manipulated to improve and meet collection targets. To enhance predictive analytics, the ERS has already begun experimenting with AI and machine learning. Some notable successes of data analytics and artificial intelligence have already been observed, including integration with third-party data sets, particularly government data. These integrations are poised to significantly boost the ERS's ability to meet its data collection targets. The ERS's skills acquisition plans for mathematical modellers, actuarial scientists, and data analysts are well aligned with the

strategic aim of becoming data-driven and digitised, in partnership with others, towards achieving 100% voluntary compliance.

CHAPTER 6: DISCUSSION OF FINDINGS

6.1. Introduction

This chapter discusses the empirical findings from Chapter 5 in comparison to the literature review from Chapter 2. It concludes by evaluating whether these findings provide a nuanced contribution to the existing knowledge or confirm what is already established.

To maintain consistency in reading the report, this chapter follows the same structure of research question, theme, and sub-theme as in Chapter 5. Each section begins with a recap of empirical findings, followed by a recap of the literature, and concludes with a comparative analysis of the findings against the literature. This approach leads to the conclusion of each theme discussion, and the same process is applied repeatedly to all themes.

Some of the themes identified in the findings in Chapter 5 already existed in the literature review, so it is easy to compare them to the literature. However, in cases where there is a difference before claiming a research contribution, a three-step process was followed to search for additional academic literature in order to reach an informed conclusion on the theme.

Step 1: Keyword search from literature review articles

First, to cross-check if a theme was not omitted in the literature review yet covered in one of the read articles, a keyword search was made on three read articles of each theme.

Step 2: Recent scholarly articles keyword search

If Step 1 failed, the researcher further searched for articles published by the same scholars in the past 5 years on the specific topic to find relevant and recent scholarly literature not included in the literature review. Like the first step, a keyword search on the relevant theme was conducted. If the search found relevant literature related to the theme, the researcher proceeded to analyse the findings for similarities and differences. When searches did not yield any literature, the process moved on to Step 3.

Step 3: Top journal keyword search

In Step 3, the process involved conducting keyword searches on specific study constructs and themes within three top-ranked AJG journals. Similar to Step 2, any search results were analysed to identify similarities and differences. If no results were found, the researcher

regarded this absence as a potential indication of a difference and a contribution of the study to academic literature.

6.2. Research Question 1: Challenges and enablers impacting the ERS's strategic capabilities.

In terms of challenges that impact on ERS's SCs the findings emerged with 3 main themes and 5 sub-themes.

6.2.1 Research Question 1: Theme 1: Funding and government support challenges

This section addresses **Research Question 1** by examining **how funding and government support challenges** affect the SCs of the ERS. It further discusses the research findings and relevant literature on this theme. A comparison of the findings and existing literature highlights similarities and differences, leading to conclusions and thematic recommendations.

6.2.1.1 Recap of evidence on funding and government support challenges

Funding was identified as a key challenge and area for improvement for the ERS in the findings. Although a budget is compiled and submitted in advance for the funding of key strategic projects, the findings revealed that the release of funds is often delayed and sometimes inconsistent, thus compelling the ERS to refocus on less capital-intensive initiatives. It was highlighted that the successful implementation of the ERS strategy relies heavily on securing sufficient funding. Evidence indicated that this issue not only causes delays in reaching strategic objectives but also restricts the ERS's capacity to pursue innovative strategic initiatives that require financial support. Consequently, in the case of the ERS, this limitation culminates in poor enforcement of compliance, tax evasion, and substandard service delivery. Furthermore, delays or failures in releasing funds signify a lack of government backing and hinder the ability to generate revenue needed to support the overall government budget.

6.2.1.2 Recap of funding and government support from literature

According Turksen and Abukari (2021), in line with the OECD's TGP, states must ensure that institutions responsible for tax administration and related crimes are provided with sufficient resources, including financial resources, to carry out their duties effectively. From an RBV perspective, Kero and Bogale (2023) argue that an organisation achieves its competitive advantage through the exploitation of its VRIO resources. Consistent with this view, Helfat et al. (2023) argue that businesses that possess and leverage strategic resources outperform competitors and earn sustained competitive advantages. The strategic resources in this regard

are identified as patented technology, organisational culture, and a strong brand reputation, among others.

In the context of tax compliance administration, Turksen and Abukari (2021) emphasise the importance of sufficient resources to enforce tax compliance, including financial, human, and infrastructural resources in accordance with the TGP as fully recognised by the EU. Luo et al. (2024) highlight that government subsidies are crucial for shaping the strategic priorities and success of Chinese SOEs, supporting the achievement of national policy objectives such as digitalisation. Similarly, the success of tax compliance measures depends on adequate financial resources. However, EU countries still face significant obstacles in resource acquisition, particularly in securing funding and skilled personnel, which hinder their ability to meet revenue targets. These challenges make tax enforcement agencies highly vulnerable to tax evasion at the slow pace of digitisation (Turksen & Abukari, 2021).

Turksen and Abukari (2021) highlighted that since tax collection is not an end in itself, it can be demotivating if revenue fails to support good governance and service delivery. Therefore, it is important to allocate revenue to justified expenditure effectively. Investment in information technology is recognised as essential to tax reforms, but often suffers from cost overruns owing to excessive costs and misaligned timelines.

6.2.1.3 Comparative analysis of findings to literature

The research found that inadequate budget and funding are key challenges, constituting a critical area for improvement within the ERS. The findings highlight that delays and inconsistencies in releasing funds negatively impact the ERS's strategic focus, as the institution is forced to shift its attention to initiatives that require less or no funding affecting capital-intensive projects. This insight aligns with Turksen and Abukari (2021), who emphasise the importance of sufficient financial, human, and infrastructural resources to ensure tax compliance.

The evidence that successful ERS strategy implementation depends on adequate funding supports the RBV perspective from Kero and Bogale (2023) and Helfat et al. (2023). This perspective highlights that an organisation maintains a competitive advantage by leveraging VRIO resources. The analysis emphasises how funding limitations can hinder the ERS's capacity to sustain a competitive edge through voluntary compliance and its digitalisation strategy with partners. Without sufficient funding, the ERS cannot meet its strategic objectives including digitalisation objectives, which are heavily reliant on costly technology. Likewise, Helfat et al. (2023) observe that firms utilising strategic resources tend to outperform

competitors and sustain their competitive advantages. In this case, a failure to maintain ERS's competitive advantage results in poor enforcement of compliance, increased tax evasion, and substandard service delivery to government, taxpayers, and stakeholders (Turksen & Abukari, 2021).

6.2.1.4 Conclusion of funding and government support from literature

Based on the findings and literature the study concludes that funding and government support is key for tax authorities. The importance of funding draws from the fact that ERS has to implement capital-intensive projects and reduce the risk of tax evasion which improves government revenue as confirmed by Turksen and Abukari (2021). It is on this basis, as shown in Table 6.1, that the study concludes that the researcher found no differences between the research findings and the literature on the impact of funding challenges on the ERS's strategic objectives, despite the literature drawing from both business and theoretical perspectives. The research findings therefore confirmed the discussion in the extant literature.

Table 6.1: Conclusion on RQ1: Theme 1: Funding and government support challenges

Concept	Analysis
Inadequate budget and funding are key challenges	Supports literature
Strategy implementation depends on adequate funding	Supports literature

6.2.2 Research Question 1: Theme 2: Policy legislative, regulatory and operating environment challenges

This section addresses **Research Question 1** by examining **how Policy Legislative, Regulatory and Operating Environment Challenges** affect the strategic capabilities of the ERS. It further discusses the research findings and relevant literature on this theme. A comparison of the findings and existing literature highlights similarities and differences, leading to conclusions and thematic recommendations.

6.2.2.1 RQ1: Sub-Theme 1: Operating environment

This section addresses **Research Question 1** by examining **operating environment challenges** that affect the SCs of the ERS. It further discusses the research findings and relevant literature on this theme. A comparison of the findings and existing literature highlights similarities and differences, leading to conclusions and thematic recommendations

Recap of operating environment evidence

The finding was that the ERS is constantly challenged to adapt to changes in its dynamic operating environment, both within and outside the country, yet it operates with limited resources. The insights from the Yellow and the Green groups outlined both the risks and benefits of adapting or not adapting to changes. Significantly, the insights highlight the need for the ERS to uphold international tax standards and adopt the latest technology to remain current as the environment evolves with new technological innovations. The findings further emphasise that the operating environment obliges the ERS to continuously evaluate its impact on service delivery, while assessing risks and seizing new opportunities. Moreover, the findings reveal that the dynamic operating environment compels the ERS to pursue short-term over long-term strategies, for instance, 3-year instead of 5-year strategic plans.

Recap of operating environment literature

The DC theory addresses the survival and adaptability of a business under increasingly complex conditions. It emphasises the importance for organisations to effectively develop and deploy dynamic capabilities for evolutionary success, considering the complexities and challenges within the operating environment (Zahra et al., 2022b). The study reinforces the adaptability, sustainability, and evolutionary success of carefully curated and exploited geopolitical, institutional, technological, and social dynamic capabilities to counter threats and fully embed dynamic capabilities within the interconnected operating context. The changing business landscape requires effective and agile integration, renewal, reconfiguration, and upgrading of strategic resources, processes, and capabilities for success. Zahra et al. (2022) emphasise the importance of dynamic capabilities in effectively aligning and deploying business resources to adapt to environmental changes and also highlight the need to avoid unintentional outcomes that could arise from misusing these resources without proper alignment.

For the purposes of this study, adopting a DC perspective informs how the ERS can continuously build, adapt, regenerate, and integrate its resources, processes, capabilities,

knowledge management systems, and resource deployment both internally and externally in response to the complexities of the operating environment.

Kane et al. (2021) and Weritz et al. (2024) define SCs as a combination of capabilities and resources that collectively drive a firm's value delivery. The study identifies SCs as the foundation of business value. To explain how this combination works, Weritz et al. (2024) highlight that it requires the integration of outside-in and inside-out capabilities to achieve DT. The combination aims to support the idea that one-dimensional capabilities may not be sufficient to realise full value. To illustrate an outside-in approach, the study recognises the importance of leveraging insights from the external environment to develop suitable internal capabilities that can effectively respond to external threats and opportunities. Meanwhile, a scholar who explored the SCs suitable for internationalisation, Hermans et al. (2024), affirms the view that business SCs must evolve as the business develops to maintain a competitive advantage. Similar to Weritz et al. (2024), the study by Nusair et al. (2022) confirms the link between SCs and superior performance. Melesse (2025) also supports the findings related to the connection between SCs, business performance, and competitiveness.

Weritz et al. (2024) emphasise the importance of complementary SCs as enablers of business value and the redefinition of an organisation's identity as essential for successful DT and ultimately superior performance. In this context, the study classifies the six dimensions of the necessary DT as outside-in SCs, which include networking capabilities for collaboration and customer centricity to understand market needs. This perspective is supported by the findings of Nusair et al. (2022), who state that SCs enabling businesses to strengthen relationships with their customers have a significant positive impact on customer satisfaction in service-based institutions compared to non-service-based ones.

Comparative analysis of findings to literature

The finding that the ERS aims to adapt to its changing environment by adopting the latest technology and other capabilities closely aligns with the core principles of strategic management discussed in Nusair et al. (2022) and Zahra et al. (2022b), particularly regarding organisational capabilities, environmental uncertainty, and the need for technological adaptation to enhance performance. The conclusion that continuous adaptation is critical for organisational survival and performance in volatile conditions is strongly affirmed.

Furthermore, the finding that the ERS must adopt the latest technology to stay current as the environment adapts to new innovations is supported by Nusair et al. (2022), who note that changes in consumer preferences and technology are among the factors that increase

environmental uncertainty. Similarly, Zahra et al. (2022b) observed that the rising digitisation exerts pressure on businesses to quickly adapt their capabilities to maintain relevance and connectivity.

Lastly, the findings from the Yellow and the Green groups on the potential risks and benefits of adapting to or not adapting to environmental changes are confirmed in Nusair et al. (2022) through the link between capabilities, environmental uncertainty, and performance measures such as customer satisfaction and effectiveness. Furthermore, substantial alignment is observed between the findings on the ERS's need to adapt its dynamic environment to the adaptation, technology and performance imperatives covered in the DT argument by Weritz et al. (2024) on the strategic role of technology and continuous change.

Conclusion of operating environment

No differences were observed between the findings and the literature review regarding the need to continuously adapt to changes in the operating environment. Therefore, the research findings, as shown in Table 6.2, confirmed the discussions in the existing literature and add to the existing body of knowledge.

Table 6.2: Conclusion on RQ1: Sub-Theme 1: Operating environment

Concept	Analysis
Adapting to the latest technology and other capabilities	Supports Literature
Adapting to environmental uncertainty	Supports Literature
Potential risks and benefits of adapting to or not adapting to environmental changes	Differs from Literature

6.2.2.2 RQ1: Sub-Theme 2: Procurement challenges

This section addresses **Research Question 1** by examining how **procurement challenges** affect the SCs of the ERS. It further discusses the research findings and relevant literature on this theme. A comparison of the findings and existing literature highlights similarities and differences, leading to conclusions and thematic recommendations.

Recap of evidence on procurement challenges

The findings indicate that although the governance of the public procurement process aims to protect public institutions from common procurement malpractices, it also presents challenges in purchasing goods and services, which can hinder the timely achievement of strategic objectives. In the case of the ERS the process inhibits the outsourcing of strategic projects which could otherwise accelerate delivery. Importantly, the evidence suggests that the procurement process is incompatible with the agile project management approach used by the ERS to meet its strategic goals, as it does not support the agile sprints method that allows contracting and payment at the end of each sprint. Instead, the procurement process follows a step-by-step approach for contracting and payment. The evidence shows that the process is rigid and cumbersome, which hampers progress, causes delays in executing strategic projects, and often results in projects carrying over into the next strategic period or year.

Recap of procurement challenges literature

Weritz et al. (2024) highlight that inflexible processes create conflicts and hinder a business's ability to adapt quickly to environmental changes, which is essential for maintaining competitiveness and high performance. They stress that rigidity reduces SA and flexibility which are key factors for superior business results. Similarly, Melesse (2025) agrees noting that strong system integration enables organisations to outsource and better utilise supplier resources. Melesse (2025) states that deploying strategic resources such as human and technological capabilities greatly improves business effectiveness and performance. In contrast, delays do not signify success; instead, they reveal poor execution and strategic shortcomings, resulting in the business not meeting its objectives (Nusair et al., 2022). A gap in previous research on SCs is noted, as previous studies have seldom concentrated on emerging markets and industries such as the service and public sectors.

Comparative analysis of findings to literature

The finding on rigid and incompatible public procurement processes, as shown in Table 6.3, that hinder the ERS's ability to execute strategic projects swiftly is confirmed in the literature. Weritz et al. (2024) also highlight the conflict caused by inflexible processes that undermine agility and flexibility, which are vital for SCs and achieving superior business performance. This aligns with the view that a business must respond rapidly to environmental changes to maintain its competitive advantage and performance.

The finding that current procurement processes hinder the outsourcing of strategic projects is also confirmed in the literature. Melesse (2025) notes that effective system integration capability is a key resource enabling businesses to outsource and maximise supplier resources. For ERS, the findings indicate that ongoing improvements in digital procurement capabilities that support business processes and system integrations will help address resource constraints and foster stronger supplier collaboration.

The finding that current procurement challenges impede the timely achievement of ERS's strategic goals aligns with the literature review's assertion in Melesse (2025) that deploying strategic resources, including human and technological capabilities, significantly improves business effectiveness and performance. Delays in project completion and carryovers from one strategic period to the next do not indicate success; instead, they reflect poor execution and strategic failures, as the business fails to realise its objectives (Nusair et al., 2022).

However, some nuanced differences have been identified stemming from the fact that the ERS is a public sector organisation as the existing literature does not focus on the public sector. While there is a strong emphasis on DT, the literature does not centre on the governance, structural, and financial restrictions associated with public sector governance, which are intended to limit common SOE procurement contract malpractices (Weritz et al., 2024). Another departure from the ERS findings and the literature is that the public sector is an understudied area when it comes to the topic of SCs; more research focuses on non-public sectors, including but not limited to manufacturing and advanced economies. According to Melesse (2025), it further appears that, to date, research on SCs has seldom concentrated on emerging markets and industries such as the service and public sectors. This is a significant limitation in the study finding which seeks to demonstrate an institutional public sector barrier that the existing governance regime is incapable of resolving.

Table 6.3: Conclusion on RQ1: Sub-Theme 3: Procurement challenges

Concept	Analysis
Rigid procurement processes hinder the outsourcing of strategic projects	Supports Literature
Procurement challenges impede the timely achievement of ERS strategic goals	Supports Literature

Limited public sector literature on governance, structural and financial restrictions and strategic capabilities	Differs from Literature
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Conclusion of procurement challenges

As noted above, the comparative analysis concludes that inflexible procurement processes undermine the ERS's agility and flexibility to outsource services and procure goods, thus causing poor execution and strategic failures that significantly impede overall strategic progress and capabilities.

6.2.2.3 RQ1: Sub-Theme 3: Legislation

This section addresses **Research Question 1** by examining how **legislation and regulation challenges** affect the SCs of the ERS.

Recap of evidence on legislation

Being a public institution and a creature of statute, it goes without saying that the ERS must adhere to government policy and the due process of law in all its dealings. Whether aiming to implement improvements or to reduce risks, the legislative process remains the same and may therefore lead to missed opportunities to scale, prevent, or minimise risk. Evidence from various groups highlights different challenges in the legislative process, including the slow amendment approval process, which hampers the ERS's capability to adapt to the changing environment. The slow legislative process further limits the ERS' ability to manage risks and capitalise on opportunities in real time. Furthermore, the government's stance and reluctance to innovate impede the ERS's pace to innovate, and it is also clear that the legislation does not permit the ERS to explore self-generation of income to fund its operations, although the ERS is capable of doing so.

Recap of literature on legislation

By design, SOEs serve as tools for government intervention to fulfil distinct state mandates and strategies. It is against this premise that, from the foundational stage, the state discharges the prerogative of establishing the foundational rules that dictate an SOE's mandate and governance structures to ensure the fulfilment of the overarching mandate and national strategies (Luo et al., 2024).

Turksen and Abukari (2021) confirm challenges concerning the implementation of durable solutions and the adequacy of resources for tackling tax crimes across EU member states.

According to Turksen and Abukari (2021) tax crimes are often predicated upon weaknesses in tax regimes, such as inadequate legal frameworks, lax regulation, secrecy, and weak inter-agency collaboration between states.

According to Turksen and Abukari (2021), legislative procedures hinder effective compliance and enforcement efforts, highlighting the critical need for robust legislation to address the evolving and complex methods of tax non-compliance and evasion. Jafari-Sadeghi et al. (2022) note that the delayed execution of strategic responses threatens business survival. Turksen and Abukari (2021) acknowledge the risks posed by tax criminals exploiting legislative gaps and also highlight the difficulties in enforcing cross-border tax compliance strategies. They note that legislative amendments are difficult to achieve, as seen with Europe's limited success in transposing the 4th Anti-Money Laundering Directive into improvements within the administrative legal framework.

Turksen and Abukari (2021) further observe the failure of European authorities, as countries such as Ireland, Portugal, the UK, and Spain reportedly struggle to fund their respective tax authorities. Luo et al. (2024) corroborate the observation and further note that resource constraints, such as human, financial and infrastructural challenges, are a known reality for SOEs, hence challenging SOEs to acquire self-generated or rely on government subventions.

Comparative analysis of findings to literature

The finding that the ERS is a creature of statute, hence obligated to adhere to government and the due process of the law in all its dealings, is confirmed in the literature, which reflects the nature of SOEs. By design, SOEs serve as tools for government intervention to fulfil distinct state mandates and strategies. It is against this premise that, from the foundational stage, the state discharges the prerogative of establishing the foundational rules that dictate an SOE's mandate and governance structures, ensuring the fulfilment of the overarching mandate and national strategies (Luo et al., 2024).

The ERS challenges regarding slow legislative process and resource shortages are confirmed by the systemic issues discussed in Turksen and Abukari (2021), which concern the implementation of durable solutions and the adequacy of resources for tackling tax crimes across EU Member States. According to Turksen & Abukari (2021) tax crimes are often predicated upon weaknesses in tax regimes, such as inadequate legal frameworks, lax regulation, secrecy breaches, and weak inter-agency collaboration between states.

Similarly, the findings that the slow legislative process undermines the ERS's operational effectiveness and capability to adapt to the changing environment are supported by Turksen and Abukari (2021), who note how legislative procedures hinder effective compliance and enforcement efforts, highlighting the critical need for robust legislation to address the evolving and complex methods of tax non-compliance and evasion. According to Jafari-Sadeghi et al. (2022), the delayed execution of strategic responses threatens business survival. In the case of the ERS, constraints such as slow processes add rigidity and limit the speed of adapting, managing risks, and exploiting opportunities in fulfilling the state mandate. In acknowledging the risks and persistence of tax criminals in exploiting legislative gaps, Turksen and Abukari (2021) also highlight the difficulties in enforcing cross-border tax compliance strategies, as legislative amendments are difficult to achieve. This is seen with Europe's limited success in translating the 4th Anti-Money Laundering Directive into meaningful administrative legal reforms.

The findings on the adequacy and limitations of ERS's funding are confirmed in the literature. Turksen & Abukari (2021) observe the failures of European authorities noting that countries such as Ireland, Portugal, the UK, and Spain face persistent challenges in funding their respective tax authorities. Luo et al. (2024) corroborate the observation and further note that resource constraints, such as human, financial and infrastructural challenges are a known reality for SOEs, hence challenging SOEs to acquire self-generated income or rely on government subventions.

As argued in Turksen and Abukari (2021) harmonisation focuses on poor and blurred distinctions of universal tax crimes as well as the distinction of administrative and criminal failures across multiple jurisdictions. In this regard, Turksen and Abukari (2021) note that the institutional fabric of public enterprise creates distinct operational constraints that limit the ability to capitalise opportunities in fulfilment of the overarching mandate.

In the Chinese context, Luo et al. (2024) note that digitisation is defined as a key strategic objective and a national strategy; therefore, SOEs are required to dedicate attention to innovation in line with the political mission. The financial autonomy is constrained by government budgetary cycles which then limits strategic choices (Luo et al., 2024).

However, some nuanced differences in the scope of the ERS's legislative failures and literature review are observed. While the focus of the ERS is primarily on speed and delay in its governing legislative framework that slows down operational and risk mitigation measures, the focus by Turksen and Abukari (2021) is on harmonisation, poor and blurred distinctions of

universal tax crimes as well as the distinction of administrative and criminal failures across multiple jurisdictions. In this regard, Turksen and Abukari (2021) note that the institutional fabric of public enterprise creates distinct operational constraints that limit the ability to capitalise opportunities in fulfilment of the overarching mandate.

Furthermore, the finding that the state does not permit self-generation of income presents a severe limitation in comparison with the literature. In this regard, a stricter legal mandate is presented in the case of the ERS, which prohibits financial autonomy and confines strategic choices to government budgetary cycles (Luo et al., 2024).

A key difference between the findings and the literature is also evident in the government's reluctance to innovate, which suggests that the national strategy is not aligned with the desired pace of technological change at ERS. In the Chinese context, Luo et al. (2024) note that digitisation is a key strategic objective and a national strategy; therefore, SOEs are required to show greater attention to innovation in line with the political mission.

Furthermore, the claim that prohibitive legislation prevents the ERS from generating its own income to fund operations could not be substantiated, as the sixth OECD Global Principle refers only to government funding of the tax authority without mention of self-generated revenue.

Conclusion on legislation

As previously noted, the evidence regarding ERS's difficulties with a slow legislative process and resource shortfalls reinforces the arguments found in the existing literature. Meanwhile, a nuanced difference in the prohibitive legislation for the ERS compared to the literature on self-generating funds to run its operations is noted as a contribution to academic literature.

There were no differences observed between the findings and the literature, except for a research contribution that closes a gap in research studies on emerging economies in the service and public sectors.

Table 6.4: Conclusion on RQ1: Sub-Theme 3: Legislation

Concept	Analysis
ERS is a creature of statute obligated to adhere to government	Supports Literature
Slow legislative process and resource shortages	Supports Literature

Slow legislative process undermines the ERS's operational effectiveness and capability to adapt environmental changes	Supports Literature
Adequacy and legislative limitations of ERS funding	Supports Literature
Scope of the ERS legislative failures	Differs from Literature
state does not permit its self-generation of income	Differs from Literature
Source of direction in the ERS innovation mandate	Differs from Literature

6.2.3 RQ1: Theme 3: Strategic enablers

6.2.3.1 Sub-Theme 1: Strategic partnerships

This section addresses **Research Question 1** by examining the impact of **strategic partnerships** on the SCs of the ERS. It further discusses the research findings and relevant literature on this theme. A comparison of the findings and existing literature highlights similarities and differences, leading to conclusions and thematic recommendations.

Recap of evidence of strategic partnerships

Predominantly, case and cross-case analyses reflect a consensus on the value of strategic partnerships in enhancing ERS's SCs, although expressed differently. The evidence acknowledges the importance of collaborations with various government ministries, banks, global partners and taxpayer organisations to achieve data management and payment system integration, aiming to improve tax compliance and service delivery. While the overwhelming evidence indicates that ERS relies on these strategic partnerships to meet its objectives, only one participant appears to hold a dissenting view, believing that ERS is performing well independently. The evidence suggests that, although ERS has made significant progress in executing its strategy—especially given the increasing complexities in the operating environment—there remains room for improvement through full integration and efficiency gains in the tax collection system via digitisation with strategic partners. The current system may not yet be robust enough to detect non-compliance and fully enable taxpayers to comply. A need for improved public infrastructure necessitates intensive coordination and collaboration efforts between the ERS and its strategic partners. Lastly, partnerships with academic institutions to leverage young graduates' future skills are also identified as essential for ERS innovation through the injection of new skills and competencies.

Room for improvement is further identified in enhancing co-creation efforts to ensure taxpayers buy-in on introduced changes, as the ERS appears to have unilaterally made and executed decisions without their contributions and input as key stakeholders.

Recap of strategic partnerships literature

Weritz et al. (2024) defines strategic partnership capabilities as the accumulation of resources and knowledge that is leveraged mainly from external relationships yet is critical for the achievement of a business's competitiveness and performance.

Weritz et al. (2024) argues that SCs are dependent on coordinating activities and the utilisation of assets through bundles of accumulated skills and knowledge. In this regard, Weritz et al. (2024) recognise capabilities as the key resources that grant a business a competitive advantage.

Turksen et al. (2021) further recognise the need for collaboration between tax authorities and other domestic law enforcement agencies, coupled with strong international cooperation, to reduce tax crimes. In fact, the OECD and World Bank are strong advocates of a whole of government approach to tackling financial crimes.

Weritz et al. (2024) emphasise that strategic partnerships are vital for adopting digital solutions and shared databases, playing a key role in the success of DT by enabling access to real-time business data. Mellesse (2025) contends that e-business capabilities, such as system integration, are essential for enhancing business performance and strengthening the overall resource base.

The ability to connect and work with external organisations such as academia or start-ups is a vital external strategic capability. Collaborating with research institutions is valued not only for sharing knowledge but also for strengthening network relationships, which foster employee development and knowledge sharing (Weritz et al., 2024).

Foss et al. (2023) argue that challenges related to coordination and cooperation in dynamic ecosystems emphasise the importance of innovation capabilities in managing complexity cost-effectively. The argument is that innovation involves the systematic organisation of various components to deliver business value efficiently. Turksen and Abukari (2021) recognise the persistent need for technological innovation, emphasising that the rapidly growing digital economy heightens the urgency of continuously improving tax compliance and payment systems, as seen with Estonia's successful digital payment and electronic tax fraud solutions. Similarly, Christopher et al. (2024) observe that digitisation has significantly influenced the

transformation of service delivery and operational models worldwide to enhance performance. However, developing countries, especially in Africa, face numerous infrastructure challenges that hinder the effectiveness and impact of digitisation.

Weritz et al. (2024) emphasise the importance of complementary SCs as enablers of business value and the redefinition of an organisation's identity as essential for successful DT and ultimately superior performance. In this context, the study classifies the six dimensions of the necessary DT as outside-in SCs, which include networking capabilities for collaboration and customer centricity to understand market needs. This perspective is supported by the findings of Nusair et al. (2022), who state that SCs enabling businesses to strengthen relationships with their customers have a significant positive impact on customer satisfaction in service-based institutions compared to non-service-based ones.

Comparative analysis of findings to literature

The findings on the critical role of strategic partnerships in enhancing ERS's SCs, data integration, and service delivery through strengthened collaboration efforts with various government ministries, taxpayer organisations, banks, global partners, and academic institutions are confirmed in the literature. The finding aligns with the literature in Weritz et al. (2024) in considering strategic partnership capabilities as the accumulation of resources and knowledge that is leveraged mainly from external relationships yet is critical for the achievement of a business's competitiveness and performance.

The finding that strategic partnerships enhance the ERS's SCs towards meeting its strategic objectives is confirmed in the assertion by Weritz et al. (2024) that SCs are dependent on coordinating activities and the utilisation of assets through bundles of accumulated skills and knowledge. In this regard, Weritz et al. (2024) recognise capabilities as the key resources that grant a business a competitive advantage.

Furthermore, the finding on the ERS's diverse partnerships with government, ministries, banks, and global partners to improve tax compliance is confirmed. Turksen et al. (2021) recognise the need for collaboration between tax authorities and other domestic law enforcement agencies, coupled with strong international cooperation, to reduce tax crimes. In fact, the OECD and World Bank are strong advocates of a whole of government approach to tackling financial crimes.

The ERS finding highlighting digitisation and system integration, which depends on strategic collaborations for data and payment systems, is backed by literature on DT from Weritz et al.

(2024) and Mellesse (2025). Weritz et al. (2024) emphasise that strategic partnerships are vital for adopting digital solutions and shared databases, playing a key role in the success of DT by enabling access to real-time business data. Mellesse (2025) contends that e-business capabilities, such as system integration, are essential for enhancing business performance and strengthening the overall resource base.

The findings regarding ERS's focus on future collaborations with academia to inject new skills and competencies are supported by Weritz et al. (2024). It stresses that the ability to connect and work with external organisations such as academia or start-ups is a vital external strategic capability. Collaborating with research institutions is valued not only for sharing knowledge but also for strengthening network relationships, which foster employee development and knowledge sharing (Weritz et al., 2024).

Differences

The ERS finding highlights a nascent public sector focus on strategic capabilities in an area the literature confirms as understudied. The ERS finding explores tax collection SCs through partnerships and technological integrations with government and banks for service delivery.

A nuanced difference is added in the ERS finding regarding the need for the ERS to enhance its co-creation capability to encourage taxpayer support for ERS's strategic initiatives. Compared to the market-driven approach of commercial customer centrality, the introduced perspective adopts a stakeholder legitimacy approach and capability, which are vital for earning the trust of ERS's stakeholders and taxpayers. This area of deficiency in public stakeholder management provides a specific avenue for future theoretical development.

Lastly, the finding on the refinement of strategic partnerships with various stakeholders in the ERS's ecosystem offers reinforcement of the multi-layered need for domestic inter-agency and international cooperation that is recommended as critical for countering tax crimes.

Conclusion of strategic partnerships

The conclusion is that the role of strategic partnerships in enhancing ERS's SCs, data integration, and service delivery through strengthened collaboration efforts with various government ministries, taxpayer organisations, banks, global partners, and academic institutions is confirmed in the discussion. As defined by Weritz et al. (2024) strategic partnership capabilities are the accumulation of resources and knowledge that is leveraged mainly from external relationships yet is critical for the achievement of a business's competitiveness and performance.

In line with the ERS's strategic theme and as observed in Mellesse (2025), strategic partnerships are vital for adopting digital solutions and shared databases, playing a key role in the success of DT by enabling access to real-time business data. This confirms the prominence of ERS's strategic partnerships as well, which are conceived under its strategic plan to be digitised and data-driven with partners.

No differences were observed between the findings and the literature review regarding the strategic partnerships theme. Therefore, the research findings confirmed the discussions in the existing literature and add to the existing body of knowledge.

Table 6.5: Conclusion on RQ1 Theme 3: Strategic partners

Concept	Analysis
Strategic partnerships enhance SCs, data integration, and service delivery	Supports Literature
Improvement of tax compliance through diverse partnerships with government, ministries, banks, and global partners.	Supports Literature
ERS's Digitisation and system integration depends on strategic collaborations for data and payment systems	Supports Literature
Benefits of future collaborations with academia to inject new skills	Supports Literature
ERS finding offers nascent public sector SCs focus	Differs from Literature
Refinement of strategic partnerships with various stakeholders in the ERS's ecosystem	Differs from Literature
Need to enhance co-creation capability	Differs from Literature

6.2.4 Sub-Theme 2: Internal human capabilities

This section addresses **Research Question 1** by examining the impact of **internal human capabilities** on the SCs of the ERS. It further discusses the research findings and relevant literature on this theme. A comparison of the findings and existing literature highlights similarities and differences, leading to conclusions and thematic recommendations.

Recap of evidence on internal human capabilities

Overall, internal human capabilities proved prominent in the sentiments of several interview participants. It appears that internalising strategy development and coordination, along with project management skills, combined with continuous development and empowerment of internal staff and resources to effectively utilise or match technology upgrades, are vital for the success of the ERS strategy. While all participants acknowledge the quality of current capabilities, there is a strong call to harness by continuously investing in the development of these skills to adapt to changes in the ERS's operating environment. The evidence shows a clear awareness of the consequences of failing to internalise, harness, or close the skills gap on ERS's strategic performance.

An imminent risk of skills erosion owing to high staff turnover highlights the importance of internal human capability as a key priority for the business continuity plan. Although a shortage of some future skills has been identified as an area for improvement, if left unaddressed, it could affect ERS's ability to deliver strategic projects. Rigid HC processes have been noted as a critical area of improvement to accelerate the acquisition of essential skills. Performance accountability has also been recognised as a significant area for improvement to strengthen accountability for individual and team performance.

Recap of literature

Meanwhile, the alignment of human resources for collaboration across different departments in an organisation is recognised as part of the spanning capabilities that are crucial for exploring the outside environment. Weritz et al. (2024) describe spanning capabilities as encapsulating cross-functional collaboration capabilities, which emphasise the alignment of the work of several departments, the integration of professional knowledge, as well as the sharing of critical business strategy information on how to achieve strategic goals.

According to Kero and Bogale (2023), the RBV emphasises achieving an organisation's competitive advantage through the exploitation of its VRIO resources. Helfat et al. (2023) argue that businesses which possess and leverage their strategic resources outperform competitors and attain sustained competitive advantages. They identify strategic resources as including patented technology, organisational culture, and a strong brand reputation, among others. The study also highlights managerial capabilities as a source of competitive advantage for a business, alongside the need to leverage AI to enhance managerial resources. Furthermore, the study suggests that AI will improve decision-making speed and positively

impact the quality of decisions made, enabling better adaptation to current and future contexts than limited human judgement.

Further to identifying human resources as a source of a competitive advantage, Helfat et al. (2023) equally observe that traditional human resource skills may become obsolete as new technologies take up space, thus ushering in human-machine capabilities for optimal performance differentials. The same view is corroborated by Weritz et al. (2024), who introduced an empowered talent dimension of DT in reference to employees who possess widely distributed digital skills that are essential for delivering DT initiatives, which require experience with new technologies such as AI, machine learning, and social media, as exemplified by ERS's strategic aspirations.

In this regard the RBV strategic resource decay concept, which observes the diminishing impact of star employees and explores the organisational impact of losing and replacing star employees is relevant to explore the appropriate mitigation strategies. Losing a star employee can be mitigated through robust talent acquisition and recruitment capabilities, whereas the loss of a non-star employee can be mitigated by strong skills development capabilities that focus on existing staff (Helfat et al., 2023)

The ERS finding highlights various skills, such as project management and coordination, seen as individual capabilities that together drive strategic success. Meanwhile, Weritz et al. (2024) emphasise the complementary synergy of these skills as part of an organisational capability framework. They argue that DT success depends not on developing individual abilities in isolation, but on a portfolio of six SCs, which include outside-in, spanning, and inside-out capabilities.

An RBV perspective guides the study to explore how the ERS can utilise its strategic resources, including knowledge, human capital, organisational assets, brand reputation, and technological capabilities, for the overall enhancement of its strategic skills. The perspective also focuses the study on exploring viable means of agility and innovation that are suitable for the ERS's resource-constrained environment and aligned with the strategic goal of optimising AI to drive its digitalisation strategy.

Research gap

The need for firms to respond to increasing competition and the shift in the current new normal environment through enhanced innovation, particularly in developing new business models, is highlighted in Loon et al. (2020). The study examined the role of micro foundations within HRM

to support innovation by developing essential capabilities. In conclusion, the study noted a theoretical gap regarding the connection between HR practices, performance improvement, and BMI to ensure the effective development of necessary people capabilities through the leverage of performance management capabilities. The study consequently invites future research to investigate organisational learning's role in maintaining a new business model.

Comparative analysis of findings to literature

The ERS finding on the degree of significance of internal human capabilities is confirmed in the RBV, strategic capabilities and DT literature, which underscores the role of human capital in the attainment of strategic goals. Strategic human resources are not only identified at the core of understanding organisations but the source of a competitive advantage (Helfalt et al., 2023).

The finding on the need for continuous skills development and empowerment to close a skills gap at ERS is further expanded by Weritz et al. (2024), who extend the theme by introducing an empowered talent dimension of DT. The empowered talent DT dimension refers to employees who possess widely distributed digital skills that are essential for delivering digital transformation initiatives, which require experience with new technologies such as AI, machine learning, and social media, as exemplified by ERS's strategic aspirations.

In contrast, the finding on the capability to constantly adapt to technological updates is confirmed in the emphasis and observation of Helfalt et al. (2023) that traditional human resource skills may become obsolete as new technologies take up space, thus ushering in human-machine capabilities for optimal performance differentials.

In confirming the finding on the ERS' internalisation of strategy development and coordination capabilities, the literature refers to the concept spanning capabilities which encapsulates cross-functional collaboration capabilities which emphasises the alignment of the work of several departments, the integration of professional knowledge as well as the sharing of critical business strategy information on how to achieve strategic goals (Weritz et al., 2024).

The finding on the potential risk of skills erosion owing to a high staff turnover is echoed in the RBV strategic resource decay concept which observes the diminishing impact of star employees and explores the organisational impact of losing and replacing star employees (Helfalt et al., 2023).

Some differences are observed between the findings and the literature regarding the perceived rigidity of human resources processes, which are identified as key areas for

improvement to accelerate skills acquisition and enhance performance accountability. Helfalt et al. (2023) emphasises the importance of an appropriate organisational structure and also processes to maximise the benefits of human resources. While the findings on the ERS recognise the current human capabilities, some failures caused by the rigidity of these processes are also highlighted.

A nuanced distinction exists between the findings and the literature regarding approaches to mitigating staff loss. While the study's findings highlight a challenge of skills erosion caused by staff turnover, the literature reveals mechanisms for mitigating such loss based on the type of employee skills within the business structure. The literature distinguishes that losing a star employee can be mitigated through robust talent acquisition and recruitment capabilities, whereas the loss of a non-star employee can be mitigated by strong skills development capabilities that focus on existing staff.

The ERS finding highlights various skills, such as project management and coordination, seen as individual capabilities that together drive strategic success. Meanwhile, Weritz et al. (2024) emphasise the complementary synergy of these skills as part of an organisational capability framework. They argue that DT success depends not on developing individual abilities in isolation, but on a portfolio of six SCs, which include outside-in, spanning, and inside-out capabilities.

Conclusion of internal human capabilities

In conclusion, the importance of internal human capabilities and their ongoing development and empowerment in SCs and for the ERS is confirmed. The evolution of skills and the need to embrace human-machine learning amidst technological advancements are recognised. Recognising the threat of skills erosion, an exploration of suitable approaches to mitigation is recommended to respond effectively to the loss of both star and non-star employees. Helfalt et al. (2023) present a perspective on strategic resources decay and further emphasise the importance of an appropriate organisational structure and processes in maximising the benefits of human resources. The significance of developing spanning capabilities to encourage cross-functional collaboration and align the efforts of multiple departments through the integration of professional knowledge and the sharing of critical business strategy information on achieving strategic goals is highlighted (Weritz et al., 2024).

There were no differences noted between the research findings and the literature on internal human capabilities. The findings, therefore, add to the existing body of knowledge.

Table 6.6: Conclusion of findings on RQ1 Sub Theme 2: Internal human capabilities

Concept	Analysis
Continuous skills development and empowerment	Supports Literature
Human-machine capabilities	Supports Literature
Spanning capabilities which encapsulates cross-functional collaboration capabilities	Supports Literature
Staff attrition (star and non-star employees)	Supports Literature

6.3 Research Question 2: How can agility assist the ERS in enhancing its strategic capabilities?

6.3.1 RQ2: Theme 1: Organisational agility and strategic iteration

This section addresses **Research Question 2** by examining how **organisational agility** can assist the ERS in enhancing its SCs. It further discusses the research findings and relevant literature on this theme. A comparison of the findings and existing literature highlights similarities and differences, leading to conclusions and thematic recommendations.

Recap of organisational agility and strategic iteration evidence

The evidence indicates that at ERS, the term 'agile' mainly relates to participants' experiences with the organisation's agile project management approach. This approach enables them to execute sprint projects that can adapt to environmental changes. It is also clear that ERS reprioritises project delivery during challenging circumstances, viewing agility as both a strength and a strategic resource in a rapidly changing environment. Furthermore, ERS's ability to remain competitive is linked to its flexible adaptation to change. The evidence also shows that ERS regularly reviews the effectiveness and relevance of its projects to stay aligned, adopts more suitable initiatives and ensures that there are no passion projects popping up and taking up resources. Ongoing project evaluations are considered crucial for directing resources towards viable projects. However, infrastructure issues and legacy systems are identified as barriers to adaptation, which could limit ERS's quick response to changes in tax and revenue administration. In addition, it is noted that ERS could benefit from a more structured process for reprioritising its projects, rather than the current approach that does not thoroughly examine the reasons for underperformance. Most importantly, senior

management's ability to empower teams to make decisions during project execution stands out as a key enabler of agility. This means ERS must find a balance between empowering teams to make prioritisation decisions and following a proper process to suspend non-performing initiatives.

Recap of organisational agility and strategic iteration literature

In the literature, SA is regarded as a dynamic capability that is ideal for volatile and turbulent business environments and, therefore, considered a crucial success factor (AlTaweel & Al-Hawary, 2021). Bekos et al. (2025) argue that agility relates to implementation capability for translating strategic ambitions into action-oriented and deliverable goals and projects. According to AlTaweel and Al-Hawary (2021), agility is necessary not only for sustaining a business's competitive advantage but also for the flexibility to adapt to the dynamic changes in the business environment.

AlTaweel and Al-Hawary (2021) acknowledge resource flexibility as essential for the reorganisation and reallocation of resources to capitalise on opportunities and adapt to environmental changes. Sampath et al. (2021) expand the resource adjustment capability to emphasise the importance of continuous organisational learning and leveraging feedback to align competencies with external environmental demands on a constant basis. Furthermore, Sampath et al. (2021) recognise legacy systems and software integration challenges as key obstacles and limitations for quick response and the flexibility of information systems. The importance of leadership or managerial capabilities that promote quick decision-making processes and that foster an empowered culture of agility and learning are highlighted (Sampath et al., 2021).

The argument is observed in Bekos et al. (2025) that high levels of rigid planning capabilities can potentially suppress organisational agility and similarly impede performance gains. The argument builds on the observation that while strategy implementation capabilities may positively support agility, overly comprehensive planning capabilities may negatively moderate agility.

Bekos et al. (2025) define SA as recognising that rapid changes in the economy, technology, customer preferences, and competition in the evolving business environment require quick responses. The definition argues that failing or delaying the implementation of strategic responses risks a business's survival, with emphasis on understanding the appropriate conditions for leveraging agility in a business. Bekos et al. (2025) make the interesting

observation that agility alone, without the necessary architectural capabilities, may undermine performance.

While Sampath et al. (2021), Jafari-Sadeghi et al. (2022), and AlTaweel and Al-Hawary (2021) agree on the importance of agility in driving business success, responsiveness, and competitiveness, especially in the era of digitisation and increased complexity, AlTaweel & Al-Hawary (2021) and Sultana et al. (2022) suggest there is a gap in the literature regarding the development of sustainable competitive advantage. Jafari-Sadeghi et al. (2022) and AlTaweel & Al-Hawary (2021) concur on the necessity of agility to navigate complexity. However, the scholars seem to hold differing views on what enables and drives SA. Sampath et al. (2021) identify resource availability and strategic sensitivity as key enablers and drivers, whereas Jafari-Sadeghi et al. (2022), employing a dynamic capabilities approach, identify nine capabilities that promote and enhance SA. Sultana et al. (2022) further note that strategic market agility, especially in data-driven markets as a business capability for organisational performance, has not been extensively researched. Conversely, Jafari-Sadeghi et al. (2022) points out that the increasing complexity of business operations necessitates digitisation to improve operational efficiency, thus highlighting the need to explore its drivers and outcomes.

Comparative analysis of evidence to literature of organisational agility and strategic iteration

The ERS finding that agility is seen both as a resource and a strength for flexible adaptation in a rapidly changing environment is supported by the literature. In the literature, SA is regarded as a dynamic capability that is ideal for volatile and turbulent business environments and thus considered a crucial success factor (AlTaweel & Al-Hawary, 2021).

The finding that the ERS views its agile project management approach as a strategic capability is confirmed in Bekos et al. (2025) as an implementation capability for translating strategic ambitions into action-oriented and deliverable goals. According to AlTaweel and Al-Hawary (2021), agility is necessary not only for sustaining a business competitive advantage but also achieving the flexibility to adapt to the dynamic changes in the business environment.

The findings on the ERS's reprioritisation of project delivery, constant project evaluations, and shifting of resources to more viable projects are acknowledged in AlTaweel and Al-Hawary (2021) as resource flexibility, which allows for reorganisation and reallocation to capitalise on opportunities and adapt to environmental changes. Sampath et al. (2021) further expanded the resource adjustment capability to emphasise the importance of continuous organisational

learning and leveraging feedback to align competencies with external environmental demands on a constant basis.

Furthermore, the finding on infrastructure and legacy system challenges as barriers to adapting and integrating ERS systems into the ecosystem, particularly with the government, is supported by the literature. Sampath et al. (2021) recognise legacy systems and software integration challenges as key obstacles and limitations for quick response and the flexibility of information systems.

The finding on the key agility enabler of senior management and leadership's flexibility to empower teams to make execution decisions is supported by the micro foundations of SA literature. Sampath et al. (2021) recognise the importance of leadership or managerial capabilities that promote quick decision-making processes and foster an empowered culture of agility and learning.

A nuanced difference is observed in the findings on a proposition for the ERS to adopt a more structured project reprioritisation and underperformance review process, considering the literature suggests a greater level of caution. Bekos et al. (2025) argue that high levels of rigid planning capabilities can potentially suppress organisational agility and similarly impede performance gains. The overall observation is that while strategy implementation capabilities may positively support agility, overly comprehensive planning capabilities may negatively moderate agility.

Conclusion of organisational agility and strategic iteration

It is confirmed that agility is an ideal dynamic capability for volatile and turbulent business environments and thus crucial for the success of the ERS (AITaweel & Al-Hawary, 2021). The ERS's project management approach is confirmed in Bekos et al. (2025) as an implementation capability for translating strategic ambitions into action-oriented and deliverable goals. Resource flexibility and continuous development allow for reorganisation and reallocation of resources to capitalise on opportunities and adapt to environmental changes. This underscores the importance of continuous organisational learning and leveraging feedback to align competencies constantly is underscored. Sampath et al. (2021) recognise legacy systems and software integration challenges obstacles for agility. Lastly leadership's flexibility to empower teams and foster an empowered culture of agility and learning is underscored as an enabler of SCs.

A nuanced difference is observed in the findings on a proposition for the ERS to adopt a more structured project reprioritisation and underperformance review process, considering the literature suggests a greater level of caution. Bekos et al. (2025) argued that overly comprehensive planning capabilities may negatively moderate agility and impede performance. On this basis, the nuance of difference noted by the researcher is considered to be a potential refinement to the existing body of knowledge and is added as a sub-theme in the revised conceptual framework.

Table 6.7: Conclusion on RQ2: Theme 1: Organisational agility and strategic iteration

Concept	Analysis
Agility as a dynamic capability	Supports Literature
Project management and strategy implementation	Supports Literature
Resource flexibility	Supports Literature
Continuous organisational learning	Supports Literature
Legacy systems and system integration	Supports Literature
Leadership flexibility in fostering agile culture	Differs from Literature
Impact of excessive and a rigid project planning capabilities can potentially suppress organisational agility	Differs from Literature

6.3.2 RQ2: Theme 2: Triggers of agility

In order to answer Research Question 2, this theme explores benefits realisation, business relevance and risk optimisation as triggers of agility.

6.3.2.1 RQ2: Sub-Theme 1: Benefits realisation

This section addresses **Research Question 2** by examining how **benefits realisation** can assist the ERS in enhancing its SCs. It further discusses the research findings and relevant literature on this theme. A comparison of the findings and existing literature highlights similarities and differences, leading to conclusions and thematic recommendations.

Recap of evidence on benefits realisation

The evidence suggests that benefits realisation is essential for ERS's SA and strategy iteration process. This process involves monitoring inputs and outputs to ensure objectives are met. Benefits realisation enables ongoing checks on whether projects remain relevant, are completed on time, and meet expected quality outcomes. Most importantly, the ERS uses benefits realisation to identify and eliminate projects that are not delivering results, allowing a focus on more relevant initiatives. While the significance of benefits realisation has been highlighted, some evidence indicates gaps in defining success measures, as it is only during monitoring and evaluation that it becomes apparent that some performance indicators were not clearly specified during the project planning phase. This then presents a considerable risk to the institution's strategic iteration process, which relies on these indicators to inform business decisions to either proceed or scale back project execution.

Overall benefits realisation involves the ongoing monitoring of the return on investment from resource allocations, aiming to quickly modify and adapt initiatives with low returns. Benefit realisation is regularly tracked through weekly and monthly reviews to assess progress in delivering strategic projects. Lastly, benefit tracking is crucial as it assists in measuring the true value derived from each initiative.

Recap of benefits realisation literature

In line with marketing implementation capabilities, Bekos et al. (2025) emphasise the ROI of technological investments to mitigate risks, while monitoring performance outcomes and responding strategically to factors that may threaten agility.

Meanwhile, the importance of resource fluidity is recognised in Sultana et al. (2022), who define resource fluidity as the ability of an organisation to assign and reallocate assets, resources, and capabilities in response to environmental changes. This scope is further expanded by Jafari-Sadeghi et al. (2022), who acknowledge the necessity to constantly monitor stakeholder sentiments regarding the perceived value of a project or initiative.

It is noted in Sampath et al. (2021) that continuous organisational learning ability ensures that learning happens from one's own mistakes and past experiences. Meanwhile, Sultana et al. (2022) recognise the identification of strategic gaps when capabilities are underperforming.

The importance of clearly defining success measures and performance indicators during project planning is emphasised by the observation that poor indicators may hinder marketing planning capability, which supports a strategically purpose-driven and well-informed iteration

process based on clear goals. Otherwise, at the functional level, poor performance may result if a business fails or poorly implements strategic goals, as noted by Bekos et al. (2025).

Comparative analysis of findings to literature

Similarities

The finding that ERS' business realisation approach, focusing on consistently tracking the return on investment from resource allocation and reducing projects that underperform aligns with marketing implementation capabilities, which monitor performance outcomes and respond strategically to factors that may threaten agility, especially emphasising the ROI of technological investments to mitigate risks (Bekos et al., 2025).

The ERS finding on the process of constantly monitoring project relevance, modifying and adapting initiatives with low returns, is confirmed in the SA literature, where it is defined in the literature as a resource-based dynamic capability. Sultana et al. (2022) define resource fluidity as the organisational capability to assign and reallocate assets, resources and capabilities in response to changes in the environment. This scope is further extended by Jafari-Sadeghi et al. (2022), who acknowledge the need to constantly monitor stakeholder sentiments on the perceived value of a project or initiative.

Furthermore, the finding on the ERS' regular performance tracking and monthly performance reviews to measure the value of delivery of strategic initiatives is confirmed in the literature. According to Sampath et al. (2021), continuous organisational learning ability ensures that learning occurs from one's own mistakes and past experiences. Meanwhile, Sultana et al. (2022) acknowledge the identification of strategic gaps if capabilities are underperforming.

The ERS identifies a critical risk; success measures or performance indicators are poorly defined during project planning, which often becomes evident later during monitoring. This contradicts the marketing planning capability that supports a strategically purposeful and well-informed iteration process based on clear goals (Bekos et al., 2025). Overall, the difference reflects a gap and area of improvement for the ERS.

Conclusion of benefits realisation

In conclusion, tracking return on investment alongside monitoring and adjusting strategic projects and initiatives is recognised as a vital aspect of SA. The finding that benefits realisation is a key component of the ERS's SA and iteration process is supported by the literature, which emphasises the importance of controlling operations, measuring

performance, optimising resources, and promoting continuous learning to ensure the successful implementation of strategic initiatives and projects. However, the observation that measures of success are unclear or poorly defined indicates an area where the ERS can improve its approach.

There were no differences noted between the research findings and the literature on internal human capabilities. The findings, therefore, add to the existing body of knowledge.

Table 6.8: Conclusion of evidence on RQ2: Theme 2: triggers of agility: benefits realisation

Concept	Analysis
Tracking Return on Investment	Supports Literature
Modifying and adapting initiatives	Supports Literature
Resource fluidity	Supports Literature
Perceived value of strategic project or initiative	Supports Literature
Performance measurement	Differ from Literature

6.3.2.2 RQ2: Sub-Theme 2: Business relevance and risk optimisation

This section addresses **Research Question 2** by examining how **business relevance and risk optimisation** can assist the ERS in enhancing its strategic capabilities. It further discusses the research findings and relevant literature on this theme. A comparison of the findings and existing literature highlights similarities and differences, leading to conclusions and thematic recommendations.

Recap of Business relevance evidence and risk optimisation

The findings strongly indicate that business relevance is a crucial strategic element for the ERS, guiding the company's strategy, project implementation, and process enhancements for constant value creation. The evidence highlights the importance of spotting underperforming business processes to initiate strategic projects aimed at enhancing and improving them. It also underscores the necessity of aligning the ERS with international best practices, despite the slow legislative process in Eswatini. In addition, maintaining agility in response to rapid

technological changes is identified as equally vital for the ERS to maintain the same level of technological advancement with the taxpayers and stakeholders.

The theme underscores the importance of risk optimisation in the ERS's strategy development process. It specifically demonstrates the risk mechanisms and processes used by the ERS to identify and manage risks effectively. These include the risk engine that detects potential risks and the compliance improvement plan that helps identify non-compliant taxpayers. Early detection of non-compliance or potential risks is essential, as it allows for early interventions or preventive measures. The findings also reveal that the ERS consistently tracks and reports risks on a monthly basis, while the compliance improvement plan enables the ERS to analyse and identify risks related to customers and taxpayers' non-compliance. Regarding the role of agility in the ERS's SCs, this response partly explains how the ERS employs agility to identify and mitigate risks that could hinder its strategic objectives. Specifically, the ERS's integration with the Ministry of Commerce would enable it to reduce risk evasion through system capabilities that allow instant detection of TIN registration, deregistration, or liquidation.

Recap of business relevance and risk optimisation literature

Bekos et al. (2025) define SA as recognising that rapid changes in the economy, technology, customer preferences, and competition in the evolving business environment require quick responses. The scholars argue that failing or delaying the implementation of strategic responses risks a business's survival. They also suggest that there is a knowledge gap in understanding the appropriate conditions for leveraging agility in a business.

According to AlTaweel and Al-Hawary (2021), agility is a coping mechanism in dynamic business environments with high levels of uncertainty. While Bekos et al. (2025) acknowledge the need for continuous technological evolution to maintain agility, Weritz et al. (2024) recognise the importance of responding swiftly to market trends, and Jafari-Sadeghi et al. (2022) emphasise the need to redeploy and reassign resources effectively in the process.

AlTaweel and Al-Hawary (2021) argue that agility supported by dynamic capabilities is vital for organisations to recognise and capitalise on opportunities for sustained growth. Sultana et al. (2022) further assert that value creation during turbulent times can only be realised through DDI. Meanwhile, Weritz et al. (2024) acknowledge that the process of identifying underperforming business processes to initiate strategic projects is crucial for continuous process improvement, operational efficiency, and process innovation.

AlTaweel and Al-Hawary (2021) emphasise that strategic sensitivity is vital for an organisation to effectively detect and recognise environmental changes. The emphasis highlights that the ability to adapt to changing work conditions depends on sensing capabilities and the capacity to act on external knowledge. This aligns with the idea of absorptive capacity, which involves assessing new information and monitoring digital trends (Weritz et al., 2024).

As defined by Bekos et al. (2025), agility is the ability to respond to dynamic market changes in real time. Otherwise, delays may impede the prompt modification of processes and structures. Jafari-Sadeghi et al. (2022) argue that institutional barriers and constraints in the legal and political environment may hinder the ERS's desired speed and rapid turnaround associated with agility (AlTaweel & Al-Hawary, 2021).

AlTaweel and Al-Hawary (2021) identify rigidity traps caused by excessive structured planning which can undermine progress and the effectiveness of the decision-making process.

From a risk perspective, Melesse (2025) argues that the identification of risks and threats for prompt action aligns with strategic dynamic capabilities in managing them. According to Bekos et al. (2025), an organisation may still grapple with the risk associated with agile change which may be information overload or a disruption of essential revenue generating streams. According to Bekos et al. (2025) such risk considerations may be overshadowed by a linear focus on risk identification.

Comparative analysis of findings to literature

Similarities

The ERS findings on business relevance as a trigger for SA align with the literature on organisational adaptation in turbulent environments which emphasise value creation despite challenges posed by rigid public sector processes. The ERS finding on rapid technological changes that trigger agility is confirmed in the literature, which views agility as a coping mechanism in dynamic business environments with high levels of uncertainty (AlTaweel & Al-Hawary, 2021). While Bekos et al. (2025) acknowledge the need for constant technological evolution to maintain agility, Weritz et al. (2024) recognise the importance of responding quickly to market trends, and Jafari-Sadeghi et al. (2022) emphasise the need to redeploy and reassign resources effectively in the process.

The finding regarding the ERS's constant value creation and use of projects to enhance its business processes aligns with the literature. AlTaweel and Al-Hawary (2021) argue that agility supported by dynamic capabilities is essential for organisations to sense and seize

opportunities for sustained growth. Sultana et al. (2022) further contend that value creation during turbulent times can only be achieved through DDI. Meanwhile, Weritz et al. (2024) recognise that the process of identifying underperforming business processes to initiate strategic projects is vital for continuous process improvement, operational efficiency, and process innovation.

The findings on the importance of the ERS aligning with international best practices as an indicator of strategic sensitivity are confirmed in the literature. AlTaweel and Al-Hawary (2021) emphasise that strategic sensitivity is essential for an organisation to effectively sense and identify environmental changes. To expand on this view, AlTaweel and Al-Hawary (2021) argue that the ability to adapt to evolving work conditions relies on sensing capabilities and the capacity to act on external knowledge. This aligns with the concept of absorptive capacity, which involves evaluating new information and monitoring digital trends (Weritz et al., 2024).

Lastly, from a risk perspective, the ERS's focus on identifying and taking prompt action against risks and threats is confirmed in the literature. According to Melesse (2025), the identification of risks and threats for prompt action aligns with the work of strategic dynamic capabilities.

Differences

In contrast, a difference in the findings compared to the literature is observed regarding the slow legislative process in Eswatini, which directly contradicts the core function of agility. As defined by Bekos et al. (2025), agility is the ability to respond to dynamic market changes in real time; hence, a slow legislative process that governs the functions of the ERS may hinder agility in modifying its processes and structures promptly. The ERS findings highlight legislation as an institutional barrier that constrains the legal and political environment as noted by Jafari-Sadeghi et al. (2022). Legislation, moreover, impedes the ERS's desired speed and rapid turnaround associated with agility (AlTaweel & Al-Hawary, 2021).

A difference is noted in relation to the ERS finding for business relevance to guide strategy, project implementation and process enhancements for constant value creation. Bekos et al. (2025) warn of a planning paradox, while AlTaweel and Al-Hawary (2021) advise against the rigidity traps that can result from excessive structured planning that can compromise the effectiveness of the decision-making process.

Another difference between the findings and the literature is on risk optimisation. While a need to minimise risk exposure through agility is identified in the ERS finding, the literature highlights that an organisation may still struggle with the risks associated with agile change, such as

information overload or disruption of key revenue streams. According to Bekos et al. (2025), such risk considerations may be overshadowed by a linear focus on risk identification.

Conclusion of benefits realisation

In conclusion, the findings on business relevance and risk optimisation as triggers for organisational agility are supported by the literature. The findings state that a slow legislative process acts as a barrier to strategic capabilities, which can significantly hinder agility and lead to failure to adapt to rapid technological changes and other shifts (Jafari-Sadeghi et al., 2022). The research outcome on rapid technological changes as a catalyst for agility is confirmed by AlTaweel and Al-Hawary (2021), who view agility as a coping mechanism in dynamic business environments with high levels of uncertainty.

Furthermore, the findings on continuous value creation and the utilisation of projects to improve business processes align with the assertion in AlTaweel and Al-Hawary (2021) that agility, supported by dynamic capabilities, is vital for organisations to sense and seize opportunities for sustained growth. The findings on risk mitigation and optimisation are supported by Melesse (2025) who notes that identifying risks for prompt action corresponds with the work of strategic dynamic capabilities. In addition, the research outcome on alignment with international best practices for business relevance are confirmed by the literature as an indicator of strategic sensitivity (AlTaweel and Al-Hawary, 2021).

Another nuance of difference between the findings and the literature concerns risk optimisation. While the ERS finding emphasises the importance of minimising risk exposure through agility, the literature points out that organisations may still face difficulties with risks linked to agile change, such as information overload or disruption of key revenue streams. According to Bekos et al. (2025), such risk considerations might be overlooked due to a linear focus on risk identification.

Table 6.9: Conclusion of evidence on RQ2: Sub-Theme 2: Business relevance and risk optimisation

Concept	Analysis
Impact of slow legislative process	Supports Literature
Rapid technological changes	Supports Literature
Constant value creation (project process-led)	Supports Literature

Aligning with international best practices, strategic sensitivity	Supports Literature
Risk identification and mitigation	Supports Literature
Institutional barrier (legislation constraints)	Differs from Literature
Impact of excessive structured project and process planning	Differs from Literature
Risk associated with agility	Differs from Literature

6.3.3. RQ2: Theme 3: Project management capabilities

This section addresses **Research Question 2** by examining how **project management capabilities** can assist the ERS in enhancing its SCs. It further discusses the research findings and relevant literature on this theme. A comparison of the findings and existing literature highlights similarities and differences, leading to conclusions and thematic recommendations.

Recap of project management capabilities evidence

The evidence suggests that the ERS attributes its strategic success to its developed project management capabilities, following a project and process paradox to guide its strategy. Participants agree that a key benefit of project management is the ability to start and finish complete projects on time efficiently. The involvement of executive management in the project portfolio board demonstrates strong leadership commitment. Another significant strength of the project management approach is that projects form cross-functional teams to leverage diverse skills and knowledge, considering the complexities of customs and tax businesses. While some participants noted that the project management approach promotes collaboration across departments, others observed a siloed approach and uneven resource distribution between operational and strategic projects, which are causes of delays. Participants emphasised the importance of enhancing collaboration and generating synergies across projects. They believe that effective project execution is a vital strategic capability that underpins ERS's strategy implementation, especially given the high failure rate of business strategies owing to poor execution.

Recap of project management literature

The timely completion of projects is directly linked to organisational agility, which essentially relates to the capacity to adapt quickly and respond swiftly to internal and external dynamics

(Bekos et al., 2025). Melesse (2025) emphasise the view that poor execution results in strategy failure. Leadership and management's involvement in project portfolio governance structures serve as a key element of SA (AlTaweel & Al-Hawary, 2021).

The significance of forming cross-functional teams lies in their ability coordinate departments' work, promote transparency, and develop new ways of working (Weritz et al., 2024). Notably, the positive impact of cross-functional collaboration on digital integration practices aligns with the claim that complex DT relies on synergy to streamline work and break down silos.

Bekos et al. (2025) acknowledge the inherent tensions in strategic planning and argue that extensive process planning often causes unwanted rigidities and hampers the ability to respond quickly and flexibly to the operating context, basically during project execution. Meanwhile, Jafari-Sadeghi et al. (2022) recognise that managing the duality and effectiveness of a project process paradox requires balancing the duality of the planning process and the project's responsive actions.

Weritz et al. (2024) highlight that silos hinder the benefits of cross-functional teams' spanning capabilities. When implemented effectively, these abilities should improve information sharing and departmental synergies. However, AlTaweel and Al-Hawary (2021) warn that uneven resource distribution can block resource fluidity and reduce organisational flexibility for innovation. This contradiction underscores that poor implementation can damage collaboration and project focus (Bekos et al., 2025).

Comparative analysis of findings to literature

Several similarities can be identified between the empirical findings and the extant literature on the adoption of project management as a strategic capability and enabler within the context of organisational agility, strategy implementation effectiveness, and executive support.

The ERS finding that effective project execution is a vital capability underpinning strategy implementation is supported by the literature, which emphasises that poor strategy execution results in strategic failures (Melesse, 2025). The finding regarding leadership and management's involvement in the project portfolio board and governance structure reflects leadership unity, a key element of strategic agility (AlTaweel & Al-Hawary, 2021).

The ERS's emphasis on finishing projects on time further aligns with the observation that timely completion of projects is directly linked to organisational agility, basically the capacity to quickly adapt and swiftly respond to internal and external dynamics (Bekos et al., 2025).

The findings and observations on the importance of forming cross-functional teams to leverage skills and knowledge diversity align with the literature. According to Weritz et al. (2024), spanning capabilities such as cross-functional collaboration involve planning and aligning departments' work, promoting transparency, and finding solutions for new ways of working. Weritz et al. (2024) further note the positive impact of cross-functional collaboration on digital integration practices. The additional claim is that complex DT thrives on synergy capabilities such as cross-collaboration to streamline work and break down silos.

A nuance of difference is observed between the ERS finding on following a project process approach, considering the inherent tensions in strategic planning that are observed in the literature. As Bekos et al. (2025) argue in the literature, extensive process planning often causes unwanted rigidities and hamper the ability to respond quickly and flexibly to the operating context, basically the project execution. Jafari-Sadeghi et al. (2022) state that dual planning (process) and responsive action (project) are necessary to manage the duality and effectiveness of a project process paradox.

Lastly, a difference is also found between the ERS finding on the presence of silos in its project management approach, combined with the observation of uneven resource distribution. The existence of silos undermines the benefits associated with the spanning capabilities of cross-functional teams. In fact, according to Weritz et al. (2024), the existence of silos confirms poor implementation of cross-functional spanning capabilities. According to Weritz et al. (2024), if implemented correctly, the spanning capabilities of cross-functional teams should enhance information sharing and departmental synergies. Otherwise, AlTaweel and Al-Hawary (2021) state that the uneven distribution of resources could act as a barrier to resource fluidity and, by extension, organisational flexibility and the ability to innovate. Overall, the contradiction reflects how poor implementation may undermine collaboration and project focus (Bekos et al., 2025).

Conclusion of project management capabilities

The conclusion highlights that effective project execution is essential for SA, ensuring that projects are completed on time. It emphasises that leadership unity and active involvement are crucial for maintaining agility. Furthermore, employing cross-functional teams proves beneficial because they foster departmental alignment and transparency, and they leverage diverse skills and knowledge. This approach is particularly vital for successful digital integration and transformation efforts, which thrive on synergy and the elimination of silos. To remain agile, it is important to balance the inherent tensions in the project process, as over-

planning and inflexible procedures can significantly impede agility. If not addressed, silos could restrict resource fluidity and organisational flexibility, which are vital for achieving SA.

Table 6.10: Conclusion of evidence on RQ2: Theme 3: Project management capabilities

Concept	Analysis
Project execution capability	Supports Literature
Leadership involvement and unity	Supports Literature
Managing inherent project process tensions	Supports Literature
Silos vs cross-functional teams	Differs from Literature
Resource fluidity and organisational flexibility	Differs from Literature

6.4 Research Question 3: How can innovation enhance the ERS strategic capabilities?

6.4.1 RQ3: Theme 1: Process and operational innovation

This section addresses **Research Question 3** by examining how **process and operational innovation** can assist the ERS in enhancing its SCs. It further discusses the research findings and relevant literature on this theme. A comparison of the findings and existing literature highlights similarities and differences, leading to conclusions and thematic recommendations.

Recap of Process and Operational Innovation Findings

The ERS attributes its success to the documentation and effective management of all business processes, following a process-led approach to implementing its strategy. In-case and cross-case analysis show notable similarities in participants' experiences and perspectives on process capabilities' importance in fulfilling the ERS strategy. The evidence indicates deliberate steps taken by the ERS in defining, monitoring, and improving processes to achieve desired outcomes with quality and efficiency. Continuous monitoring of process compliance, risk management, and standardisation are vital aspects of the ERS's process management and reengineering approach. The evidence also shows that the ERS regularly measures process turnaround times against targets and checks for adherence versus deviation among

staff. In addition, the leveraging of technology to automate, transform, and embed processes into taxpayers' natural systems enhances service delivery and tax compliance. The core ERS's processes focus on customers, resources, and revenue collection, with further capabilities identified in workflow configuration and case management. There is a shared understanding among groups that strategy is implemented through projects aimed at improving process performance, emphasising the link between strategy, projects, and processes.

Recap of process and operational innovation literature

Organisational resources, such as processes and capabilities, is seen as a strategic capability (Melesse, 2025). Organisational process capabilities, specifically process efficiency and integration, are crucial for the effective execution of strategy and maintaining a competitive edge (Melesse, 2025).

Luo (2025) acknowledges that digitalisation involves enabling management and corporate functions through digital technologies and IT capabilities. Melesse (2025) further confirms that improved process agility, through IT capabilities, significantly enhances organisational agility and performance, which predominantly includes service delivery and compliance facilitation.

In terms of capability-building principles, Melesse (2025) emphasises that performance measurement and evaluation are essential for strengthening organisational capabilities. Furthermore, Turksen et al. (2021) note that in tax administration, technology significantly enhances the transparency and the auditability of internal processes, helping to reduce corruption and motivate good performance.

Bekos et al. (2025) emphasise that strategy implementation should align with long-term goals and strategic priorities to achieve sustainable superior performance. Helfat et al. (2023) and Melesse (2025) highlight that dynamic capabilities focus on transforming and renewing capabilities during turbulent periods. Turksen et al. (2021) recognise the need for information technology projects in tax administration to incorporate robust internal controls and rigorous audits to mitigate risks related to corruption and enforcement capacity. According to AlTaweel and Al-Hawary (2021), process innovation capabilities are considered highly important within SCs for generating new products and services.

However, Melesse (2025) acknowledges a gap in academic scholarship that focuses on emerging economies' service and public sector, which are seemingly overlooked compared to the profit-making private sector.

Comparative analysis of findings to literature

The ERS finding on process management as a strategic capability is supported by the literature. Melesse (2025) confirms the importance of organisational resources, which include organisational processes and capabilities, in the efficient implementation of strategy. Organisational process capabilities which include process efficiency and process integration capabilities, are affirmed as essential for the efficient and effective execution of strategy to maintain a business's competitive advantage (Melesse, 2025).

The finding that the ERS leverages technology to automate, transform, and embed processes into taxpayers' natural systems is also confirmed. Luo (2025) acknowledges that digitalisation involves enabling management and corporate functions through digital technologies and IT capabilities. Melesse (2025) further confirms that improved process agility, through IT capabilities, significantly enhances organisational agility and performance, which predominantly includes service delivery and compliance facilitation.

Furthermore, the ERS findings highlight the importance of ongoing monitoring of compliance and risk management via regular measurement of turnaround times, which aligns with capability-building principles discussed in the literature. Melesse (2025) emphasises that performance measurement and evaluation are essential for strengthening organisational capabilities. Furthermore, Turksen et al. (2021) note that in tax administration, technology significantly enhances the transparency and the auditability of internal processes, helping to reduce corruption and motivate good performance.

Finally, the finding that the ERS strategy is executed via projects focused on enhancing process performance aligns with the claim of Bekos et al. (2025) that strategy implementation should align with long-term objectives and strategic priorities to attain lasting superior performance.

Differences

A difference is seen as the ERS appears to be exploiting existing knowledge through rigorous processes that are well aligned with operational competence whereas Helfalt and Melesse (2025) argue that dynamic capabilities focus on transforming and renewing capabilities in turbulent times. The ERS's internal processes include checking for adherence and deviations with a focus on standardising the process.

A nuanced difference is drawn from the fact that the ERS findings are focused on a public sector revenue authority's SCs. Yet, in Melesse (2025) it is noted that the public sector is

constantly overlooked in studies on SCs. At the same time, Turksen et al. (2021) acknowledge the need for information technology projects in tax administration to incorporate robust internal controls and rigorous audits to address risks related to corruption and enforcement capacity.

Another nuanced difference can be drawn from the fact that while the ERS focuses on improving support process innovation through automation, the SCs categorise process innovation as a high-ranking capability for generating products and services (AlTaweel & Al-Hawary, 2021).

Conclusion of process and operational innovation

Organisational process capabilities are critical for integration, for efficient and effective strategy execution and for sustaining a competitive business advantage. Process automation, digitisation and system integration are essential for transforming service delivery and facilitating compliance. Continuous monitoring and improvement of process efficiencies and compliance is recognised as aligned to capability building and enhancing transparency and integrity. The project-led strategy execution approach is validated as consistent with long-term strategic goals for sustained performance.

As noted in Helfat et al. (2023) and Melesse (2025), while exploiting existing knowledge aligns with operational competence, a considered shift in dynamic capabilities aimed at transforming and renewing capabilities during turbulent times is confirmed as a more dynamic approach for sustaining a competitive advantage.

A nuanced difference in the ERS findings is observed owing to an apparent gap in academic scholarship that looks in the area of public sector SCs. According to Melesse (2025), the public sector has been previously overlooked, with more studies concentrating on private sector products and services. This highlights an important contribution to academic literature.

The comparative analysis revealed a nuanced difference: the ERS study focused on support process innovation, whereas the literature considered process innovation as a high-ranking capability in processes that produce products and services (AlTaweel & Al-Hawary, 2021).

Table 6.11: Conclusion of evidence on RQ3: Theme 1: Process and operational innovation

Concept	Analysis
Organisational process capabilities	Supports Literature

Process automation	Supports Literature
Ongoing compliance and process improvement	Supports Literature
Project-led strategy implementation approach	Supports Literature
Exploiting existing knowledge over renewing and transforming	Differs from Literature
Strategic capabilities in the public sector	Differs from Literature
Support process innovation vs generation of products and services	Differs from Literature

6.4.2 RQ3: Theme 2: Human centred innovation

This section addresses **Research Question 3** by examining how the **ERS innovations framework capabilities** can assist the ERS in enhancing its SCs. It further discusses the research findings and relevant literature on this theme. A comparison of the findings and existing literature highlights similarities and differences, leading to conclusions and thematic recommendations.

6.4.2.1 RQ3 Sub-Theme 1: ERS's innovations framework

Recap of evidence on ERS's innovations framework

The ERS's innovations framework cultivates a culture of innovative thinking for employees. Consensus emerges among participants that the organisation has achieved significant milestones through innovation. The findings reveal numerous successful innovations that have been implemented, including the TaxPal and TaxEase mobile applications. The success of the framework is evident in the reactions, as the findings clearly showcase examples of successfully adopted and executed innovative ideas. There is also agreement among participants that the fact that innovation is one of the core values of ERS values highlights its importance for the organisation. Furthermore, the evidence confirms that employees are rewarded and recognised for their successful innovative ideas.

Most importantly, leadership capability is recognised as a major strength for the institution in fostering an innovative culture, as the leadership is currently perceived to be innovative and open to experimentation, which is a significant aspect of innovation. Although the insights

acknowledge that the team's knowledge and skills are undeniable, a threat of staff attrition is duly noted, alongside a need to devise a skills attraction, continuous development, and retention plan to acquire, develop, and retain future skills. It is also recognised as a shortcoming that the innovations committee is a temporary structure, making it unable to delay or expedite the review and timely implementation of successful ideas. The suggestion is that the institution could consider establishing a permanent function to oversee this critical role. Further areas for improvement include the need to implement innovative ideas without delay and to extend the innovations framework to external stakeholders to enhance ERS's innovation through a co-creation process.

Taken together, the findings suggest that the ERS effectively harnesses the collective intelligence and innovative ideas of its employees to adapt to more agile business strategies.

Recap on ERS's innovations framework capabilities literature

Innovation capabilities, also called intangible resources, are defined as the knowledge and skills of human resources involved in developing new processes, products, and services to satisfy business needs. The observation is that technologically skilled and innovative firms are more competitive than their peers. According to Jafari-Sadeghi et al. (2022), innovativeness allows businesses to adapt and respond quickly to environmental changes.

The role of innovation capability is recognised by (AlTaweel & Al-Hawary, 2021) and Jafari-Sadeghi et al. (2022), who emphasise its complexity and role in fostering organisational openness to new ideas. It is further noted in Melesse (2025) that human resources practices such as talent management and staff retention are essential for organisational growth, particularly in knowledge-driven sectors. Weritz et al. (2024) note that rewarding employees for generating successful and innovative ideas promotes an environment that fosters innovation.

According to AlTaweel and Al-Hawary (2021), leaders' collective commitment to support and the strategic agility to cooperate are seen as vital attributes for business model innovation and swift decision-making in rapidly changing environments. Melesse (2025) also acknowledges visionary leadership as a crucial strategic capability for organisational success.

Helfalt et al. (2023), emphasise the role of human capital in SCs. Similarly, Melesse (2025) acknowledges the critical role of human capital strategic management as a key strategic capability. Meanwhile the impact of delayed strategic responses poses a threat to survival

while swift implementation is observed as crucial for capitalising on market opportunities (Bekos et al., 2025).

Lastly effective collaborative innovation, networking capability, and proactive engagement within the business ecosystem, including competitors and research institutions, are crucial for knowledge exchange and enhancing the success of DT (Weritz et al., 2024).

The same view is supported by Hock-Doepgen et al. (2025), who note that business model innovation is a knowledge-driven process that requires strategic decision-making and utilises knowledge co-creation and development processes. It is within this context that managerial expertise is seen as essential for the success of business model innovation and maintaining competitiveness (Hock-Doepgen et al., 2025).

Comparative analysis of findings to literature

It appears that there is a strong alignment between the findings and the literature on the role of innovation capability, leadership and human capital. The ERS findings highlight a strong alignment with the literature concerning the essential roles of innovation capability, leadership, and human capital, while also pinpointing key structural and procedural gaps in achieving optimal agility and external collaboration.

The finding that ERS promotes a culture of innovative thinking and effective idea adoption aligns with the concept of innovation capability described in AlTaweel and Al-Hawary (2021) and Jafari-Sadeghi et al. (2022), who emphasise its complexity and role in fostering organisational openness to new ideas. Melesse (2025) also notes that human resources practices like talent management and staff retention are essential for organisational growth, particularly in knowledge-driven sectors.

The finding on the ERS culture of rewarding employees who generate innovative ideas is further confirmed in Weritz et al. (2024), who acknowledge that rewarding employees for successful innovations promotes an environment that fosters innovation.

The ERS finding on the recognition of leadership capability as a key enabler of its innovative culture is confirmed in the literature. According to AlTaweel and Al-Hawary (2021), leaders' collective commitment to support and SA to cooperate are seen as vital attributes for business model innovation and swift decision-making in rapidly changing environments. Melesse (2025) also acknowledges visionary leadership as a crucial strategic capability for organisational success.

The findings on the need for the ERS to prioritise a skills attraction, continuous development, and retention plan to mitigate skills erosion caused by staff attrition are confirmed by Helfalt et al. (2023) and Melesse (2025) who emphasise the critical role of human capital in SCs.

The finding regarding the shortcomings of the ERS's temporary innovations committee and the need for rapid implementation of innovative ideas is confirmed in the literature as a gap related to organisational agility. Bekos et al. (2025) confirm that the impact of delayed strategic responses poses a threat to survival and that swift implementation is crucial for capitalising on market opportunities.

Lastly, the finding on the consideration to extend the innovations framework to include external stakeholders for co-creation is consistent with existing literature emphasising the importance of relational capabilities in forming strategic partnerships. Effective collaborative innovation, networking capability, and proactive engagement within the business ecosystem, including competitors and research institutions, are crucial for knowledge exchange and for enhancing the success of DT (Weritz et al., 2024).

Conclusion of ERS's innovations framework capabilities

Human capital is affirmed as an innovation capability alongside leadership. According to AlTaweel and Al-Hawary (2021) and Jafari-Sadeghi et al. (2022), a culture of innovation encourages organisational openness to new ideas. The positive impact of incentivising employees for innovation is recognised as relevant in cultivating a culture of innovation. Leadership capability is also acknowledged as a key enabler of its innovative culture. Melesse (2025) also recognises visionary leadership as a crucial strategic capability for organisational success.

Two differences were identified between the findings and existing literature, highlighting potential areas for improvement. The effects of delayed strategic responses and innovations threaten the timely execution of new ideas and could hinder business progress. Therefore, expanding the innovation framework and addressing these delays could improve the process and promote co-creation of innovation at ERS.

There were no differences noted between the research findings and the literature on internal human capabilities. The findings, therefore, add to the existing body of knowledge.

Table 6.12: Conclusion of evidence on RQ3 Sub-Theme 1: ERS's innovations framework

Concept	Analysis
Human capital innovation capability	Supports Literature
Culture of innovation	Supports Literature
Reward and recognition of employee innovations	Supports Literature
Leadership capability	Supports Literature
External stakeholder inputs	Differs from Literature

6.4.2.2 RQ3 Sub-Theme 2: Leadership capability

This section addresses **Research Question 3** by examining how the **leadership capability** can assist the ERS in enhancing its SCs. It further discusses the research findings and relevant literature on this theme. A comparison of the findings and existing literature highlights similarities and differences, leading to conclusions and thematic recommendations.

Recap of leadership capability evidence

The discussed similarities and differences emphasise the benefits and contributions of ERS's leadership capabilities to the overall ERS strategic abilities. Conversely, the highlighted downsides to leadership capabilities reveal the associated risks. It appears that ERS possesses a strong, innovative leadership that is engaged, well-educated, and passionate, making it capable of driving and embedding innovation within the organisation. From the evidence, it appears that the leaders are experienced in strategy and the business itself, hence enabling the ERS to deliver on its strategic objectives. Extensive evidence discusses the prominent presence of executive management throughout strategic planning, project execution, and governance via the project portfolio board. The project portfolio management which is constituted of executive management serves as the governance structure for ERS strategic projects. Leadership capability was identified in several interviews as a key strategic capability that underpins the success of the ERS's strategy, though some leaders appear to still struggle with fully acquainting themselves with and adapting to the agile project management approach, instead relying on a waterfall, step-by-step method, which could affect

the institution's agility in delivery. Furthermore, a unique insight emphasised the importance of leaders distinguishing themselves between being a leader and a technocrat, suggesting that leadership may sometimes be overbearing and overshadow the technocrats employed for technical work.

Recap of leadership capability literature

The significant influence of quality leadership on organisational performance is seen as a key strategic capability that drives value co-creation as well as the effective development and deployment of organisational capabilities and resources (AlTaweel and Al-Hawary, 2021).

The same view is corroborated by Jafari-Sadeghi et al. (2022) in the argument that managerial capabilities constitute highly interconnected factors contributing to organisational agility, from identifying innovation to resource allocation and preparing the environment for successful innovation implementation. Whereas AlTaweel and Al-Hawary (2021) state that resistance to adopting agile methodologies undermines both innovation and agility goals for quick decision-making in system, process, and structure modifications, a risk referred to as a rigidity trap in the SA literature emerges. Lastly, Weritz et al. (2024) highlight the importance of functional collaboration, transparency, and acceptance of differences. The finding thus implies a potential override of expert talent contributions.

Comparative analysis of findings to literature

The ERS finding on strong, innovative, engaged, and educated leadership is confirmed by AlTaweel and Al-Hawary (2021) and equally corroborated by Melesse (2025), who observes the significant influence of quality leadership on organisational performance. The prominence of ERS's leadership throughout the governance and execution of the strategy fully aligns with the principles of strategic leadership and unity as essential for cooperation, collective commitment, and rapid decision-making. According to Melesse (2025), leadership is a key strategic capability that drives value co-creation as well as the effective development and deployment of organisational capabilities and resources.

The emphasis of the findings on leadership's role in embedding and driving innovation aligns with the assertion in Jafari-Sadeghi et al. (2022) that managerial capabilities constitute highly interconnected factors contributing to organisational agility, from identifying innovation to resource allocation and preparing the environment for successful innovation implementation. This confirms the ERS finding regarding well-educated and experienced leadership in strategy

development and execution. Luo et al. (2024) highlights the importance of leadership characteristics in strategic studies.

Regarding differences, the finding of pockets of resistance from ERS leadership that may not immediately adopt agile methodologies choosing instead to follow a waterfall step-by-step approach for strategic and operational execution, significantly contradicts the literature. As noted by AlTaweel and Al-Hawary (2021), resistance to adopting agile methodologies undermines both innovation and agility goals for quick decision-making in system, process, and structure modifications, a risk referred to as a rigidity trap in the SA literature.

Finally, the insight that potentially overbearing leadership could undermine technocrats at ERS conflicts with existing research on cross-functional collaboration. To break down silos and promote DT, Weritz et al. (2024) highlight the importance of functional collaboration, transparency, and acceptance of differences. The finding thus implies a potential override of expert talent contributions.

Conclusion of leadership capability

Leadership capability, in fostering an innovative culture is recognised as a key capability. As noted in Melesse (2025), leadership is a key strategic capability that facilitates value co-creation and the efficient development and utilisation of organisational capabilities and resources. Nonetheless, some resistance exists in certain areas, indicating room for improvement. In addition, a leadership weakness identified is overly authoritative leadership, which can hinder the free flow of innovative ideas at all levels.

Table 6.13: Conclusion of evidence on RQ3 Sub-Theme 2: Leadership capability

Concept	Analysis
Innovative leadership	Supports Literature
Experienced and educated leadership skills	Supports Literature
Executive sponsorship	Supports Literature
Leadership resistance	Differs from Literature
Open leadership	Differs from Literature

6.4.3 RQ: Theme 3: Technological and digital innovation

6.4.3.1 RQ3: Sub-Theme 1: Digitilisation

This section addresses **Research Question 3** by examining how the **digitilisation** can assist the ERS in enhancing its SCs. It further discusses the research findings and relevant literature on this theme. A comparison of the findings and existing literature highlights similarities and differences, leading to conclusions and thematic recommendations.

Recap of digitilisation evidence

The evidence suggests that digitisation is a crucial enabler of the ERS's SCs, significantly contributing to the improvement of digital services and taxpayer interface technologies like TaxEase, a tax return filing app. The ERS's strategic theme 'To be digitised and data-driven with our partners; outlines its roadmap, emphasising the role of digitisation in achieving its goals. It references the 2024–2027 plan to fully integrate with government agencies, banks, and other partners to promote 100% voluntary tax compliance. The evidence highlighted advanced progress to scale digitilisation through fiscalisation technology for real time filing of Value Added Tax an improvement from monthly VAT returns that resulted in tax evasion. While the ERS invests in a world-class cutting edge Oracle tax system, it also recognises that successful integration with relevant government, banking, and taxpayer systems is essential for this vision to succeed. Amongst other innovations the ERS has developed taxpayer applications, launched TaxEase, an online tax return filing application, launched TaxPal, a mobile application, and created a streamlined contact centre all aimed at improving taxpayer access to services. Evidence highlights the ERS's focus on simplifying service delivery through automation, with integration expected to reduce processing times by enabling automation and auto-population of data without human input. Based on these findings, digitalisation is poised to significantly enhance ERS's SCs by transforming business operations. In addition, the findings suggest that beyond data and analytics, building strong relationships with all strategic partners is vital to overcoming the challenges identified earlier in Research Question 1. The evidence revealed that the overall goal is to intergrate ERS systems with emerging technologies and taxpayer systems for non-cash payment options and 24/7 access to ERS services.

Despite substantial investments in technology, the ERS faces funding limitations that hinder wider digitisation efforts. Operating in a resource-constrained environment, this issue

directly relates to the improvement areas highlighted under the funding challenges theme of Research Question 1.

Recap of digitilisation literature

According to Melesse (2025), IT capabilities foster innovation capabilities which enhances a firm's competitive performance through dynamic capabilities. Meanwhile information technology and digital resources have a strong influence in SCs and organisational agility. Weritz et al. (2024) concurs with the sentiment on the transformation of business operations through information technology. AlTaweel and Al-Hawary (2021) recognise the development of process and product innovation capabilities in the fulfilment and improvement of business requirements and performance.

Turksen and Abukari (2021) reiterate the importance of collaboration and partnerships between countries, different parts of government and policy makers as an effective means to abate financial crime. The complexity of DT emphasises the need for synergistic such as networking and customer centricity, as outside-in capabilities, as well as cross-functional spanning capabilities (Weritz et al., 2024).

Turksen and Abukari (2021) acknowledge the value of continuous technological innovation and advanced data analytics to improve tax compliance and curtail tax crime within a digital economy.

The cost of digitisation and the implementation of digital projects requires high investments and resources yet public institutions operate with limited resources, including financial, human and infrastructure.

Comparative analysis of findings to literature

Strong similarities can be seen between the ERS findings and the literature on the role of technological innovations and digitisation. Firstly, the evidence that digitisation is a crucial enabler of ERS's SCs is confirmed in the literature. According to Melesse (2025), IT capabilities are the main driver of innovation capabilities which in turn drive a firm's competitive performance as dynamic capabilities. Meanwhile information technology and digital resources have a strong influence in SCs and organisational agility.

Furthermore, the finding on the ERS' successful innovations to develop taxpayer interface applications aligns with the literature in AlTaweel and Al-Hawary (2021) on the development of process and product innovation capabilities in fulfilment and improvement of business

requirements and performance. Weritz et al. (2024) concurs with the sentiment on the transformation of business operations through information technology.

The ERS's commitment theme to be digitised and data-driven, together with deeper stakeholder integration is confirmed in the literature as being vital to its mandate and strategic objectives (Melesse, 2025). Meanwhile, Turksen and Abukari (2021) reiterate the importance of collaboration and partnerships between countries, different parts of government and policy makers as an effective means to abate financial crime. The emphasis that the complexity of DT demands synergistic capabilities such as networking and customer centricity as outside-in capabilities as well as cross-functional spanning capabilities is further noted (Weritz et al., 2024).

Similarly, the finding on the fiscalisation technology for real time filing of Value added tax (VAT) is consistent with the literature advocacy stance for continuous technological innovation and advanced data analytics to improve tax compliance and curtail tax crime within a digital economy (Turksen & Abukari, 2021).

Lastly the ERS finding on operating in a resource-constrained environment is confirmed in the literature by Turksen & Abukari (2021) who acknowledged that the cost of digitisation is high and that the implementation of digital projects requires high investments and resources yet public institutions operate under stringent budgets.

In contrast, the comparative analysis further provides some public sector governance and regulatory nuances. The finding on the ERS' mission to drive digitisation with government differs from the literature where such digitisation is driven by government as a national strategy and political mission that does not align with private firms' market competition and profitability drivers that is analysed in the SCs' literature. A nuanced difference emerges: ERS's partner integration is driven by fiscal objectives to maximise tax capacity, unlike the literature's focus on customer value or competitive advantage.

Conclusion of digitilisation

The role of technological innovations and digitisation is confirmed and fully aligned with the strategic theme of being digitised and data-driven with partners. Integration is essential for successfully driving and implementing a country-wide fiscalisation project. Some differences are noted regarding the cost of technology, considering resource constraints, as well as rigid governance and regulatory limitations.

Table 6.14: Conclusion of evidence on RQ3: Sub-Theme 1: Digitilisation

Concept	Analysis
Technological innovations and digitilisation	Supports Literature
Strategic theme	Supports Literature
Fiscalisation technology and integration	Supports Literature
Cost of technology and resource constraints	Supports Literature
Governance and regulatory nuances	Differs from Literature
External System integrations with partners	Differs from Literature

6.4.3.2 RQ3: Sub-Theme 2: Data Analytics and artificial intelligence

This section addresses **Research Question 3** by examining how the **data analytics and AI** can assist the ERS in enhancing its SCs. It further discusses the research findings and relevant literature on this theme. A comparison of the findings and existing literature highlights similarities and differences, leading to conclusions and thematic recommendations.

Recap of data analytics and artificial intelligence findings

The findings show consensus on participants' views regarding the importance of data analytics and AI in shaping the current strategy, which is driven by a data-centric approach. The evidence showcases the ERS's advancements and future plans for digitising processes and systems, along with integrating ecosystem partners like banks and government infrastructure. Emphasising the importance of strengthening relationships with strategic allies, the ERS has already made structural changes and set up a dedicated data analytics unit. This unit focuses on data intelligence to analyse taxpayer behaviour, identify risks and emerging trends, and evaluate how compliance measures impact taxpayer compliance. This achievement marks a crucial step in embedding data analytics innovations throughout the ERS's system and organisational structure.

The importance of data in the ERS is emphasised by the views of different participants who share a common understanding of how data is used and manipulated to improve and meet collection targets. To enhance predictive analytics, the ERS has already begun experimenting with AI and machine learning. Some notable successes of data analytics and artificial intelligence have already been observed, including integration with third-party data sets, particularly government data. These integrations are poised to significantly boost the ERS's ability to meet its data collection targets. The ERS's skills acquisition plans for mathematical modellers, actuarial scientists, and data analysts are well aligned with the strategic aim of becoming data-driven and digitised, in partnership with others, towards achieving 100% voluntary compliance.

Recap of data analytics and AI literature

The significance of innovation is further emphasised by Doshi et al. (2025), who observe that strategic decisions once made cannot be reversed, highlighting the significance of predictive AI generated alternatives. Doshi et al. (2025) also strengthen the academic debate by strongly advocating generative AI enhancements to human decision-making. Their argument is that although generative AI may produce biased and less consistent evaluations, they resemble human decision making to an extent, allowing insights to be gained through relatively low-cost means (both in time and resources). Helfat et al. (2023) concurs with the view on the capability of AI to improve the quality and speed of managerial decisions.

Sultana et al. (2022) argue that successful businesses leverage the RBV theory as a strategic component of managing innovation. The scholars further argue that big data analytics coupled with information governance construe business innovation capabilities. Helfat et al. (2023) argue that the subject of data analytics and AI has been underexplored in academic studies. According to Helfat et al. (2023), AI capabilities, big data and analytics are sources of competitive advantages and essential for DDI. According to Sultana et al. (2022) firms need to possess the necessary capabilities to sense, seize, synthesise and utilise data through data access, collaboration and integration tools to sustain competitive advantages and adapt to the rapid changes in the business environment.

The formalisation of a business structure to fully embed and integrate AI capabilities is recognised as a strategic capability (Melesse, 2025). According to Sultana et al. (2022), these serve as critical components of DT. According to Weritz et al. (2024), DT is enabled

when firms establish a solid foundation and infrastructure that embraces the use of value-embedded data in addition to leveraging capabilities such as empowered talent, digital skills and advanced analytics (Sultana et al., 2022).

Furthermore, the significance of innovation talent capabilities is demonstrated in the argument that the deployment of AI requires human-machine capabilities (Sultana et al., 2022). In addition to possessing these capabilities, Helfat et al. (2023), emphasise the need for businesses to build versatile employee skills.

Weritz et al. (2024) acknowledges outside-in capabilities such as networking and customer centricity as essential capabilities for DT. Among other benefits, networking capabilities enable shared databases and easy access to customer and operational data. In contrast, complex DT may require spanning capabilities such as cross-functional collaboration capability to fully achieve integration across the ecosystem (Weritz et al., 2024).

Luo et al. (2024) recognise that digitisation is an unusual subject in the public sector context as extant literature shows a strong bias for private sector interest. Luo et al. (2024) observe that in the context of SOEs, digitisation is guided by a national strategy and introduced as a political mission with dedicated attention; this strategy is not necessarily for long-term financial returns. The use of big data for market-oriented outcomes such product development and performance or profitability is reported (Saulitis & Chapkovski, 2025).

Comparative analysis of findings to literature

Overall, the findings on the ERS's DA and AI show a strong alignment with the literature although some nuances especially relating to the public sector context have been observed in the analysis.

The finding on data analytics and AI's significance to fulfil the ERS's data-centric strategic theme is confirmed in the literature (Helfat et al., 2023). According to Helfat et al. (2023), AI capabilities, big data and analytics are sources of crucial competitive advantages. Hence, it is essential for DDI to extract meaning from data in line with the ERS's strategic theme. Sultana et al. (2022) further argue that firms need to possess the necessary capabilities to sense, seize, synthesise and utilise data through data access and collaboration and integration tools to sustain competitive advantage.

From a structural capability development, the ERS finding on the establishment of a dedicated data analysis unit within ERS's organisational structure is confirmed in the

literature on the structural formalisation and integration of AI capabilities within an organisation (Melesse, 2025). Specifically, the ERS finding on the predictive analytics and machine learning focus is aligned with the observation in Sultana et al. (2022), that these serve as critical components of DT. Weritz et al. (2024) further support the view that DT is enabled when firms establish a solid foundation and infrastructure that embraces the use of value-embedded data in addition to leveraging capabilities such as empowered talent, digital skills and advanced analytics (Sultana et al., 2022).

The finding on the ERS's skills acquisition plans for mathematical modellers, actuarial scientists and data analysts fully aligns with the literature for innovation talent capabilities; it is argued that the successful deployment of AI requires human-machine capabilities (Sultana et al., 2022). Helfat et al. (2023) further argue about the need to build a versatile skill in employees.

Similarly, the ERS plans to integrate with ecosystem partners, including banks and government infrastructure, coupled with strengthening relationships, is confirmed in the outside-in capabilities literature that emphasises networking and customer centricity as tenets of DT (Weritz et al., 2024). In further confirming the ERS finding on the anticipated data integration, as argued by Weritz et al. (2024), networking capabilities are essential as they enable shared databases and easily enable access to customer and pertinent operational data. In line with the ERS finding to break down silos and advance cross-functional collaboration, it is further recognised that complex DT may require spanning capabilities such as collaboration capability to achieve cross-functional integration across the ecosystem fully (Weritz et al., 2024).

A key difference is that ERS's voluntary tax compliance mission, driven by data optimisation, introduces digitisation in a public sector context, contrasting with Luo et al. (2024), who emphasise private sector profit and competition. According to Luo et al. (2024), in the context of SOEs, digitisation is guided by a national strategy and introduced as a political mission.

It is also a nuanced difference that the ERS strictly uses data intelligence to analyse taxpayer behaviour, identify risks and emerging trends to evaluate compliance in meeting its collection targets, while the literature emphasis is on the use of big data for market-oriented outcomes like product development and performance or profitability (Saulitis & Chapkovski, 2024; 2025). The ERS's focus to intergrate with third-party data sets, especially

government data, highlights a nuanced difference of data use for public sector fiscal enforcement towards the achievement of a sustainable state fiscal capacity.

Conclusion of data analytics and artificial intelligence

The importance of DA and AI as sources of competitive advantage for DDI strategies is confirmed (Helfalt et al., 2023). Data access and integration are also affirmed as sources of competitive advantage. The formalisation and integration of DA and AI into organisational structures are affirmed. As noted in Sultana et al. (2022), the formalisation and integration of DA and AI functions into a firm's organisational structure are confirmed as key enablers of DT. According to Weritz et al. (2024), ecosystem integration, coupled with networking and customer centricity, is essential for ease of access to shared databases and successful DT.

It was observed that public sector digitisation literature was scarce, as the extant literature focused on the private sector. Therefore, the ERS study could contribute a public sector perspective to the existing body of knowledge on the use of data intelligence to analyse taxpayer compliance behaviour.

Table 6.15: RQ3: Sub-Theme 2: Data Analytics and artificial intelligence

Concept	Analysis
DA and AI for DDI strategies	Supports Literature
Data access and integration advantages	Supports Literature
Structural formalisation and integration of DA and AI	Supports Literature
Future skills a source of innovation talent capabilities	Supports Literature
Ecosystem integration for outside-in capabilities	Supports Literature
Public sector digitisation	Differs from Literature
Taxpayer behaviour and risk data analysis	Differs from Literature

6.5 Suggestions for future research

In conclusion, the comparative analysis of the findings and the literature revealed some similarities and differences that influenced certain theme modifications, as shown in outcome on Table 6.15.

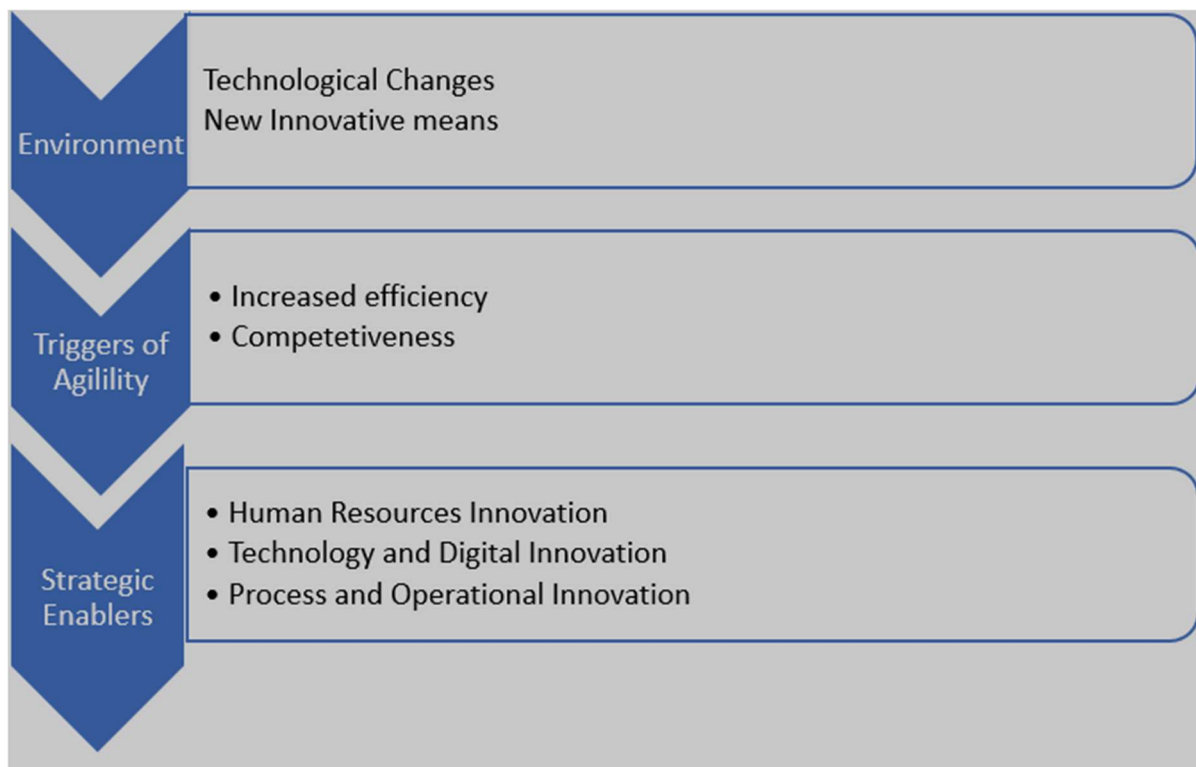
Table 6.15: Conclusion of evidence on RQ3: Sub-Theme 1: Digitilisation

Research question 1 Construct: Strategic Capabilities				
Theme	Initial Sub theme	Comparative Analysis	Outcome	Renamed sub-theme
Funding	Budget and funding challenges	Similarity	Adds to existing body of knowledge	Financial capabilities-enabler
Policy legislation, regulation and operating environment	Inadequate resources Prohibitive legislation on income generation	Similarity Nuance of difference	Adds to existing body of knowledge Potential literature refinement	Inadequate resources-barrier Weak institutional capacity
	Environmental uncertainty	Similarity	Adds to existing body of knowledge	Adaptation capabilities-enabler
	Technological changes	Similarity	Adds to existing body of knowledge	Technological adaptation - enabler
	Risk optimisation	Similarity	Adds to existing body of knowledge	Risk optimisation-enabler
	Public sector procurement limitations	Nuance of difference	Potential literature refinement	Process efficiency
	Public sector governance, structural limitations	Nuance of difference	Potential literature refinement	Public sector governance limitation
	Legislative limitations on strategic capabilities	Nuance of difference	Potential literature refinement	Institutional restrictions-barrier
	Prohibitive legislation to innovation	Nuance of difference	Potential literature refinement	Institutional limitations
Strategic enablers	Strategic Partnerships	Similarity	Adds to existing body of knowledge	Networking, cocreation collaboration, coordination capabilities- enabler
	Strategic collaborations and system integration	Similarity	Adds to body of knowledge	Stakeholder legitimacy, customer centricity, integration capabilities
	Internal Human Capabilities	Similarity	Adds to body of knowledge	Spanning capabilities Empowered talent digital transformation
	Skills and competencies attraction, retention and development	Similarity	Adds to body of knowledge	Talent acquisition and development capabilities- enabler Human machine capabilities
	Talent erosion	Similarity	Adds to body of knowledge	Talent erosion- barrier

Research question 2 Construct: Agility				
Organisational agility	Organisational agility	Similarity	Adds to existing body of knowledge	Agile dynamic capabilities- enabler strategic iteration- enabler
	Project management	Similarity	Adds to existing body of knowledge	Spanning, cross functional collaborating capabilities- enabler
	Resource allocation	Similarity	Adds to existing body of knowledge	Resource flexibility and fluidity- enabler
	Agile culture	Similarity	Adds to existing knowledge	Agile culture- enabler
Triggers of agility	Benefits realisation	Similarity	Adds to existing knowledge	Benefits realisation- enabler ROI- enabler
	Performance measurement	Similarity	Adds to existing knowledge	Performance improvement capabilities- enabler
	Business relevance and	Similarity	Adds to existing knowledge	Strategic sensitivity
	Risk optimisation	Similarity	Adds to existing knowledge	Constant value creation and risk management- enabler
Project management capabilities	Alignment with international best practices	Similarity	Adds to existing knowledge	Strategic sensitivity- enabler
	Project management capabilities	Similarity	Adds to existing knowledge	Spanning cross-functional collaboration, synergy capabilities- enabler Strategic efficiencies
	Project iteration	Similarity	Adds to existing knowledge	Sensing capabilities
	Project process led approach	Similarity	Adds to existing knowledge	Effective project process paradox (balanced planning and execution)
Research question 3 Construct: Innovation				
Process and operational innovation	Organisational process capabilities	Similarity	Adds to existing body of knowledge	Organisational process capabilities
	Public process automation and integration	Similarity	Adds to existing body of knowledge	Process integration capabilities
	Ongoing process improvement	Similarity	Adds to existing body of knowledge	Support process innovation and transformation
	Process building capabilities	Nuance of difference	Potential literature refinement	Transforming and renewing capabilities
Human centred innovation	ERS Innovations framework	Similarity	Adds to existing knowledge	Human capital and knowledge driven innovation capability Empowered talent digital transformation

	Culture of innovation	Similarity	Adds to existing knowledge	Culture of innovation and organisational openness
	Leadership capability	Similarity	Adds to existing knowledge	Innovative Leadership capability
	External stakeholder inputs	Similarity	Adds to existing knowledge	External stakeholder cocreation capabilities
	Reward and recognition	Similarity	Adds to existing knowledge	Incentive program for innovation
Technological and digital innovation	Technological innovations and digitalisation	Similarity	Adds to existing knowledge	Technological innovations capabilities
	Digitalisation strategic theme	Similarity	Adds to existing knowledge	Digital integration and interface capabilities
	External system integration	Similarity	Adds to existing knowledge	Customer value creation
	Data analytics and AI	Similarity	Adds to existing knowledge	Data analytics and AI insights and decision making capabilities Data Driven Capabilities Data driven innovation

Figure 5.4: Conceptual Framework



CHAPTER 7: CONCLUSION

7.1 Introduction

This chapter presents the main conclusions of the research discussions in Chapter 6. The research aimed to explore the role of innovation and agility in driving the ERS's SCs using the RBV and DC as theoretical foundations.

The ERS, an SOE responsible for collecting government revenue and taxes in Eswatini, is the study setting. The study aimed to interview employees in leadership, management, and key strategic positions who have a broad range of experience with the subject of the ERS's SCs, based on hands-on experience throughout the strategy development, implementation, and monitoring process. Participants included employees from different levels in the organisation, including executive management level, director level, management level, and non-management level.

Based on the literature review in Chapter 2, the study set out to answer the underlisted research questions:

Research Question 1: What are the current challenges and issues impacting the ERS strategic capabilities?

Research Question 2: How can agility help the ERS to enhance its strategic capabilities?

Research Question 3: How can innovation enhance the ERS strategic capabilities?

Therefore, in this chapter, the research outcomes for each research question are addressed and derived from the comparative analysis of findings with the literature in Chapter 6, serving as theoretical conclusions. The conclusions highlight areas where empirical findings align with existing literature, thereby potentially contributing to the current body of knowledge. Conversely, findings that reveal nuances of difference are regarded as potential refinements to the existing literature.

Overall, the study confirmed no distinct differences. Each section of the research question is discussed based on theoretical conclusions which end with a table summarising the similarities and differences identified in comparison to the literature. The chapter then presents the research contributions, recommendations for management and other

stakeholders, followed by a discussion of study limitations and ending with suggestions for future research.

7.2 Principal theoretical conclusions

7.2.1 Research Question 1: Challenges and issues impacting the ERS strategic capabilities?

Based on the research insights and to avoid duplication of themes featured in Research Questions 2 and 3, the research outcomes on the challenges and enablers of strategic capabilities comprised 6 themes. Three sub-themes under challenges were funding, legislation, operating environment, and procurement. Meanwhile, two prominent sub-themes under enablers included strategic partnerships and internal human capabilities.

7.2.1.1 Similarities with extant literature for RQ1

On the theme of funding and government support, the research outcomes aligned with the literature, confirming that funding and government support are crucial for the strategic capabilities of tax authorities to successfully implement capital-intensive projects, which in turn reduce the risk of tax evasion and enhance government revenue (Turksen & Abukari, 2021). This confirmation underscores the importance of adequate funding and strong government support for the ERS's strategic capabilities. According to Turksen and Abukari (2021), poor funding leads to weak enforcement of compliance, increased tax evasion, and inadequate service delivery to government, taxpayers, and stakeholders. In addition, Kero and Bogale (2023) and Helfat et al. (2023) from a resource-based view, support the perspective that an organisation maintains its competitive advantage by leveraging its VRIO resources.

The research outcome that, by virtue of being an SOE, the ERS must fully comply with government legislation in executing its statutory mandate is confirmed in Luo et al. (2024). The research concluded that a slow legislative process presents a serious challenge to SCs, as confirmed in Turksen and Abukari (2021), and that inadequate legislation is one of the weaknesses on which tax crimes are predicated through spotting gaps in tax regimes, legal frameworks, and lax regulations.

The research outcome on the need for the operating environment to continually adapt was consistent with the literature as identified by Zahra et al. (2022a). Rising digitisation and environmental uncertainty exert pressure on business to quickly adapt their organisational capabilities under environmental to maintain relevance and sustain performance.

The research outcomes that inflexible public procurement processes hinder the ease and flexibility of outsourcing services and procuring goods, thereby causing poor execution and strategic failures, are confirmed in the literature. According to Weritz et al. (2024), inflexible processes create a conflict that impedes a business's ability to quickly adapt to environmental changes and consequently affects overall SCs and the delivery of strategic projects.

The research outcomes are consistent with the literature on the role of strategic partnerships in enhancing SCs, data integration, and service delivery through improved collaboration efforts. As defined by Weritz et al. (2024), strategic partnership capabilities are the accumulation of resources and knowledge mainly leveraged from external relationships, yet they are crucial for achieving a business's competitiveness and performance. Moreover, as noted by Mellesse (2025), strategic partnerships are vital for adopting digital solutions and shared databases, playing a key role in the success of DT by enabling access to real-time business data.

The research outcomes on the importance of internal human capabilities as a competitive advantage align with the literature on the evolution of skills and the need to adopt human-machine learning during technological progress. Helfalt et al. (2023) highlights the importance of recognising the risk of skills erosion, and exploring resource decay mitigation and response strategies to prevent the loss of star and non-star employees. The authors also emphasise the importance of suitable organisational structure and processes in maximising human resource benefits. The importance of developing spanning capabilities to foster cross-functional collaboration and alignment across multiple departments by integrating professional knowledge and sharing critical business strategy information on achieving strategic goals is also emphasised (Weritz et al., 2024).

7.2.1.2 Nuances of differences to extant literature for RQ1

The research outcomes reveal some subtle differences with the literature reviewed in the area of supply chain and procurement processes. This nuance highlights a gap in the focus on procurement within the public sector, as existing literature on SCs does not address common public sector challenges related to governance, structural, and financial restrictions that are intended to curb SOE procurement malpractices. Consequently, this area warrants refinement concerning supply chain and procurement processes as drivers of the strategic capabilities of SOEs.

Another nuance of difference is the research outcome on co-creation efforts for stakeholder legitimacy. This highlights the need to embed co-creation as a capability for fostering a stakeholder legitimacy approach through building stakeholder and taxpayer trust, in contrast to the non-public sector's commercial market-driven customer centrism (Nusair et al. 2022).

A nuanced distinction exists in strategies for addressing staff erosion, as the literature differentiates between talent acquisition and talent development approaches for mitigating the loss of both star and non-star employees (Luo et al., 2024).

7.2.1.3 Distinct differences to extant literature for RQ1

There were no distinct differences noted between the research outcomes and the literature. The research outcomes and nuances of differences add some refinements to the existing body of knowledge.

7.2.2 Research Question 2: The role of agility in enhancing strategic capabilities?

On the theme of organisational agility, the research outcomes aligned with the literature. Based on the insights from Research Question 2, the themes regarding the role of agility in boosting strategic capabilities included three main themes with four sub-themes. The three main themes covered organisational agility, triggers of agility, and project management capabilities. The main theme on triggers of agility included two sub-themes: benefits realisation and business relevance and risk optimisation.

7.2.2.1 Similarities with extant literature for RQ2

The research outcomes confirmed that agility is an ideal dynamic capability for volatile and turbulent business environments (AlTaweel & Al-Hawary, 2021). The research outcomes were also consistent with the implementation capabilities observed by Bekos et al. (2025) as being essential for translating strategic ambitions into action-oriented and deliverable goals. The research outcomes are also consistent with the literature on resource flexibility and continuous development, which allow reorganisation and reallocation of resources to adapt to environmental changes. Research findings on legacy systems and software integration challenges as obstacles to agility were aligned with existing literature (Sampath et al., 2021). The research outcomes regarding leadership's flexibility in empowering teams and fostering an empowered culture of agility and learning as an enabler of SCs were also confirmed.

The research outcomes on the significance of the benefits realisation theme, which involves continuously monitoring of the return on investment to guide decisions about discontinuing underperforming projects, especially emphasising the return on technological investments to reduce risk, align with Bekos et al. (2025). Research outcomes on monitoring project relevance and adjusting low-return initiatives align with literature on dynamic capabilities, particularly resource fluidity and organisational capacity to reallocate assets under environmental change (Sultana et al., 2022).

The research outcome on business relevance and risk optimisation as triggers for organisational agility are supported by the literature. The outcome states that a slow legislative process acts as a barrier to SCs, which can significantly hinder agility and lead to failure to adapt to rapid technological changes and other shifts (Jafari-Sadeghi et al., 2022). The research outcome on rapid technological changes as a catalyst for agility is confirmed by AlTaweel and Al-Hawary (2021), who view agility as a coping mechanism in dynamic business environments with high levels of uncertainty. Furthermore, the research outcomes on continuous value creation and the utilisation of projects to improve business processes align with the assertion in AlTaweel and Al-Hawary (2021) that agility, supported by dynamic capabilities, is vital for organisations to sense and seize opportunities for sustained growth. The study's findings on risk mitigation align with Melesse (2025), who highlights prompt risk identification as a core strategic dynamic capability for effective management. Furthermore, the research outcome on aligning with international best practices for business relevance are confirmed by the literature as an indicator of strategic sensitivity (AlTaweel & Al-Hawary, 2021).

The research outcome that project management is a key capability underpinning strategy implementation aligns with the literature by Bekos et al. (2025), who observe that project completion is directly linked to an organisation's capacity to adapt and respond swiftly to internal and external dynamics. The importance of cross-functional project management teams is supported by Weritz et al. (2024), who note that spanning capabilities such as cross-functional collaboration involve planning and aligning the work of different departments, thereby promoting transparency and having a positive impact on cross-functional collaboration, especially on digital integration projects.

The research outcome emphasises that leadership unity and active involvement are essential for maintaining agility. In addition, the use of cross-functional teams is advantageous because they promote departmental alignment, transparency, and the

employment of diverse skills and knowledge. This method is especially important for successful digital integration and transformation efforts, which depend on synergy and breaking down of silos. To stay agile, it is crucial to balance the tensions within the project process, as over-planning and rigid procedures can greatly hinder agility. If not managed, silos could limit resource flow and organisational flexibility, which are critical for achieving SA.

7.2.1.3 Nuances of differences to extant literature for RQ2

A nuanced difference is observed in the research outcome concerning the ERS finding for business relevance, which aims to guide strategy, project implementation, and process improvements for continuous value creation. Bekos et al. (2025) warn of a planning paradox, while AlTaweel and Al-Hawary (2021) caution against the rigidity traps that can arise from overly structured planning, potentially undermining decision-making effectiveness.

Another difference is observed between the research outcomes and the literature concerns on risk optimisation. While the ERS finding emphasises the importance of minimising risk exposure through agility, the literature points out that organisations may still face difficulties with risks linked to agile change, such as information overload or disruption of key revenue streams. According to Bekos et al. (2025), such risk considerations might be overlooked owing to a linear focus on risk identification.

A further nuance of difference is observed on the ERS findings regarding following a project process approach, considering the inherent tensions in strategic planning that are documented in the literature. As Bekos et al. (2025) argue, extensive process planning often causes unwanted rigidities and hampers the ability to respond quickly and flexibly to the operating context, primarily during project execution. Jafari-Sadeghi et al. (2022) state that dual planning (process) and responsive action (project) are necessary to manage the duality and effectiveness of a project process paradox.

A nuance of difference in research outcomes related to poorly defined or unclear performance measures is observed in project planning, thus highlighting a gap compared to the literature's emphasis on clear goals to inform strategy iteration.

Lastly, a difference is also observed on the presence of silos in the project management approach, and the uneven resource distribution. The existence of silos undermines the benefits associated with the spanning capabilities of cross-functional teams. In fact, according to Weritz et al. (2024), the presence of silos indicates poor implementation of

cross-functional spanning capabilities. According to Weritz et al. (2024), if correctly implemented, the spanning capabilities of cross-functional teams should enhance information sharing and departmental synergies. Otherwise, AlTaweel and Al-Hawary (2021) argue that uneven resource distribution could act as a barrier to resource fluidity and, by extension, organisational flexibility and innovation. Overall, the contradiction reflects how poor implementation may undermine collaboration and project focus (Bekos et al., 2025).

7.2.2.2 Distinct differences to extant literature for RQ2

There were no differences noted between the research findings and the literature on internal human capabilities. The findings, therefore, add to the existing body of knowledge.

7.2.3 Research Question 3: The role of innovation in enhancing the ERS strategic capabilities?

Based on the research insights under Research Question 3, the research outcomes on the role of innovation in enhancing the ERS's SCs identified three main themes: process and operational innovation, human-centred innovation, and technological and digital innovation. The themes of human-centred innovation and technological and digital innovation each further divided into sub-themes. The human-centred innovation theme included the ERS innovations framework and leadership capability, while the technological and digital innovation theme encompassed digitisation, DA, and AI sub-themes.

7.2.3.1 Similarities with extant literature for RQ3

The research outcome on process and operational innovation is supported in the literature by Melesse (2025), who identifies these as critical for developing integration capabilities for efficient and effective strategy execution and maintaining a competitive advantage. Additionally, the conclusion that process automation, digitisation, and system integration are vital for ensuring transparency and integrity in transforming service delivery while aiding compliance is confirmed in (Luo et al., 2024).

The research outcomes that human capital is an innovation capability are supported by observations from AlTaweel and Al-Hawary (2021) and Jafari-Sadeghi et al. (2022), which indicate that a culture of innovation fosters organisational openness to new ideas. The research outcome on the positive impact of incentivising employees for innovation is confirmed as relevant in cultivating an innovative culture of innovation. The research outcome that leadership capability is a key enabler of an innovative culture is supported by

Melesse (2025), who recognises visionary leadership as a crucial strategic capability for organisational success.

Regarding leadership capability, the research outcomes were consistent with the literature by Melesse (2025), which states that leadership is a vital strategic ability that supports value co-creation, and the efficient development and utilisation of organisational capabilities and resources. The research outcome that an innovative culture is a key capability is also supported in the literature.

The research outcomes on the role of technological innovations and digitisation as a key enabler of SCs are affirmed in the literature. According to Melesse (2025), IT capabilities are the main driver of innovation capabilities, which serve as a dynamic capability to drive business performance. The research outcome on digital integration is confirmed in the literature as essential for database integration.

The research outcomes that DA and AI are sources of competitive advantage for DDI strategies are confirmed in (Helfalt et al., 2023). The research outcome that data access and integration are also affirmed as sources of competitive advantage is consistent with the literature. Research outcomes on the formalisation and integration of DA and AI into organisational structures are affirmed in Sultana et al. (2022) as key enablers of DT. On the research outcome on the advantages of shared databases, Weritz et al. (2024) acknowledged that ecosystem integration, coupled with networking and customer centricity, is essential for ease of access and successful DT.

7.2.3.2 Nuances of differences to extant literature for RQ3

A nuance of difference is observed in research outcomes concerning the exploitation and exploration of process controls. While rigorous process control aims at standardising, aligning, and detecting adherence, the literature leans more towards a dynamic approach that emphasises transformation and renewal capabilities as more ideal, especially for sustaining a competitive advantage during turbulent times (Weritz et al., 2024).

Two nuances of difference in leadership research outcomes are noted. The research outcome on leadership resistance to adopting agile methodologies presents the risk of creating a rigidity trap that could hinder quick decision-making process in the process. In contrast, a leadership style that potentially overshadows technocrats may reflect a conflict between functional collaboration and acceptance of diversity.

A nuanced difference is also observed between the research outcomes on the ERS's goal for integration with partners, as it is grounded in a regulatory fiscal objective to maximise the country's capacity for tax collection. This is distinct from standard performance metrics in the literature, which emphasise integration for customer value creation or competitive advantage.

7.2.1.3 Distinct differences to extant literature for RQ3

The research outcome on a public sector digitisation aim, rooted in a regulatory fiscal objective to enhance digitisation and integration for maximising tax collection and compliance, appear to differ from the existing literature, which mainly concentrates on market-orientation, customer value creation, and profitability in the private sector.

7.3 Research contribution

The study sought to make a potential contribution to address a potential gap in SCs in the public sector and emerging economies, which are reportedly understudied compared to their private sector profit-making counterparts (Luo et al., 2024; Melesse, 2025).

The ERS study provides a unique exploration of the limitations of SCs within operational constraints that pertain to SOEs operating under restrictive legislation, limited financial autonomy, and reliance solely on government budget cycles and decisions.

The study also provides a regulatory focus on the use of DA and partnership strategies for fiscal enforcement and taxpayer compliance analysis, as opposed to market-driven product development and profitability focus.

The study offers a specific avenue for future theoretical development of the public stakeholder management approach beyond the common compliance enforcement strategy. It challenges the notion of stakeholder legitimacy and co-creation capability within tax administration as strategic assets for securing taxpayer buy-in.

7.4 Recommendations for management and or other stakeholders

Based on the theoretical conclusions herein, the study's recommendations to ERS managers are to maintain a constant focus on enhancing the institution's agility while actively prioritising the sensing and mitigation of institutional barriers, risks, and threats.

- There is urgency to prioritise government engagement for reconsidering the current funding model to ensure the timely release of funds and execution of strategic initiatives as planned.
- There is a need to actively develop a business case to motivate and lobby for an amendment of the restrictive legislation against the ERS self-generation of income, which will significantly reduce dependence on government subventions.
- There is a constant need to balance agile project execution with planning to prevent the rigidity of excessive planning, which could hinder agility and slow down decision-making.
- Management must improve the attention it pays during the project planning phase by setting clear success measures and performance indicators, which ultimately influence decisions during the project iteration at the implementation stage.
- There is a need for robust stakeholder management and the establishment of strategic partnerships with the public procurement agency to explore legal avenues and institutional policies that could enable the ERS to expedite its strategy-commissioned procurement of services and goods in a timely manner, without compromising the checks and balances designed to prevent procurement malpractices.
- It is important to build and sustain an agile and innovative culture and also create synergies across the organisation to eliminate resistance and silos by promoting transparency and acceptance of differences at all levels.
- A further recommendation is to enhance the ERS's innovations framework by prioritising governance and administration through transitioning from a temporary committee arrangement to a permanent, dedicated function. This function would focus not only on endorsing innovative ideas but also on the timely collection, implementation, and scaling of initiatives to swiftly capitalise on opportunities. Furthermore, integrating innovation co-creation that includes external stakeholders and taxpayers will elevate the value of the ERS's innovations framework and simultaneously help build trust and strengthen ERS's legitimacy.

7.5 Limitations of the research

A major limitation of this study is its focus on only one SOE, rather than including other SOES or comparing them with the private sector. Such comparisons could provide a deeper

understanding of SCs, innovation, and agility across different sectors beyond the ERS. The narrow scope has limited the depth of analysis related to challenges, innovation, and agility themes.

A further limitation of the study is the lack of academic research on SCs in emerging economies, service industries, and the public sector, as noted in the studies by Melesse (2025) and Luo et al. (2024). This literature gap hindered a more in-depth comparison of empirical findings with existing literature, limiting richer insights into the research outcomes.

7.6 Suggestions for future research

Future research could explore how prohibitive legislation and financial independence influence SOEs, with the goal of identifying viable models for self-funded operations as a way to circumvent resource constraints linked to government budget cycles. Moreover, such research could compare the results of data-driven analytics and AI in fiscal enforcement and compliance to those in market-oriented strategies within the private sector. Furthermore, future research might explore the agility planning paradox in SOEs, focusing on the tension between structured planning and flexibility within SOEs that must adhere to bureaucratic procedures.

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APPENDICES

Appendix 1: Consistency Matrix

Research questions	Interview Questions (Data Collection Tool)	Analysis	Literature Review
Research Question 1 What are the current challenges and issues affecting the ERS strategic capability?	1. What are the key ERS strategic capabilities?	Thematic analysis	Kane et al. (2021) Weritz et al. (2024) Hermans et al. (2023) Nusair et al. (2022) Melesse (2025)
	2. What role do you believe the strategic capabilities play in ERS performance and delivery of strategic objectives?		
	3. How do you think the ERS can optimise its strategic capabilities to deliver on its business strategy?		
Research Question 2 How can agility assist the ERS to improve its strategic capability?	4. What is your understanding of agility?	Thematic analysis	Sampath et al. (2021) Bekos (2025) Jafari_Sadeghi et al. (2022) AlTaweel et al. (2021) Sultana et al. (2022)
	5. What role does agility play in the strategic capabilities of the ERS?		
	6. What are the areas of improvement that the ERS need to prioritise to improve its agility?		
Research Question 3 How can innovation improve the ERS strategic capability?	7. What is your understanding of innovation?	Thematic analysis	Jafari_Sadeghi et al. (2022) Hock-Doepgen (2024) Foss et al. (2023) Turksen et al. (2021) Christopher et al. (2024) Loon et al. (2020). Harrison et al. (2024) Doshi et al. (2024), Helfalt et al. (2023) Sultana et al. (2022)
	8. How has the ERS leveraged innovation in its strategic capabilities to successfully deliver on its mandate?		
	9. In your understanding what are the key considerations for the successful innovation of ERS strategic capabilities?		

Appendix 2: Ethical Clearance Approval

Gordon Institute of Business Science University of Pretoria	Ethical Clearance Approved
Dea [REDACTED] Please be advised that your application for Ethical Clearance has been approved. You are therefore allowed to continue collecting your data. We wish you everything of the best for the rest of the project. Ethical Clearance Form Kind Regards	
This email has been sent from an unmonitored email account. If you have any comments or concerns, please contact the GIBS Research Admin team.	

Appendix 3: Interview protocol

Interview protocol

- Confirm consent for voluntary participation to proceed with the interview
- Explain the right to withdraw at any stage of the process
- Seek permission to record the interview
- Explain it will be transcribed without identifiers

Opening Question	1. Could you relate your experience in developing, executing, and monitoring the implementation of the ERS Strategy?
Research Question 1 What are the current challenges and issues affecting the ERS strategic capability?	2. What are the key ERS strategic capabilities, and how do you believe these capabilities influence the performance and achievement of strategic objectives?
	3. How do you think the ERS can enhance its strategic capabilities to achieve its business objectives?
Research Question 2 How can agility assist the ERS to improve its strategic capability?	4. Based on your understanding of organisational agility, what role does agility play in the strategic capabilities of the ERS?
	5. In your view, What areas of improvement should the ERS prioritise to enhance its agility?
Research Question 3 How can innovation improve the ERS strategic capability?	6. Based on your understanding of innovation, how has the ERS leveraged innovation within its strategic capabilities to effectively fulfil its mandate?
	7. What are (or What would) be the key considerations for the successful innovation of ERS' strategic capabilities?
Closing question	8. To close the interview, Would you share how you see innovation and agility impacting ERS's strategic capabilities in the short-, medium- and long-term future?
Probing and clarifying questions	○ Please tell me more about that ○ Please clarify your response further ○ Could you please give me an example of that

Appendix 4: Proforma Interview Consent Form

Research Topic

Researcher and Supervisor's Details

Name: _____ Email: _____

Phone number: _____

Supervisor's Name: Professor: _____ Email: _____

Institution: University of Pretoria (GIBS)

Research Purpose and Procedures

The purpose of this research is to qualitatively explore the circularity perspective within the HDPE pipe manufacturing industry. This research is conducted based on your voluntary participation and you may withdraw from the interview at any time without penalty or consequences. Upon your consent to participate, you will be interviewed for approximately an hour. All information collected will be kept confidential.

Consent to Participate:

By signing this letter, you confirm the following:

- That you have read and understood the information above.
- That you voluntarily agree to participate in this research.
- That you consent to the interview being audio-recorded.
- That you agree that the information will be publicly available upon the completion of the exam process, without disclosing identities of companies or participants.
- The collected data will be anonymised and securely stored for research purposes only
- You understand that you may withdraw at any time without penalty.

Should you have any concerns, contact either myself or my supervisor on details above.

Participant's Name : _____

Participant's Signature : _____

Date : _____

Researcher's Signature: _____

Date: _____

Appendix 5: Certification of additional support



CERTIFICATE OF EDITING

Editor Details:

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Client Details:

B Nyamane

24 November 2025

TO WHOM IT MAY CONCERN

I, Shanitha Ramharak, declare that I have edited the document: **The role of innovation and organisational agility to drive strategic capabilities: A Case of Eswatini Revenue Services (ERS).**

I formatted the references according to the APA reference style. The editing was done electronically, using Track Changes, to enable the author to accept or reject the suggested changes, thus retaining authorial discretion and the right to assert authorship. The work performed entailed:

- checking of language and grammar
- application of UK English spelling standards
- cross-checking references and in-text citations for completeness and
- checking for consistency across the document
- formatting of the document.

The service excluded plagiarism checks, structure of the document, checking of facts and interpretation of facts.

I declare that I am qualified to do such editing, as I am an associate member of the Professional Editors' Guild and have certificates in editing from the University of Cape Town (UCT) and the University of Pretoria (UP).

Signed: Shanitha Ramharak



RAM 005



shanitha-ramharak-10647bb5

Appendix 6: ATLAS. ti Code book

ATLAS.TI CODE BOOK
Agility
Agility benefits realisation
Agility challenges
Areas of improvement
Artificial intelligence
Automation
Benefits realisation
Board support of strategy
Business case
Business relevance
Carryovers
Challenges and issues
Change management
Collaboration and coordination capabilities
Competing priorities
Compliance
Continuous improvement
Cost of collection
Cost of technology
Cross functional project teams
Data Analytics
Data sharing
Decision making capabilities
Differentiation
Digitilisation

Emerging technologies
Employee satisfaction
ERS Mandate
Execution modalities
Experimentation
External consultants drawbacks
Financial resources, funds, budget
Government support
Governance
Human capabilities
Human resource strategy
Innovation
Innovation challenges
Innovations framework
Internal capacity
ISO Certification
Leadership capability
Legislation
Long-term strategies
Monitoring and Evaluation
Operating environment
opportunities
Organisational culture
organisational silos
Organisational structure
Performance management
Planning capability

Prioritisation
Processes
Procurement challenges
Procurement Processes
Project dependency
Project portfolio management
Recruitment strategies
Reporting
Research
Resource allocation
Revenue collection
Risk optimisation
Service delivery
Short term strategies
skill optimisation
Skills and competencies
skills retention
Staff strategic involvement
Staff turnover and skills retention
Stakeholder buy-in
Stakeholder engagement and feedback
Strategic ambitions
Strategic deliverables and operational deliverables
Strategic enablers
Strategic foresight and scenario planning capabilities
Strategic iteration
Strategic objectives

Strategic partnerships
Strategic programs
Strategic reviews
Strategic themes
Strategy development and implementation costs
Strategy inputs
System integration
Targets
Tax compliance strategies
Tax modernisation
Tax types
Taxpayer trust
Team diversity
Technology
Threats
Transformation