



**WATER SECTOR REFORMS AND EMPLOYEE PRODUCTIVITY AT LAKE VICTORIA
NORTH WATER SERVICES BOARD, KENYA**

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ABSTRACT

The Water Act 2002 of the Government of Kenya established various water institutions to replace the Ministry of Water and Irrigation and NWPC in direct water services provision and sewerage services. Following the creation of the new water corporations, a number of employees of Ministry of Water and Irrigation and NWPC were deployed to these new water institutions. The restructuring of the water sector caused changes in organization culture that may have affected the employee productivity. This calls for the study into the symptomatic problems associated with the reforms at Lake Victoria North Water Services Board. The objectives of the study were to establish the effect of water sector reforms on employee productivity at LVNWSB, to assess the influence of water sector reforms on employee productivity at LVNWSB, to examine the effects of selected contextual factors on employee productivity at LVNWSB and suggest appropriate strategies of implementing change in government owned organizations. In this study the water sector reforms were independent variables and employee productivity were dependent variables. Contextual factors included managerial, facilitating and supportive factors. Cross sectional data analysis technique was used with a sample size of 115 from a population of 380 drawn from five zones of Lake Victoria North Water Services Board. The effects of water sector reforms on employee productivity were estimated by the Ordinary Least Square method. Descriptive statistics such as frequency distribution and percentages were used to facilitate the change of raw data into a form that is easy to understand and interpret. Descriptive survey research design was used since it aims at describing an existing phenomenon. The researcher carried out pilot testing in Rift Valley Water Services Board in Nakuru Headquarters office by random sampling. During the questionnaire's construction, quality control and validity was ensured. Reliability was checked through test/re-test method where the researcher carried out two different tests using the same tool. The two tests were subjected to the same group of people but after a difference of two weeks. The survey instrument was subjected to overall reliability analysis. The analyzed data was presented using statistical tables and graphs. The employees were not satisfied with the reforms which negatively impacted on their productivity. The reforms influenced the employee's attitude and perceptions negatively which in turn influenced employee productivity. Contextual factors positively influenced employee productivity. The research findings would provide knowledge to the managers of Lake Victoria North Water Services Board in implementing the water sector reforms so as to improve employee performance.

Key Words: Water Sector Reforms, Employee Productivity

INTRODUCTION

1.1 Overview

This chapter highlights the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, significance of the study, basic assumptions of the study, scope of the study and limitations, theoretical framework and conceptual framework.

1.2 Background to the study

The world has been subjected to revolutionary forces in all aspects for generations. Reforms are necessary evolutionary forces for survival and it is a matter of when and not if they have to occur. Change is pervasive in our society and a fact of life in organizations. The impetus to change comes from the environment which includes both the internal organizational environment and the external environment. Change is about survival and is especially necessary in organizations that wish to prosper in a volatile, uncertain, complex and ambiguous environment. Powerful forces in the environment are pressuring public and private organizations to alter permanently existing structures, policies and practices. Change is therefore necessary for the survival of individuals and organizations. European nations impressed organizational reforms during the privatization policies across Europe and African nations depended on donor funding were subjected to structural adjustment programs at the time as a donor condition. The World Bank and IMF conditions on depended nations introduced far reaching reforms that affected the Governments civil service and statutory organizations. In Kenya, the ministry of water among others was affected by these reforms. The water ministry reform became the present water sector reforms. The reforms created

changes on the structural and operational mode of the sector.

While changes are unavoidable, there is ever resistance to change. Employees worry about how change will affect their jobs and their positions within the company, but change is inevitable and if proper changes are implemented correctly, change can be a very positive force in any organization. Change can be realized incrementally or on a large scale depending on the challenge facing the organization (Scott, 2003). Resistance to change is among the challenges experienced in change implementation. Change evokes stress that in turn evokes resistance based on the threat to the security of an individual. Some of the factors that stimulate resistance to change include habits, complacency, loss of personal relationships or rewards, insecurity and fear of disorganization (Scott, 2003).

Water sector reforms have been initiated in many African countries. The overriding goal is to create financially and environmentally sustainable service provision that responds to the needs and abilities of different users. The reforms have taken a path that lays emphasis on decentralized decision making, increased efficiency through engagement of the private sector, and improved transparency through civil society consultation and participation. Most countries have enacted a new Water Act that seeks to separate water resource management from water service delivery, minimize the role of the central government to policy formulation, and facilitate community and private sector participation in water resource management and water service delivery (Kirimi, 2006). The Government of Kenya has been undertaking reforms in the water sector since 1974 that led to the establishment of NWCP in

1989. In 1974, the Water Department under then the Ministry of Agriculture was elevated to a full Ministry, the Ministry of Water Development with a mandate to actively steer water sector activities. It initiated a new plan aimed at investing more resources in the water sector to improve efficiency and expand water services to as many citizens as possible, through its motto 'water for all by the year 2000'. To ensure success, the Ministry engaged in an ambitious program and took over many water supplies previously managed by local communities, local authorities and other public and private institutions (GOK, 1987). For a long time, Kenyans, especially those in the rural areas, have had to walk for long distances to look for water for their various needs. Majority of this have had to do with dirty water which has led to outbreaks of various water borne diseases. Lack of adequate water in the rural areas has led to people in these areas living below the poverty line as they can not engage in any meaningful agricultural activities. Rural people rely on the rains and many a times the rains are not enough especially in the Arid and Semi-Arid areas (Sessional Paper No. 1, 1999).

Kenya is classified as water-scarce nation and this situation is getting worse day by day. Current water demands outstrip water supplies in all sectors of the economy and hence intense competition between users becoming evident. This state of affairs calls for fundamental and even radical changes including reclamation of water catchment areas, rehabilitation of the infrastructure and development of potential water sources among others. In the slum areas of the urban centers there is no clean tap water and this has led to the urban-poor people being afflicted by water borne diseases as they use untreated water for domestic needs. The only people who seem to benefit in this scenario are

the water vendors who do brisk business in the slum areas and also in some middle class estates of Nairobi city and other towns (Sessional Paper No. 1, 1999).

The Ministry of Water and Irrigation and the National Water Conservation and Pipeline Corporation who were the main water sector operators could not deliver because they were concentrating only on those areas where water provision is profitable like big cities and towns while neglecting those areas that are less profitable (Task Force on Water Reforms, 2000).

The Act established various water bodies namely, Water Resources Management Authority (WRMA), Water Services Regulatory Board (WSRB), Water Services Boards (WSB), Water Services Trust Fund (WSTF) and the Water Appeals Board (WAB). Each of these bodies was given a distinct role in the management of water resources. The Ministry of Water and Irrigation was left with policy formulation only while National Water Conservation and Pipeline Corporation is the construction arm of the Government (Water Act 2002). Perception exists in many people's mind that the privatization of Public Services results in massive layoffs as private companies get rid of highly compensated public employees and replace them with lower paid, non-union workers with fewer benefits to perform the same services. This has generated intense opposition to privatization from public employee unions at all levels of government. However, there is much evidence to show that privatization has resulted in few, if any, layoffs and that public employees can actually benefit in the long term from private-sector management (Johnson, 2001).

The employees of the MWI and NWPC were transferred to the newly created Water Services

Boards which in turn transferred them to private companies. Since then these employees kept writing letters to their parent organizations requesting to go back, others opted to take early retirement while the young professionals resigned and took up jobs in other organizations (Correspondences files). The Union that represented these employees went to court asking the court to order the government to stop transferring their members to other institutions. The High Court allowed 1,400 unionisable employees of the National Water Conservation and Pipeline Corporation to seek orders stopping their retrenchment.

The Government of Kenya initiated reforms in the water sector to restructure and improve sector performance and address the problems associated with the management of the resource and delivery of water and sewerage services. The long term objective (vision) for these reforms is reduction of poverty levels in the country and especially in the rural areas where the problem is great. In order to give the reforms a legal backing Water Act 2002 was enacted (Water Rules, 2004).

It was against this background that the researcher will conduct the research in order to find out the effects of Water Sector Reforms on employee productivity at Lake Victoria North Water Services Board.

1.3 Statement of the Problem

Lake Victoria North Water Services Board (LVNWSB) among others is a creation of water sector reforms. The restructuring was received adversely with prior fear that the privatization of Public Services would result in massive layoffs. It was observed that the private companies get rid of highly compensated public employees and replace them with lower paid,

non-union workers with fewer benefits to perform the same services. This has generated intense opposition to water sector reforms from public employee unions at all levels of government. During water sector reforms some employees of the MWI and NWCP were deployed to the Board by the PS, Water and Irrigation.

The Board deployed some of the staff to the WSPs. Over time the employees who were deployed to WSP refused to work with the companies stating the mistreatment in these water companies. Some requested to remain with the Ministry and others to be deployed back to the NWCP. Some had alleged that the companies were after sacking them, of delayed salaries, of non-remittance of employee deductions to respective SACCOs' and poor remuneration and other allowances. Other employees resigned from services and others requested for early retirement. (Correspondences files). It was against this background that the researcher intended to find out the effects of the water sector reforms on employee productivity.

The transition process had been muddled with employees' confusion and conflict. A preliminary review of the personnel records in Lake Victoria North Water Services Board revealed that high skilled employees were voluntarily retiring early leaving the process in doubt of achieving the goal. Employees have complained of lack of adherence to human resource compensation policy such as staff not getting salary increments and staff not getting subsistence allowance while in the field. There is evidence of employees' resistance to take up appointment with the WSPs which were formed by LVNWSB and preference to work in the Sub-County Water Offices or NWCP. After the

employees of the MWI and NWPC were deployed to the newly created water institutions some of them sought ways of going back to their parent organizations while others resigned and joined other organizations. The researcher intended to find out why the employees wanted to go back to their original organizations and whether it had anything to do with their attitudes and perception of the water sector reforms. The reason why this was important to find out was because the water sector was losing qualified and experienced employees to other organizations and this would hinder the government's reforms in the sector which were aimed at improving service delivery for the benefits of all Kenyans.

The asymptotic issues on employee welfare and fears coupled with customer complaint on the service quality and inefficiencies in water bills processing generated questions on the water services reforms. The researcher has not come across a study that has been done to ascertain the problem of apparent dismal performance of the reforms. Though surveys had been done on customer satisfaction and employees satisfaction in the LVNWSB., no empirical study had been done to assess the effect of water sector reforms on employee productivity at LVNWSB.

1.4 Purpose of the Study

The purpose of the study was to assess the effect of water reforms at Lake Victoria North Water services on employee productivity.

1.5 Objectives of the study

The main objective of the study was to establish or examine the effects of reforms on employee productivity.

Specifically the study seeks to:

- (i) Establish effects of the water sector reforms on employee productivity at LVNWSB.
- (ii) Assess the influence of water sector reforms on employee productivity at LVNWSB.
- (iii) Examine the effects of selected contextual factors on employee productivity at LVNWSB.
- (iv) Suggest appropriate strategies of implementing change in government owned organizations.

1.6 Research Questions

The proposed study sought to answer the following research questions:

- (i) What are the effects of water sector reforms on employee productivity at LVNWSB?
- (ii) What is the influence of water sector reforms on employee productivity at LVNWSB?
- (iii) How do the selected contextual factors impact on employee productivity at LVNWSB?

1.7 Significance of the Study

The Government: The on-going water reforms were initiated by the Kenyan government. The study may act as a reference point for future reforms. It may help the management of the Board of LVNWSB understand the possible cause(s) of the symptomatic problems so far experienced in the water sector consequent to the implementation of reforms. The study may assist the Ministry to know whether the reforms are making positive impact on employee performance and consequently their effectiveness in water sector or otherwise. The Government will know the effects of water sector reforms on employees and how the same

can be addressed. It may help the companies know the reasons why the employees do not want to work with them and how they can control the situation. This study could therefore contribute to the body of knowledge regarding reforms in the public sector. The findings and recommendations may also be useful in decision making by the stakeholders of MWI on how to implement WSR in their institutions based on the documented evidence found. The findings may reveal to the Stakeholders the effectiveness and the extent of WSR on the performance of LVNWSB.

Researchers: The study will help expand the knowledge that already exists in the fields of commercialization of the public sector. Research conducted by academicians may demonstrate to organizational decision makers that WSR may contribute to employee productivity. The present and future researchers may find WSR a new area which will form a basis for future research which has scanty literature in the country. The research findings will help the scholars to examine in broader details other factors that affect WSR on organizational performance and find out more the most efficient forms of WSR the ministry of water & irrigation can employ to increase their efficiency.

1.8 Basic Assumptions of the Study

It was assumed that the researcher would get co-operation from all respondents. Secondly the study assumed that the questionnaire instrument would be able to measure what was intended to measure. Finally it was also assumed that the respondents would be honest to give the required information.

1.9 Scope of the Study and Limitations

The study focused on organizational reform effects on employee productivity. A specific

case of LVNWSB water sector reforms is within the investigation. The target population was the deployed staff from MWI and NWPC to WSBs' which are state corporations under the Ministry of Water and Irrigation. For an in-depth understanding of reforms effect on employee productivity, LVNWSB had been chosen. The Board was unique since it covered the whole of Western region and parts of Rift Valley region (Uasin Gishu county). The study concentrated on the period after the Water Act 2002 enactment. The researcher believed that the results in region were similar to those of other regions and therefore the results could be applied in all the regions.

1.10 Theoretical Framework

A theory is a set of concepts or constructs and the interrelations that are assumed to exist among those concepts (Mugenda and Mugenda, 2003). This study was informed by Lewin Theory.

Three (3) stage approach developed by Lewin, (1946) comprises of the following steps 'Unfreezing' existing behaviour (gaining acceptance of change), Changing of behaviour (adopting new attitudes modifying behavior) - this stage usually requires the services of a change agent. Refreezing' new behaviour (Reinforcing the new patterns of working).The unfreezing stage is aimed at getting people to see that change is not only necessary but also desirable.

The change stage is mainly a question of identifying what needs to be changed in peoples' attitudes, values and actions, and then helping them to accept and acquire ownership of the changes. A crucial role at this stage is that of change agent that is a skilled person responsible for helping individuals and groups to accept new ideas and Practices. The

'refreezing 'stage is aimed at consolidating and reinforcing the changed behaviour by various support mechanisms (encouragement, promotion, participative management style, more consultation.).

1.11 Conceptual Framework

This proposed study sought to determine the role played by the variables in the outcome of water sector reforms. In this study the water sector reforms will be considered as independent variables and employee productivity will be dependent variable. Water sector reforms through creation of new water institutions, transfer of assets to newly created institutions, change in terms and conditions of service at the various institutions, human resource policies in the water sector, new organization structure and new policy framework and change in managements has a direct impact on the productivity of the employees.

The contextual factors including communications of policies, leadership, participation and involvement, employee education, consultations, facilitation and support, negotiation and agreement can be facilitative or inhibitive to the water sector reforms resulting into positive or negative impact on employee productivity. For example, if the prompt decisions are made by the management which favor and promote reforms in water sector and at the same time create conducive environment for the employees to function, then employee productivity will be enhanced. The contextual factors mediate the relationship between the water sector reforms and employee productivity.

The contextual factors do affect employees perception and response to change and

therefore the productivity of employees: the level of education which determines whether an employee remains on the job or rendered redundant; job security, if an employee's job is at risk will not perform on the job; threat to status/skills; economic fears; inconveniences; threat to interpersonal relationships among spouses, colleagues at work place and uncertainties of unknown. Contextual factors are measured in terms of employee skills, location, organization culture, industrial relations, participative leadership and communication which enhance employee productivity. It is envisaged that a positive change will lead to an increase in employee productivity.

Employee productivity is the dependent variable. It is measured in terms of attractiveness of skilled work force, performance, employee satisfaction and employee attitude and perception of WSPs. It is envisaged that water sector reforms (independent variable) will have a negative impact on employee productivity. The variables are presented in figure 1.0

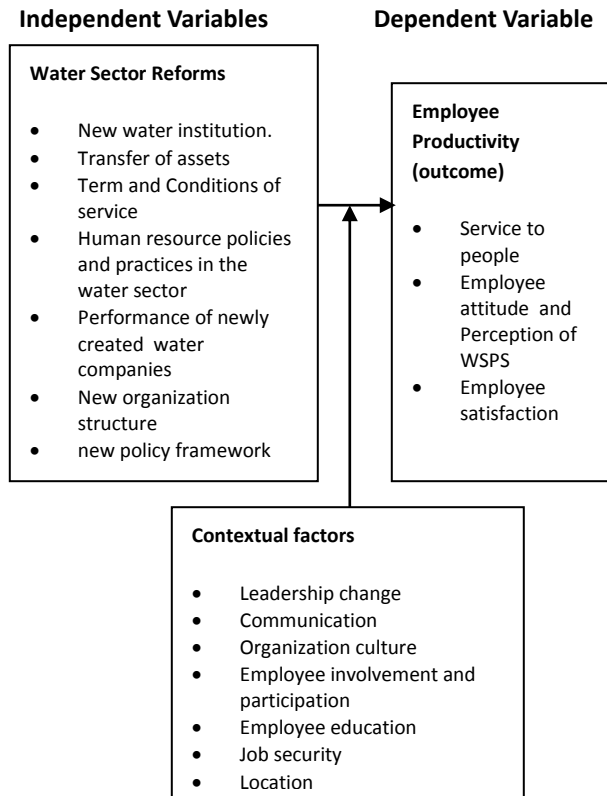


Figure 1.0: Conceptual Framework

Source: Researcher, 2014

organizations change is largely in response to external circumstances this is often referred to as reactive change. Other organizations change principally because they have decided to introduce change, this is usually known as 'proactive change'. Some organizations are conservative in outlook, seeking little by way of change; others are entrepreneurial in outlook, always on the lookout of new opportunities and challenges. An organization can choose to adopt a more or less conservative entrepreneurial view of its strategic direction, depending on its culture and management style as echoed by George and Jones, (2000). In a fast paced global economy, change cannot be an occasional episode in the life of a Corporation. Companies with rigid structures will be swept away and corporate cultures that can adopt change will survive and thrive. At the beginning of twenty first century, change is everywhere. The reality of yesterday proves wrong today, and nobody really knows what will be the truth tomorrow (Maalu, 2005).

LITERATURE REVIEW

2.1 Introduction

This chapter contains reviewed literature on change process, resistance to Change, overcoming resistance to Change, change models, analyzing change, managing change, summary of literature reviewed and gaps to be filled.

2.2 Change Process

According to Cole (1997), change generally implies innovation, in the basic sense of introducing something new into an environment. This includes rearrangement of the jobs, roles and structures. It also includes rearranging systems, since the process of change itself is an innovation. In some

From the research done on the area of change, it is evident that change will occur in one way or another, whether the organizations concerned are prepared or not. Change can be devastating especially to the employees if they are not well prepared to embrace the change. It is the responsibility of the managers especially the Human Resource Manager to put in place measures that will help employees embrace change (Cole, 1997). It is also evident that whatever kind of change is to be introduced in organizations, may it be privatization, automation, restructuring or mergers it happens through people who are the employees of those organizations. People resist change mainly because, they have not participated in the change process, they do not believe the change is possible and fear of the

unknown. Despite these obstacles successful management of change can be achieved through Education and Communication, participation and involvement, negotiation by Mintzberg and Quinn (1999). According to Saleemi (2006) organizational change is a planned attempt by the management to improve the overall performance of individuals, groups and organization by altering structure, behaviour and technology. Thus management is charged with the responsibility for maintaining equilibrium by diagnosing and designing changes that are most appropriate for coping with current conditions. The literature reviewed also indicates that where good employee policies are put in place, there is less resistance to change. Force field theory indicates that there are forces for change and forces resisting change. Some authors have indicated that a change agent is necessary when implementing change.

Privatization as has been highlighted by the studies that have been done can have both positive and negative effects on the employees of public service. The employees as citizen of the country can benefit when the public services like water provision is privatized because the private companies are more efficient than the government. Government may only be motivated to improve a company when that poor performance becomes politically sensitive unlike private companies which are profit driven and will demand good performance always (Kikeri and Wellis, 2002). According to Pearce and Robinson (2007) leaders galvanize commitment to embrace change through three interrelated activities: clarifying strategic intent, building an organization, and shaping organization culture.

Kisire (2010) noted Change is inevitable for any organisation. An organization is a system that constantly interacts with its environment which is constantly changing. And organization needs to be flexible and open to change otherwise it will perish. Today's organizations cannot shine without innovation, creativity and change to incorporate the ideas conceived. There are powerful forces of change in the society, economy, and financial set up, customer needs and employee expectations that will free an organisation to change.

Public employee's attitudes and perception of privatization are likely to be negative because they are afraid of what would happen to their jobs. Many public employees have a culture that does not reflect good performance. They are used to doing things in the old way and therefore they would be afraid of being taken over by a private company. It is believed that in private companies one must earn his/her money unlike the public sector where, whether one works or not he will still be paid (Kikeri and Wellis, 2002). From the above analysis it is evident that the effects of returns employee will be influenced by the level of involvement that they have had. Employee's attitude and perception on the privatization on the water sector will greatly depend on whether the employees have been involved as stakeholders and not just as people who do not matter in the whole process. Failure to involve people can lead to resistance to change. The researcher through the proposed research will confirm or refute the ideas and theories advanced by the past studies and also with the results contribute to the knowledge that exists in this area.

2.3 Resistance to Change

Armstrong (2006) suggested that the problems of introducing changes to an organization can

include: Resistance to change, low stability, and high level of stress, misdirected energy, conflict and loss of momentum, hence, the need to do everything possible to anticipate reactions and likely impediments to introduction of change. Petti and Whipp (1991) argued that the implementation of change is an interactive, cumulative and reformulations - in - use process. Joan Wood Ward (1968) when we talk about resistance to change we intend to imply that it might be always rational in changing its direction , and that employees are stupid , emotional or irrational in not responding in the way they should. But if an individual is going to be worse off explicitly or implicitly, when the proposed changes have been made, any resistance is entirely rational in terms of his own best interest, the interest of the organization and the individual does not always coincide. Cole (2004) reported there is not much point in '*change for change's sake*', and most people need to be persuaded of the need to change. Some people fear it. The reality is that every human grouping has some forces within it which keep it together and provide it with stability and others which provide it with a reason to change or adapt.

According to Kisire (2010) change in an organization will be resisted but the level of or resistance varies from one organization to another and one change to another. Some of the reasons why employees resist change are: fear of the unknown, lack of involvement, too many changes at the same time, lack of staff management trust and lack of consideration for the end effects and emotional consequences of the change process.

Resistance to change is a multifaceted phenomenon which introduces delays, additional costs and instabilities into the

process of change. This may take the form of procrastination, inefficiencies and sabotage. Resistance may also be systemic or behavioral. Systemic resistance may be in the form of passive incompetence where the organization lacks the capacity to handle change. Behavioral resistance comprises individuals such as employees and managers in departments, or groups that include coalitions and power centers. Individuals resist because of self interest, misunderstanding, lack of trust, different assessments, and low tolerance for change (Meyer and Botha, 2000). Cole, (1997) points out that, it is important to recognize that most people need to be persuaded of the need to change. People need to know the reason for change as some of them fear change. The reality is that every human group has simultaneously within its pressures that keep it together and provide it with stability, and others which provide the spur for change and adaptation

2.4 Overcoming Resistance to Change

Armstrong (2006), involvement in the change process gives people a chance to raise and resolve their concern and make suggestions about the form of change and how it should be introduced. The aim is to set ownership of the change process. There is a tendency towards inertia and resistance to change, people tend to hold on to existing ways of doing things and existing beliefs about what makes sense. Managing change must address the powerful influence of paradigm and cultural web on the strategy being followed by the organization. According to Johnson and Scholes (2004), dealing with resistance may require depending on the circumstances, adequate education and communication, participation and involvement, facilitation and support, negotiation and

agreement, manipulation and co-option, or coercion.

2.5 Change Models

Three stage approach developed by Lewin, (1946) comprises of the following steps 'Unfreezing' existing behaviour (gaining acceptance of change), Changing of behaviour (adopting new attitudes modifying behaviour)- This stage usually requires the services of a change agent. Refreezing' new behaviour (Reinforcing the new patterns of working) as shown in figure 2.0.

The unfreezing stage is aimed at getting people to see that change is not only necessary but also desirable. The change stage is mainly a question of identifying what needs to be changed in peoples' attitudes, values and actions, and then helping them to accept and acquire ownership of the changes. A crucial role at this stage is that of change agent i.e. (a skilled person responsible for helping individuals and groups to accept new ideas and Practices). The 'refreezing 'stage is aimed at consolidating and reinforcing the changed behaviour by various support mechanisms (encouragement, promotion, participative management style, more consultation.).

Figure 2: Organizational change model

Unfreezing	Change	Refreezing
1. Identifying the need for change	Individual comments	1. Reinforcing the newly Learned behaviour
2. Increasing the driving force to change	Group components	2. Finding fit between Organizational
3. Reducing the resisting forces to change	Structural components	3. Maintaining fits between Organizational

Source: Lewin (1946)

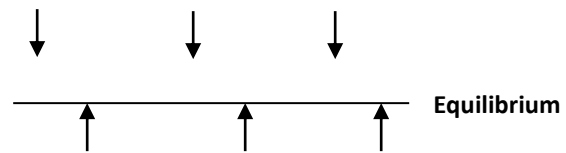
Nzuve (1999) Changes in the environment will dictate changes within organizations. A technological change necessitates a change in production systems. A change in consumer demands calls for a change in a company's products and services. Some organizational changes may occur naturally but most require careful planning and execution.

2.6 Analyzing Change

Lewin (1946) illustrated the dilemma neatly with his classic notion of 'force-field theory as shown in figure 3.0.

Figure 3.0: Forces Resisting Change

Forces for maintaining the status quo



Forces for change/Pressure to innovate

Source: Lewin (1946)

This theory suggests that all behaviour is the result of equilibrium between two sets of opposing forces that is driving and restraining forces. Driving forces push one way to attempt to bring about change, restraining force push the other way in order to maintain the status quo. Generally speaking human beings seem to prefer to use driving forces to bring about change. They want to win by exerting pressure on those who oppose them but as Lewis model suggests, the more one side pushes, the more the other resists, resulting in no change. The better way of overcoming, or at least, weakening of objections and fears of resisting side. Thus the initial policy should not be 'how can we persuade them of our arguments for change?' But rather 'What are their

objections/Fears and how can we deal with them?' The principal approach to change is to reduce opposition rather than try to impose new ways of working (Cole, 1997).

Employees are direct stakeholders i.e. a group that is directly affected by the decisions made on behalf of the organization. They can be considered as a dependent category of stakeholders thus much of their personal lives depend on success or otherwise of the corporate strategy adopted by their employer. The role of Human Resource Manager is to ensure the fair treatment of employees as important stakeholders in the organization (Cole, 1997). The management of change/innovation is a challenge to senior management of every organization. It is particularly important at the strategic level to identify priorities and targets, provide adequate resources to carry them out, allow for mistakes within reason, develop positive employee attitude towards change, and provide appropriate means of learning. In today's highly competitive market place, made even more complex by the activities of the government and pressure groups, firms must learn to adapt or they will die. Although the need for major change re-orientation occurs rather infrequently, it does mean moving from a familiar domain into a less well defined future where many of the old rules no longer apply. People must often abandon the roots of their past successes and develop entirely new skills and attitudes (Mintzberg and Quinn 1991).

Changes in the environment will dictate changes within organization. A technological change necessitates a change in production systems. A change in consumer demands calls for a change in company's' product and services. Some organizational changes may

occur naturally, but most require careful planning and execution. People resist change because they perceive it to be non-beneficial to them. Managers can therefore formulate plans to reduce resistance only if they understand why people resist change which may be due to, lack of resources whereby people or organization may resist change because they lack necessary finance to effect the transformation, fear of the unknown because people are not sure it will affect them, fear that change may lower their incomes or their living standards, disturbance of social relationships, changes of social relationships, they will resist change that may disturb them, they will resist change that may disturb them (Tyson and York, 1996).

George and Jones (2000), identifies forces of change as competitive forces, economic and Political forces, global forces, demographic and social forces and ethical forces as shown in figure 4.0. Competition is a force for change because unless an organization matches or surpasses its competitors on at least one of the dimensions of competitive advantage-efficiency, quality, innovation or responsiveness to customers it will not survive. Economic and political forces continually affect organizations and compel them to change how and where they produce goods and services. Managing a diverse workforce is one of the biggest challenges to confront organizations in the 1990's and beyond. Changes in the demographic characteristics of the workforce have led managers to change their styles of managing all employees and to learn how to understand, supervise and motivate minority and female organizational members effectively. Just as it is important for an organization to take steps to change in response to changing demographics and social forces, it also is

important for an organization to take steps to promote ethical behavior in the face of increasing government, political & social demands for more responsible and honest corporate behavior, George and Jones (2000). They also identified impediments to change as power and conflict, differences in functional and orientation, mechanistic structure, organization culture, groups' norms, group cohesiveness, group think and escalation of commitment. Individual impediments include uncertainty and insecurity, selective perception and retention habit.

Figure 3: Forces for Change and Impediments to Change

Forces for Change	Impediments to Change
Competitive forces	Organizational Impediments Power & conflict
Economical & political forces	Differences in functional orientation
Global forces	Organizational culture
	Group Impediments
Demographic & social forces	Group norms Group cohesiveness Group think & escalation of commitment
	Individual Impediments
	Uncertainty & Insecurity
	Selective perception & retention habit

Source: George and Jones (2000)

There are several types of change that managers can adopt to help their organizations achieve desired future states. In general, types of change fall into two broad categories, evolutionary change. Evolutionary change is gradual, incremental and narrowly focused. It involves not drastic or sudden altering of the basic nature of an organizations strategy and structure but a constant attempt to improve, adapt and adjust strategy and structure incrementally to accommodate changes taking

place in the Environment evolutionary change is rapid, dramatic and broadly focused. It involves a bold attempt to quickly find new ways to be effective. It is likely to result in a radical shift and a new structure. It has repercussions at all levels in the organization –corporate, divisional, functional, group and individual. Re-engineering; restructuring and innovation are 3 important instruments of revolutionary change (Mintzberg & Quinn, 1991).

2.7 Managing Change

Armstrong (2006) said that the plan for managing the transition should include the provision for involving people in the process and communicating to them about what is happening, why it is happening and how it will affect them. Clearly the aims are to get as many people as possible committed to the change. Managers need to be aware of the forces shaping society and to plan strategies to meet the challenges to come. Predictions of the future are becoming more difficult as the pace of change accelerates. Planning the future for the management of people involves scanning the business environment when considering how to decide the policy direction to recommend, Human Resource Manager will need to show how their plans take account of the likely scenarios. A 'PEST' analysis (describing the political, economic, social and technological changes) is one way to structure such a report (Shaun and York, 1996).

In order for the Human Resource Manager to ensure that people are not negatively affected by change, he must empower the people. This implies that decisions are pushed down to the lowest level possible. Work groups are given the power to do a good job, there's a high level of trust and policies are adopted which encourage creativity. The need to respond to change has

forced employers to grant as much autonomy as possible to those interfacing with customers and suppliers. Empowerment requires strong leadership from the top if the idea is to have an impact (Shaun and York, 1996).

Another way of helping people cope with change is forming work teams. As people work together they share responsibility and are involved together in problem solving. The supervisors have to learn to coordinate rather than control. The idea of the 'learning organization' has inspired some senior managers to examine how their own organization adapt and change. There is need for organizations to regenerate themselves. A mixture of job and organization redesign 'learning cultures' and personal development philosophy is becoming the new organization development (OD) Human Resource strategies to manage change processes are thus most important (Pearce and Robinson, 1994).

An organization can encourage change achieving flexibility by empowering people, this implies allowing, indeed encouraging, employees at all levels to share in the decision making processes of the organization. Thus firms should do all they can to create opportunities for people to participate fully in the running of the operation, providing incentives, recognizing successes, providing training and reducing the amount of supervision and other traditional controls. These policies are increasingly featured of many renewed companies (George and Jones, 2000).

"Learning to love change" a new view of leadership at all levels. This is mainly about management style. It proposes that managers should single minded about their pursuit of key values in order to provide a stability of purpose and vision, but should be willing to listen,

delegate, and to defer to the frontline (i.e. Too adopt a participative style), Pearce and Robison (1994). In order to overcome resistance to change several suggestions have been put forward in relation to Human Resource. This includes engaging a culture of pride in the organization, improving communication in the organization, encourage labour mobility and improving the dissemination of information throughout the organization (Mintzberg and Quinn, 1991).

Organizations usually introduce change through people hence unless the people are willing to accept the need and the responsibility for the organizational change the intended change(s) cannot occur. Individuals have to learn to change their attitudes and behavioral patterns to match the constantly changing environments by new patterns of behaviour flexible organization culture will encourage adaptation. On the other hand, rigidly controlled organizational relationships between and with workgroups can impede the information processing activities needed to make timely decisions (Nzuve, 1999). Johnson, (2001) states that, perception exists across the United States that privatization of public services results in massive layoffs as private companies get rid of highly compensated public employees and replace them with lower paid, on-union workers with fewer benefits to perform the same services. This has generated intense opposition to privatization from public employee unions at all levels of government. However, there is much evidence to show that privatization has resulted in few, if any layoffs and that public employee can ultimately benefit in the long term from private –sector management.

Several studies demonstrate that these fears have been over blown. A case in point is a 1995

study of privatization in Illinois municipalities which found that only 3% of the 516 responding cities reported layoffs due to contracting. Nearly 2/3 (64.9%) of the cities reported no displacement of affected employees. Multiple sources exist that can assist public officials with employee transition strategies. For example, a 1997 General Accounting Officer (GAO) report in the USA recommended employee involvement in the privatization decision making process, training to provide skills for either competing against the private sector or monitoring contractor performance, and creation of a safety net for the displaced employees. Adopting a more employee friendly policy will lessen the impact of privatization on public employees. Such policies include involving line employees in the evaluation process to determine the feasibility of privatization initiative and requiring private contractors hire the existing workforce, or reducing public employment only through attrition (Johnson, 2002).

Kisire (2010) said that organisation can manage change effectively by embracing the following: top management support, plan the change, understanding the change impacts, sequence the change, involve employees in the change process, use opinion leaders / informal groups, preparation, communicating clearly and truthfully, identify change support team and periodically evaluate the change process and make amendments where necessary. Establish feedback mechanisms for change process.

Privatization can potentially cause tremendous shocks in the short-term as the countries adjust to the abandonment of the command economy. Social fractures and upheavals have occurred, as privatizations often lead to mass redundancies, or sharp changes to consumer

prices as price controls are lifted. This may lead to widespread despair and civil unrest. For example in East Germany and Poland privatization has been blamed for 16% of work force becoming unemployed (Gertler and Sturzanegger, 2005).

According to a UN report of 2001, privatization proposals in the key public service sectors such as water and electricity are in many cases strongly opposed by opposition political parties and civil societies violent (as Cochabamba riots of 2000 in Bolivia, Arequipa, Peru, June 2002) Opposition is often strongly supported by trade union and is usually strongest to water privatization. Those who argue against privatization argue that, in the absence of transparent market system, privatization, may lead to assets being transferred to a few very wealthy or influential people at the expense of the general population. They also argue that large scale programs of privatization can be associated with high unemployment. To some degree however, the downside of change is inevitable. According to Kotter (1996), whenever human communities are forced to adjust to shifting conditions, pain is ever present. But a significant amount of the waste and anguish that has been witnessed in the past is avoidable if strategic changes are implemented properly. Implementation of strategic change is therefore about mobilizing commitment whereby the person leading the move for change should communicate clearly about the reasons for the change, anticipated costs and benefits, and what change will mean to individuals. Change should also be made to last, which involves making change an integral part of the culture. Monitoring progress of implementation of the change effort is necessary by setting benchmarks to measure

the change and celebrate when bench marks are reached (Scott, 2003).

Studies on privatizations have not focused on the effects of the water sector performs on employee productivity in organization which is a significant gap given that reform efforts depend on employee's co-operation. The researchers take a step towards filling that void by examining the effects of the water sector returns on employee productivity. Much organizational theory; research and the practice emphasize the value of organizational members having clear perceptions of the organizational goals. For years authors have asserted that public organizations have particularly vague goals more vague than those business firms. Yet researchers have not devoted a lot of attention to ways of measuring perception about organization goal clarity in public organizations and analyzing these perceptions (Pandey and Rainey 2004). Despite the normative and instrumental importance of privatization state-owned enterprises worldwide, researchers know little, empirically about how different types of public employees feel about these efforts.

Reforms offer economic gains for society at large, but can represent a threat to the interest of public employees who prefer less reform than the rest of the population (Attso and Sorensen, 2004). Most of the studies done are based on privatization in general and not specifically on water, the researcher therefore intends to expand knowledge already available and specifically on effects of water sector reform on employee productivity.

Beckhard (1992:96) suggest ten organizational prerequisites which must exist before transformational change can be achieved in an

organization. These are summarized in table 1.0.

Table 1: Beckhard's Ten Organizational Prerequisites for Transformation Change

Priority	Prerequisite
1.	Ensuring senior management commitment on the proposed changes which need to be visible to all participants throughout the organisation
2.	Producing a written statement about the future direction of the organization that makes clear its objectives, values and policies
3.	Creating a shared awareness of conditions to produce a common perception that change must be implemented
4.	Assembling a body of key managers and other important opinion-formers to gain their commitment to the change process so that this may be disseminated more widely
5.	Generating an acceptance that this type of change will require a long time to implement fully even though there may be short term dramatic changes as part of the overall process of transformation
6.	Recognising that resistance to change is part of the normal process of adaption so that managers can be aware of this and equipped to manage this reaction
7.	Educating participants about the need for change and training them with the necessary competence to be effective to overcome resistance and gain commitment
8.	Persevering with the change process and avoiding blame where an attempt to implement a facet of this process fails. Such negative action will generate resistance and reduce necessary risk-taking behaviour
9.	Facilitating the change process with necessary resources
10.	Maintaining open communication about progress, mistakes and subsequent learning

Source: Beckhard (1992)

The impact of change needs to be seen not only in terms of its level of acceptance or resistance but also in relation to the displacement of personnel from an organization. Both transformational and incremental forms of

change may lead to the need for redeployment within or severance from an organization. The impact of change may be seen as an independent factor where people are adversely affected but even in this type of situation the careful implementation of change may help alleviate its impact on those directly and indirectly affected (Thorntile, 2000).

Haberborg (2008) noted that successful change cannot be guaranteed, but the chances of its occurring can be enhanced by including following activities within the change programme: building a sense of need, urgency and commitment, developing and communicating a change vision, empowering and building competence and confidence, spreading and consolidating change and institutionalizing the new routines. Nzuve (1999) noted that a successful change process will involve recognizing the driving forces. The first step towards organizational change is to reorganize the major changes in the environment and the problems within the organization. Pressure of organizational change comes from both external and internal environmental factors. External forces may be technology, markets structure, trade unions, government and other pressure groups while internal pressures may stem from how employee morale, high labour turnover absenteeism, and low productivity. These are signals that there is need to change in pay structures, supervisory styles or job design. Once the need for change has been identified it has to be communicated to the people who will be involved in the change process by doing the following to influence change; express the need for change, communicate the potential benefits, protect the interests of concerned employees, get employees involved in the change process, communicating the progress of change, use a respected change agent and reinforce earlier

changes. People resist change because they perceive it to be non-beneficial to them. Manager can therefore formulate plans to reduce resistance only if they understand why people resist change which may be due to lack of the necessary finances to effect the transformations, fear of the unknown because people are not sure how change will affect their incomes or their living standards, disturbance of social relationships. Changes in organizations structure usually mean the redistribution of authority and power hence people tend to resist any proposed changes if they feel comfortable with existing social relationships, they will resist change that may disturb these.

2.8 Summary of Literature Reviewed

From the research done on the area of change, it was evident that change would occur in one way or another, whether the organizations concerned are prepared or not. Change could be devastating especially to the employees if they were not well prepared to embrace the change. It is the responsibility of the managers especially the human resources managers to put in place measures that would help employees embrace change. It is also evident that whatever kind of change is to be introduced in organizations, may it be privatization, automation, restructuring or mergers it happens through people who are the employees of those organizations. People resist change mainly because, they have not participated in the change process, they do not believe the change is possible and fear of the unknown. Despite these obstacles successful management of change can be achieved through education and communication, participation and involvement, negotiation and agreement.

The literature reviewed also indicates that where good employee policies are put in place, there is less resistance to change. Force Field theory indicates that there are forces for change and forces resisting change. Some authors have indicated that a change agent is necessary when implementing change. Privatization as has been highlighted by the studies that have been done can have both positive and negative effects on the employees of public service. The employees as citizen of the country can benefit when public services like water provision is privatized because the private companies are more efficient than the government. Government may only be motivated to improve a company when that poor performance becomes politically sensitive unlike private companies which are profit driven and will demand good performance always.

Public employee's attitudes and perception of privatization are likely to be negative because they are afraid of what would happen to their jobs. Many public employees have a culture that does not reflect good performance. They are used to doing things in the old way and therefore they would be afraid of being taken over by a private company. It is believed that in private companies one must earn his/her money unlike the public sector where, whether one works or not he will still be paid.

From the above analysis it is evident that employee's perceptions and attitudes will be influenced by the level of involvement that they have had. Employee's attitudes and perception on the privatization on the water sector will greatly depend on whether the employees have been involved or not. The level of involvement will also matter because employees must be involved as stakeholders and not just as people

who do not matter in the whole process. Failure to involve people can lead to resistance to change. The researcher through the proposed research will confirm or refute the ideas and theories advanced by the past studies and also with the results contribute to the knowledge that already exists in this area.

2.9 Gaps to be filled

Studies on privatization have not focused on the effects of reforms on employee productivity of public organizations, a significant gap given that reform efforts depend on employee's cooperation. The researcher took a step towards filling that void by examining effects of reforms on employee productivity within the water sector.

Much organizational theory, research, and practice emphasizes the value of organizational members having clear perception of the organizational goals. For years authors have asserted that public sector organizations have particularly goals which are vague than those of business firms. Yet researchers have not devoted a lot of attention to ways of measuring effects of reforms on employee productivity in public organizations and analyzing these effects.

Despite the normative political instrumental importance of privatizing state-owned enterprises worldwide, researchers know little, empirically about how different types of public employees feel about these efforts. Reforms offer economic gains for Society at large, but can represent a threat to the interest of public employees. Survey data on Norway shows that Public employees prefer less reform than the rest of the population (Attso and Sorensen 2004).

Most of the studies done are based on privatization in general and not specifically on

water, the researcher therefore intends to expand knowledge already available and specifically on effects of water sector reforms on employee productivity

RESEARCH METHODOLOGY

3.0 Introduction

This chapter comprises the research design, target population, sampling technique and sample size, data collection instruments, pilot study, validity and reliability of the research instrument, data collection procedures, data analysis and presentation techniques and ethical considerations.

3.1 Research Design

A research design is the conceptual structure within which research is conducted (Kothari, 2007). The research adopted a descriptive survey research design since the researcher sought to collect data from respondents from the field. The data brought out salient issues on effects of water sector reforms on employee productivity. Descriptive survey was important for this study as information deduced from the collected data can be used to describe the existing phenomenon. The major purpose of descriptive research is description of the state of affairs whereas surveys are concerned with describing recording, analyzing and interpreting conditions as they exist or existed (Kothari, 2007). The study design was chosen as it sought to describe in detail the phenomenon under study. Therefore, a study of LVNWSB would allow an in-depth investigation of reforms on employee productivity.

3.2 Area of Study

Lake Victoria North Water Services Board covers the entire Western region and parts of North Rift Valley Region of Kenya. The study was carried out in western water services company,

that is counties of Bungoma, Busia, Kakamega and Vihiga and Uasin Gishu County. Figure 5.0 shows the geographical coverage of Lake Victoria North Water Services Board.

Figure 5.0: Map of Lake Victoria North Water Services Board



The study area covered the Western region and parts of Rift Valley (Nandi County) region of Kenya. The research was carried out in LVNWSB headquarters, Western Water Services Company, Amatsi Water Services Company, Mbale and Nandi County. The Study area had been divided into zones that are LVNWSB headquarters, Kakamega zone, Vihiga zone, Bungoma Zone and Nandi zone under Rift Valley.

3.3 Target Population

The target population was the employees deployed to LVNWSB whose population is 380. The Board covers the whole of Western region and some parts of North Rift Valley region. There were 28 interim sub-county water offices and 5 WSPs within the Board's area of jurisdiction. The water services companies in

the Board's area of jurisdiction are Eldowas, Amatsi, Kapsabet, Nzoia and Western Water Services Companies. The research was carried out in five (5) zones namely: Lake Victoria North Water Services Board Headquarters zone with 120 members of staff, Kakamega zone which had a total of 65 members of staff, Vihiga zone with a total of 43 members of staff, Bungoma zone with a total of 65 staff and Nandi zone with a total of 87 members of staff.

3.4. Sampling Technique and Sample Size

Sampling is the process of selecting a number of individuals for a study in such a way that individuals selected represent the large group from which they were selected from (Mugenda and Mugenda, 2003). The sample was selected scientifically so as to enable generation to be done.

3.4.1 Sampling Technique

The researcher used stratified random sampling method for sampling the zones. Thereafter simple random sampling technique was used for staff. This was done through numbered pieces of papers of which those who picked odd numbers were included as respondents for the study. In this technique each unit in the population had an equal chance of being selected. The questionnaires were then administered to the respondents by the researcher through research assistants. The researcher generalized to the larger population and made inferences. According to Onyango, (1999), a representative sample must at least be 30 per cent of the population under study.

3.4.2 Sample Size

The size of the sample should be neither too large nor small (Kothari, 2007). An optimal sample was selected for this study. Kothari (2007) observes that an optimal sample is one

which fulfils the requirements of efficiency, representativeness, reliability and flexibility. The sample size for this study was 115 respondents selected from the population. See table 2.0 for sample frame.

Table 2: Sample frame

ZONES	POPULATION	*SAMPLE SIZE (30 percent)
LVNWS HQS	120	36
Kakamega	65	20
Vihiga	43	13
Bungoma	65	20
Nandi	87	26
TOTALS	380	115

Source: Researcher, 2014

3.5 Data Collection Instruments

The data necessary for this study was broadly grouped into four classes: data relating to the background of the respondents, data relating to the change process management, data relating to the impact of change on the human resources and data validating respondent's responses. The data collection instrument: the questionnaire was similarly divided into these parts with validating questions dispersed in all parts. Part A of the questionnaire collected data relating to the background of the respondents. Part B sought to establish change implementation strategies that were adopted and the personnel's perception of the implementation strategies. Part C, collected information relating to consequences of the

implementation of change and the perception thereof by the personnel. The data source was primary. Questionnaires were instrumental in the data collection. The questionnaire took the form of structured questions. The close ended questions were scored on a scale of 1 to 5 with one being the highest (agree strongly) and five the lowest (strongly disagree). The advantage of using this type of instrument was that it increased response rate and also eased data analysis. Moreover, they were easy to administer and economical to use in terms of time and money. These were administered through delivering them to the respondents who were requested to fill and the researcher collected them later. Every respondent was issued with a questionnaire in the zones earlier identified. Refer to the questionnaires under appendices.

3.6 Pilot Study

Mugenda and Mugenda (1999) noted that pilot testing is a very important step in any study. It helps in refining research instruments so that they can capture the intended information. The researcher carried out pilot testing in Rift Valley Water Services Board in Nakuru Headquarters office by random sampling. The researcher gave the respondents the questionnaire to fill. Those who participated in the pilot study were not included since the research was done in a different water board. The researcher encouraged them to give their views on the instruments and how they could be improved. Pretesting was important because questionnaires which were vague would be revealed when respondents interpreted them differently. According to Mugenda and Mugenda (2003), deficiencies in the instruments such as unclear directions, insufficient space to write the response, wrong numbering are revealed. Comments and

suggestions which will be made by the respondents during pre-testing will be considered and incorporated. The pilot study was carried out to ascertain validity and reliability of the research instruments which are presented in the two subsequent sub-sections.

3.6.1 Validation of the Research Instrument

According to Nachmias and Nachmias (2005), validity is concerned with the question "Am I measuring what I intend to measure." Validity indicates the degree to which an instrument measures what it is supposed to measure (Kothari, 2007). In this research, during the questionnaire's construction, quality control and validity were ensured through: Face validity, where the instrument was subjected to experts to check whether would measure what it was intended to measure, Content validity, where the instrument was designed according to the study variables and their respective indicators of measurement, Construct validity, was maintained through restricting the questions to the conceptualizations of the variables and ensuring that the indicators of a particular variable fall within the same construct.

Review of instruments and use of two groups of experts on reform matters were used. One group was made up Senior Managers at the Board while the other comprised of Sub-County Water Officers in the Sub-County. They were requested to assess what concept the instrument was trying to measure while the other group was asked to determine whether the set of items accurately represented the concept under study. The concept here included management style, facilitation and support, Location, Organization culture, Industrial relations, Employee skills and how they influence water sector reforms. The researcher

presented the questionnaires to the two supervisors for their opinion on whether the questions were answering research questions or achieving objectives. The questionnaires were designed to use simple language to enable respondents answer questions without problems.

3.6.2 Reliability of the Research Instruments

Nachmias and Nachmias (2005), define reliability as the extent to which a measuring instrument contains errors that appear inconsistently from observation to observation during any one measurement attempt or that vary each time a given unit is measured by the same instrument. A measuring instrument is reliable if it provides consistent results (Kothari, 2007). Reliability was checked through test/retest method where researcher carried out two different tests using the same tool. The same tests were subjected to the same group of people but after a difference of two weeks. The researcher hoped that he would get the same score on test one as on test two. Scores of tests were interrelated and a coefficient computed using the Spearman's Rank Correction method. A coefficient of 0.82 was obtained. A coefficient of 0.80 or more implies a high degree of reliability of data (Mugenda and Mugenda, 2003). The survey instrument was subjected to overall reliability analysis.

3.7 Data Collection Procedure

Data was collected through the questionnaires. Respondents were given one week to complete and return or have them ready for collection. A response rate of 50% is adequate for analysis and reports, 60% is good and 70% is very good (Mugenda and Mugenda, 2003).

3.8 Data Analysis and Presentation Techniques

Descriptive statistics was used in quantitative data analysis. Each respondent was scored in the different parts of the questionnaire. These were based on the respondents' perception of reform implementation and perception of outcomes of the reform process as represented by the different parts of the questionnaire. Data collected through the research instruments was coded according to questions or clusters that enable their interpretation. Descriptive statistics encompassing measures of frequency, central tendency (mean) and percentages were generated.

They were used to describe the phenomena of interest for all categories of data to evaluate the criteria, trends and forms of the data within the context of the statistical tools employed. This format was adopted for all closed ended questions in order to make it easier for data analysis and to reduce large volumes of data. The data that was generated using Likert scale matrix was coded and analyzed using SPSS package where frequency tables and charts were the main method of presenting results. Data results were presented using frequency distributions in form of tables, bar charts and descriptive statistics.

3.9 Ethical Considerations

Mugenda (2008) suggests that protecting the rights and welfare of the participants shall be the major ethical obligations of all parties involved in a research study. The researcher took precautions to ensure no disclosure of research data to parties that would use such data for their own purposes. All possible measures were taken to ensure that the respondents' names and particulars are not disclosed. A system of coding the participants'

responses was established so that each completed tool could be linked to the key informers without using actual names. Participation in research was voluntary and respondents were informed that they can withdraw if they felt. This was communicated prior to the start of the study. The researcher obtained an informed consent before the study commenced. Research findings were shared out with the participants through meetings or forums.

DATA PRESENTATION, INTERPRETATION AND DISCUSSION

4.0 Introduction

This chapter presents data presentation, interpretation and discussion from primary data collected from water sector reform institutions. The study covered 5 zones with a population of 380. SPSS computer package was used in the data analysis. The data was gathered from questionnaire as the research instrument.

4.1 Response Rate

A sample size of 115 was selected and 115 copies of questionnaires were administered to the respondents, however only 93 questionnaires were received from the respondents thus achieving a 81% response rate. The total observation is 93 representing the number of respondents from whom the questionnaire was received. Descriptive statistical analysis was used to analysis the data.

The interviewees were under various terms and conditions of service. 1.86% members of staff were on contract. The rest of the employees with 98.14% are employed on permanent and pensionable terms. Most of the employees had

worked for more than five years before joining the Board.

4.2 Knowledge about Reforms in the Water Sector

35.2% of the employees are informed about the reforms in the water sector while 33.3% of the employees are not well informed about the reforms. 24.1% of the employees are well informed and 7.4% are very informed.

This shows that at least 66.7% of the employees are informed about the reforms as shown in figure 6.0.

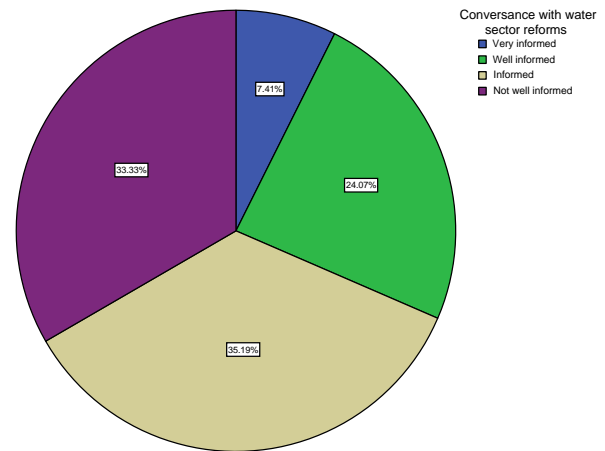


Fig 6.0: Knowledge about reforms in the water sector

The employees of the MWI and NWCPC were transferred to the LVNWSB. 51.9% were not prepared at all to change the employer. 37.0% were somehow prepared, 7.4% were well prepared and 3.7% were very prepared. This is an indicator of how the reforms were made such that there was no proper communication to the workers before being transferred.

4.3 Satisfaction with Working at NWCPC/MWI and New Water Institution

The workers are generally more satisfied with working at the NWCPC/MWI than working at

the new institution. This can be seen in lack of motivation among the workers as they see the new changes in the water sector. 45.5% of the employees are satisfied with working at NWCPC/MWI as 22.6% Overall satisfaction with working at new water institution. 49.1% are not satisfied with working at the new water institution while 7.3% are not satisfied with working at NWCPC/MWI as shown in table 3.0.

Table 3.0: Percent satisfaction with working at NWCPC and new water institution

Satisfaction	At NWCPC/MWI (Percent)	At new water institution (Percent)
Agree strongly	20.0	3.8
Agree	16.4	1.9
Neutral	45.5	22.6
Disagree	10.9	22.6
Disagrees strongly	7.3	49.1
Total	100.0	100.0

4.4. Opinion on referring friends for jobs

83 % of the interviewees would actually refer a friend to apply for a job in NWCPC/MWI as 14% would refer a friend to apply for a job in the new water institution as shown in table 4.0. This shows that the workers are not happy with the reforms in the water sector.

Table 4.0: Opinion on referring friends for jobs

	Frequency	Percent
NWCPC/MWI	77	83
New water Institution	13	14
Both	3	3
Total	93	100

The reasons for referring a friend to apply for a job in the NWCPC/MWI or the new water institution include good working conditions 41%, better pay 26%, gaining of experience 19% and 13% would tell the friends to apply because there is a vacancy. This implies that there is a possibility of poor working conditions at the new water institutions making the workers to prefer NWCPC/MWI as shown in table 5.0.

Table 5.0: Reasons for referring a friend to apply for a job in NWCPC/MWI or the new water institution

	Frequency	Percent
Good working conditions	38	41
Better pay	24	26
Gain Experience	19	20
Vacancies available	12	13
Total	93	100

4.5 Communication

33.3% of the interviewees disagree with the fact that the institution he is working for fully accepts and integrates him/her as one of them. 27.8% disagrees strongly while 1.9% agrees strongly. This can be attributed to the fact that most interviewees feel that the institution rarely communicates; 45.5% as this is the percentage of interviewees who believe that the institution rarely communicates its goals and strategies. 7.3% believe the institution never communicates and 14.5% believe the institution always communicates.

4.6 Reforms in the water sector

The reforms in the water sector are intended to ensure that the sector performs better than the past. 47% of those interviewed agree that the reforms would achieve the intended purposes. 11% agree strongly to this fact. 20% disagree and 11% disagree strongly. The same percentage is shared by those who neutral as shown in table 6.0.

Table 6.0: Agreement to the reforms in the water sector

	Frequency	Percent
Agree strongly	10	11
Agree	44	47
Neutral	10	11
Disagree	19	20
Disagrees strongly	10	11
Total	93	100

4.7 Satisfaction with the reforms

22.6% of the interviewees are satisfied about the fact that now professionals run the water sector. 12.9% are satisfied about the timeliness of salary and the same percentage is shared by those who are satisfied about job retention prospects and improved services. 9.7% are satisfied about the billing system, the same percentage is for the interviewees who are satisfied about revenue collection about the reforms as shown in figure 7.0.

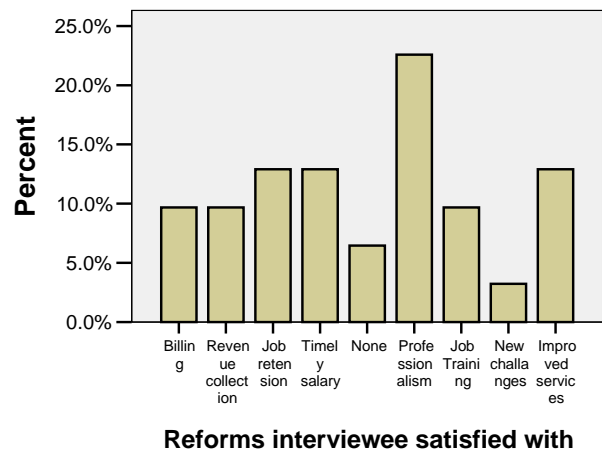


Fig 7.0: Reforms interviewee satisfied with

4.8 Dissatisfaction about the reforms

28.9% of the interviewees are dissatisfied about the poor remuneration of the workers. 18.4% are dissatisfied about lack of employee motivation. The same percentage is shared by those who are dissatisfied about lack of clear structures. 10.5% are dissatisfied by poor communication in the institution. The other causes of dissatisfaction amongst the interviewees are show in the pie chart as shown in figure 8.0.

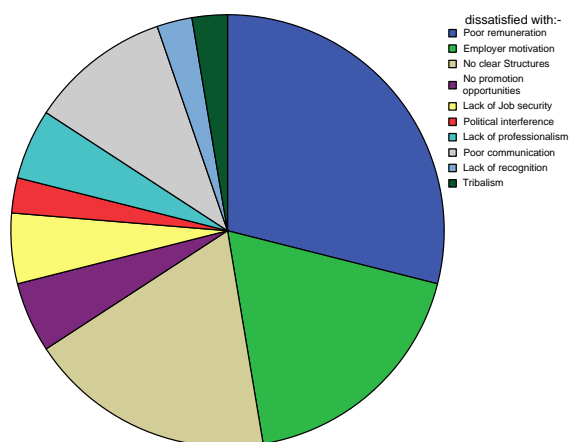


Fig 8.0: Dissatisfaction with the reforms

At the end of the reforms, 74.2% of the interviewees want to work for NWPCP/MWI. 9% would like to work for Water Resources Management Authority, 4.3% for Water Services Board and 2.1% would like to work for Water Services Trust Fund as shown in table 7.0.

Table 7.0: Where workers want to work after the reforms

	Frequency	Percent
NWPCP/MWI	69	74.2
Water Resources Management Authority	8	9
Water services Board	4	4.3
Water service provider	2	2.1
Water Services Trust Fund	4	4.3
Other	6	6.5
Total	93	100

21.8% of the interviewees would want to work where there are good working conditions. 9.1% would work in a place where there is job security and 1.8% would like to work in government institutions as shown in table 8.0

Table 8.0: Reasons for choice of place of work

	Frequency	Percent
Good working condition	37	21.8
Former employer	7	3.6
Professional fit the organization	10	5.5
Job security	17	9.1
Has national outlook	4	1.8
Offers selfless services	7	3.6
Familiar with the company	7	3.6
Government institution	4	1.8
Total	93	100

4.9 Descriptive Statistical Analysis

Data from 93 respondents on water sector reforms on employee productivity was analyzed. Descriptive statistics of these data are presented in table 9.0 in their level forms. The mean (average) expected reform outcomes were estimated at 2.28 with a standard deviation of 0.820.

The standard deviation, which measure variables dispersion from the mean is fairly small hence an indication of data reliability. The population on tribalism/nepotism, ministry of

water appointed change agent, fear to join WSPs, for pension loss, and late salary payments whose individual mean scores were 2.87, 3.21, 2.78 and 3.08 have very high standard deviation of 1.482, 1.437, 1.460 and 1.575 respectively.

Table 9.0: Descriptive Statistics

	N	Mini	Maxi	Mea	Std.
		mum	mum	n	Deviati
Age	93	1.00	5.00	4.43	0.911
Gender	93	1.00	2.00	1.36	0.480
Education level	93	1.00	5.00	4.01	0.768
Work period	93	1.00	5.00	4.11	1.085
Expected reform	93	1.00	4.00	2.28	0.820
Management support	93	1.00	4.00	2.58	1.127
Management commitment	93	1.00	4.00	2.34	1.123
Reforms objectives	93	1.00	4.00	2.42	0.796
Reform	93	1.00	4.00	2.99	0.816
introduction Senior	93	1.00	5.00	2.77	1.349
management Mission	93	1.00	5.00	2.83	1.273
statement Shared	93	1.00	5.00	2.58	1.264
awareness Ministry	93	1.00	5.00	3.20	1.301
facilitation Open	93	1.00	5.00	3.27	1.352
communicatio Ministry	93	1.00	5.00	2.97	1.267
education Stated	93	1.00	5.00	2.68	1.266
objectives Helpful	93	1.00	5.00	3.08	1.244
management Staff	93	1.00	5.00	3.03	1.159
commitment Promotion	93	1.00	5.00	3.41	1.288
opportunity Inspiring	93	1.00	5.00	3.46	1.200
leadership Service to	93	1.00	5.00	2.26	1.235
people Tribalism	93	1.00	5.00	2.87	1.482
nepotism Staff involved	93	1.00	5.00	3.17	1.273
in reforms Staff trained	93	1.00	5.00	2.80	1.038
on reform Fear effects of reform	93	1.00	5.00	3.26	1.236

Ministry top management	93	1.00	5.00	3.65	1.278
Ministry communicatio	93	1.00	5.00	2.84	1.325
Explained	93	1.00	5.00	3.00	1.236
reasons for All	93	1.00	5.00	2.34	0.916
stakeholders Ministry	93	1.00	5.00	3.21	1.437
appointed Reforms	93	1.00	5.00	2.62	1.347
imposed on Poor	93	1.00	5.00	3.03	1.364
leadership/ma WSPS pay	93	1.00	5.00	2.43	1.392
poorly Fear to join	93	1.00	5.00	2.78	1.460
WSPS for Fear to join	93	1.00	5.00	2.47	1.191
WSPS for job No career	93	1.00	5.00	2.79	1.378
development Limited	93	1.00	5.00	3.53	1.200
training Family may be	93	1.00	5.00	2.44	1.374
separated Companies	93	1.00	5.00	2.94	1.327
regional based Late salary	93	1.00	5.00	3.08	1.575
payments More	93	1.00	5.00	3.23	1.282
customer					

Source: computed from field

The proportion of the senior management participation; open communication progress, MoW communication at all stages of reform whose individual mean records 2.77,3.27,2.84 have high standard deviation of 1.349,1.352,1.325. Reforms imposed on employees, poor leadership/ management style of WSPs, WSPs pay poorly, whose individual mean records 2.62, 3.03 and 2.43 have high standard deviation of 1.347, 1.364 and 1.392. No career development in WSPs, family may be separated and companies regional based whose individual mean records 2.79, 2.44 and 2.94 have high standard deviation of 1.378, 1.374 and 1.327 as shown in table 9.0.

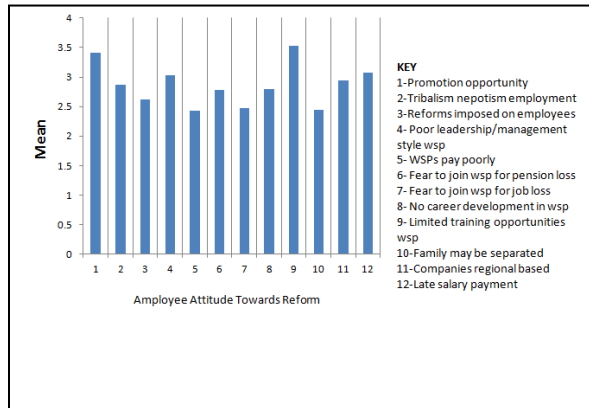
Of notable significance, is the mean of age, gender, education level, reforms objective met and reform introduction frequency variables, at 4.43, 1.36., 4.01, 2.42 and 2.99 respectively with

a low standard deviation of 0.911, 0.480, 0.768, 0.796 and 0.816 respectively. This implies that this data is highly reliable in explaining the water sector reform effect on productivity of employees.

4.10 Employee Attitude towards Reform.

The reforms in the water sector are intended to ensure that the sector performs better than the past. limited training opportunities in WSPs, lack of promotion opportunities, late salary payments, poor leadership/management style of WSPs, companies regionally based and tribalism/nepotism in employment are the main variable attributes affecting reform implementation in ascending order with the mean 3.53,3.41,3.08,3.03,2.94, and 2.87 respectively as shown in figure 9.0.

Figure 9.0: Employee Attitude towards Reform



4.11 Regression Analysis

4.11.1 Leadership change on employee productivity

Table 10.0 shows Ordinary Least Square (OLS) structural regression results with expected reform outcomes as dependent variable and inspiring leadership, poor leadership/management style, senior management participation and mission statement treated as exogenous variables. From

the results, it is important to note that about 91% of the variations in expected reform outcomes are explained by the independent variables in the model as indicated by the R-squared. The R-squared is very high given that data used in this study is cross-sectional; hence the model has high explanatory power. In addition, the variable parameters are jointly significant (p-value=0) with F-statistic of 175.14 as shown in table 10.0

Table 10: Regression Results of Leadership Change and Employee Productivity

Expected outcomes	Co-efficient	t-values
Inspiring leadership	0.025	0.412 (0.681)
Poor leadership style	0.45	-4.493* (0.000)
Senior management participation	0.194	2.509* (0.014)
Mission statement	0.069	0.733 (0.466)
Constant	0.572	7.50 (0.000)
R-Squared	0.910	(0.000)
F-Statistic	175.14	-

* Statistically significant at 5% level of significance.

Figure in the parenthesis are the probability values.

Poor leadership style has a negative effect on expected reform outcomes as indicated with the t-value of -4.493. The effect is found to be significant at 5% level of significance. The

results reveal that a 1% increase in poor leadership result to a 0.45% decrease in the expected reform outcomes. In other words, a 10% rise in poor leadership results in a 4.5% fall in expected reform outcomes. Also confirmed is the positive relationship in senior management participation and expected reform outcomes. The results reveal that a 1% increase in senior management participation, result to a 0.014% increase in expected reform outcomes. Alternatively say, a 10% increase in senior management participation will lead to a 0.14% increase in expected output as shown in table 10.0. It was also revealed from the results that mission statement and inspiring leadership are not significant at 5% level in influencing the water sector reforms outcomes.

4.11.2: Regression Results of Organization Structure and Service to People

Table 11.0 provides Ordinary Least Square structural regression results with service to people as the response variable and open communication progress, promotion opportunity, lack of top management support at the ministry, Ministry of water communication at all stages of reform and; Ministry of water appointed change agent as the predictor variables which are proxy to organizational structure.

Table 11.0: Regression Results of Organization Structure and Service to People

Service to people	Coefficient	t-values
Open communication on reform progress	0.531	4.272* (0.000)
Promotion opportunity.	-0.192	-1.707 (0.090)
Lack top management support at	-0.088	-1.000

Ministry of water		(0.318)
Communication at all stages of reform at Ministry of water.	0.615	8.156* (0.000)
Ministry of water appointed change agent	0.093	1.022 (0.308)
Constant	-	-2.153 0.033
R- Squared	0.882	(0.000)
F-Statistic.	236.42	-

**Statistically significant at 5% level of significance.*

Figure in the parenthesis are the probability values.

From the results on table 11.0, 88.2% of the variations in service to people are explained by the independent variable in the model as indicated by the R-square. The model therefore has a high explanatory power. In addition, the variable parameters are jointly significant (p-value=0) with F-Statistic of 236.42.

Open communication on reform progress is significant at 5% level of significance. Open communication is positively related to service to people. The result reveals that a 1% increase in open communication leads to a 0.531%, increase in service to the people. Alternatively a 10% rise in open communication lead to a 5.31% rise in service to the people.

Water communication at all stages of reform at the ministry of water is revealed to be positively related to service to people. This is significant at 5% level of significance. The result shows that a 1% increases in Ministry of water communication at all stage of reform leads to a 0.615% increase service to the people. In other words, a 10% increase in communication at all

stage of reform leads to a 6.15% increase in service to the people.

Finally, lack of top management support, appointed change agent and promotion opportunity are not revealed to be significant at 5% level to influence service to the people.

4.11.3 Employee Participation and Involvement in the Reform

Table 12.0 indicate OLS structural regression results with service to the people as the dependent variable and staff commitment to reforms, staff involved in reforms and all stakeholders involved in the reforms as the independents variable.

From the table 12.0, staff involvement and all stakeholders involvement in reforms is revealed to be significant at 5% level, while staff commitment is not. Staff involvement has a positive relationship with the expected outcomes, a 1% increase in staff involvement; results to a 0.388% increase in expected outcomes that is to say, a 10% increase in staff involvement leads to a 3.88% increase in expected outcomes.

Table 12.0: Regression Results of Employee Participation and Expected Outcome

Expected outcomes	Co efficiency	t - value
Staff commitment	-0.077	-0.686 (0.494)
Staff involved in reforms	0.388	4.649* (0.000)
All stakeholders involved	0.663	10.109* (0.000)

Constant	-	4.696 (0.000)
R-Squared.	0.889	0
F-Statistic.		

**Statistically significant at 5% level of significance.*

Figure in the parenthesis are the probability values.

Also, for all stakeholders' involvement a 1% increase will result to a 0.663% increase in expected outcomes. Alternatively, a 10% rise in all stakeholders' involvement will result into a 6.63% rise in expected outcomes.

4.11.4 Employee Education and Reform Implementation

Table 13.0 shows OLS structural regression results with service to people as the dependent variable and education level, MOW education and staff trained on reform as the independent variable. From table 13.0, it is revealed that education level is not significant at 5% level and therefore not important in reform implementation though it has a positive relationship with service to people.

Table 13.0: Regression Results of Employees Education and Reform Implementation

SERVICE TO PEOPLE	COEFFICIENTS	t-values
Education level	0.053	-1.158 (0.249)
Ministry of water education	0.693	8.494* (0.000)
Staff trained on reform	0.209	2.667*

		(0.008)
Constant	-	-4.026
		(0.000)
R- Squared	0.880	(0.000)
F – Statistic	467.89	-

*Statistically significant at 5% level of significance.

Figure in the parenthesis are the probability values

However, education provided by ministry of water is significant at 5% level. It has a positive relationship with service to people /or reform implementation. A 1% increase in Ministry of Water education will increase the reform implementation by 0. 693%. In other words, a 10% increase in Ministry of water education will result to a 6.93% increase in reform implementation.

Also staff training on reform is positively related to reform implementation. Staff training on reform is significant at 5% level. A 1% increase in staff training, results to 0.209% increase in reform. Alternatively a 10% increase in staff training, results to a 2.09% increase in reform implementation

Results showed that effect of water sector reforms on employee productivity is explained by poor leadership style, senior management participation, open communication within the organization, progress communication by the Ministry of water, employee participation, stakeholders' involvement, Ministry of water education, staff training and negative attitude towards reform.

Strikingly, inspiring leadership and level of education had no significant effect on sector

reforms and employee productivity. Therefore, to increase employee productivity within the water sector reforms, the government should be involved in educating and training the water sector employees and; equally establish monitoring units to oversee the management of WSPs.

4.12 Summary and Discussion of the Findings

Majority of the employees were over 30 years. These are ages where many people have decided on the career path to take. Majority of the employees were well educated at least have attained college education. Most of them worked for over five years before joining the new institutions. This could explain why majority of them want to work for NWCP/MWI by the end of the reforms because they believe NWCP/MWI offers better terms of service like the pension scheme and advancement in terms of promotions.

Majority of the employees are informed about the reforms and the changes that are going on in the water sector. However, good percentages are not well informed and only a few said they were well informed about the reforms. Lack of information about the water sector could have contributed to employees wanting to go back to their former employer because they could not understand the intricacies of the new companies.

Their attitude and perception of the new companies as individually owned companies, which were bound to collapse after a few years could have been changed by giving information about the new institutions, their constitutions, responsibilities and legality.

Majority of the employees were not prepared to change the employer and only a few were prepared for the change. This is explained by

the fact that majority of the employees were not well informed about the changes/reforms. If the employees were prepared before they were transferred to the new institutions and their ideas sought they would have felt as part and parcel of the new institutions. But the fact that they were simply transferred without their involvement this makes them feel like foreigners in these institutions and it is no wonder that they sought to go back to their parent organization.

This could also explain why majority of them felt more satisfied with working in NWPC/MWI and not in the new institutions.

Majority of the employees indicated that they are not satisfied by the changes that have taken place in the water sector. This could be explained by the fact that they were not well prepared to change their employer and at the same time information was not availed to them to enable them feel 'part and parcel' of the reforms. If the employees were involved in the changes/reforms their attitude and perception would be more positive as they would not want to see the reforms they were part and parcel of fail, but because they were not involved especially those in lower management level they would want to see the reforms fail. This could be the reason why they are not motivated to see the reforms succeed.

Those interviewed gave reasons for this as good working conditions, pay and gained experience or opportunity for growth in NWPC/MWI more likely than in the new water institutions.

Most of those interviewed felt that the new institution where they are working now does not communicate its goals and strategies to them. This can be attributed to the fact that most interviewees feel that the institution has

not fully integrated them as one of them. The employees therefore feel they do not belong to the new institution and the management of the institutions is not doing anything to integrate them into the system. This could be the reason why the employees' attitudes and perceptions of the reforms are negative since they feel that they have been disrupted from their places of work where they felt they belonged

Most of the interviewees feel that the reforms in the water sector were good and this will ensure the sector performs better than in the past. This could be explained by the fact that the employees are not opposed to the decentralization of water services but their movement from their parent employer to the new institutions.

Most employees are also dissatisfied by the poor remuneration of workers, lack of employee motivation, lack of clear structures in the new organization among other issues. This shows that the employees attitude and perceptions are negative towards the new water institutions and not the reforms in general, because according to the employees the new institutions have not considered human resource as the most important asset and therefore they have done nothing to integrate them into the companies systems, there are poor working conditions, no prospect for career growth and hence low morale. All these factors have contributed to the employees' negative attitude towards the reforms which they feel are responsible for their current predicament.

The WSPS had not established clear human resource policies. There was need to develop the scheme of service stipulating the terms and conditions of service on career guidelines or promotions outlining the requirements for

moving from one grade to another. The WSPs were not viable. The revenue was not enough to meet the expenditure requirements. The salary payment was low and therefore not able to attract and retain the competent employees. The employees who had worked in the ministry/NWCPC for many years feared that they will lose the pension which they had saved in their parent institution if they joined the WSPs.

The training opportunities in the board/WSPs were limited unlike in the ministry/NWCPC where the employees were taken for training. This is why most of employees were not ready to join the WSPs or board. The WSPs formed as a result of water sector reforms are regional based. Most of the companies practiced tribalism or nepotism when employing hence made employees not from the region not to like working in the WSPs.

The top management of the companies had not been trained on good corporate governance in order to manage the WSPs with a national face. The employees deployed to the board/WSPs feared that they will be separated from their family. Others felt that the moment they joined the WSPs they will not be able to perform as per the expectations of the WSPs hence they will eventually lose their jobs. They felt that there is no job security in the Companies.

There was no clear organization structure which promotes open communication in regard to the reforms progress. The employees were not informed on the benefits of the reforms. The ministry does not clearly communicate the achievement of the reforms at every stage. The employees were not involved and participating fully in the decision making process of the WSPs or board. In this way the employees were not

part and parcel of the reforms and therefore were not supporting the reforms fully.

The leaders and senior manager had not undergone serious training on leadership skills and management skills. Senior managers should be involved and participate fully in decision making process of the WSPs. The ministry had not invested fully in the training of the employees in order to improve their skills and knowledge in their work and also to think positively towards the reforms implementation.

It is no wonder that those interviewed would want to find themselves in NWCPC/MWI by the time the reforms are over because they believe all their concerns would be addressed by their former employer.

CONCLUSION, RECOMMENDATIONS AND AREAS OF FURTHER RESEARCH

5.1. Conclusion

The main objective of the study was to investigate factors affecting reforms and employee productivity. The determinant subjected to this examination were the contextual (level of education, job security, inconvenience, uncertainties and threat to status/skills) and managerial factors (communication, leadership, participation, consultation, facilitation and support).

From the study findings, it has been established that poor leadership style does affect employee productivity. The fact that a 10% decrease in poor leadership style increases expected productivity by 4.5% is of critical concern. It is necessary that appropriate or mix of leadership styles be adopted for effective reform implementation.

It has also been established that senior management participation has significant effect on employee productivity. Emphasis should be put on participatory leadership to achieve the desired reform objectives.

The study also established that open communication within the organization structure is significant in improving employee productivity. The water sector reform institution structure should adopt a free flow of communication within and without the organization. Also established is the significant effect of Ministry of water communication at all stages of reform as significant. In critical is that a 10% increase in communication by Ministry of water at all stages of reform increases productivity by a 6.15%. Therefore the Ministry of water should continuously be involved in communicating the reform progress at every stage to enhance employee productivity.

On employee participation and productivity, the study revealed that staff involvement is significant in achievement of expected outcomes. A 10% increase in staff involvement resulted to a 3.88% increase in employee productivity. However, it was further revealed that all stakeholders' involvement will greatly improve productivity. A 10% increase in stakeholders involvement result to a 6.63% increase in productivity. Better management strategies should be embraced to bring in the employees and all the stakeholders in the water sector reform implementation.

Employee attitude towards reforms was revealed to be negative with a high average of 2.8 on a mean scale of 4. It was also revealed that salary paid promptly, fair recruitment of staff, promotion opportunity be provided and career development be effected in the WSPs.

This will have the potential of improving employee productivities.

Finally the study findings revealed that, Ministry of water education is significant. A 10% increase in the Ministry of water provision of education resulted to 6.93% increase in service to the people. It is therefore important that continues career development by the Ministry of water be undertaken to improve sector productivity. Also revealed was the significance of staff training on reforms to enable them being abreast with the expected changes. It's imperative that staff be trained on reforms for them to accept the changes.

5.2. Recommendations

In order to address the water reform issues, the following policy recommendations need to be explored.

- (a) The government should be involved and fully participate in developing curriculum and educating prospective and current employees in the water sector.
- (b) The government should establish an efficiency monitoring unit of the WSPs to ensure that management malpractices (nepotism in employment, late pay) are curtailed.
- (c) The new water institutions should come up with policies geared towards integrating the officers from NWCP/MWI to the companies. If the employees are well integrated and given a sense of belonging they would be more useful to the companies and supportive of the reforms in general.
- (d) The working conditions in the new water institution should be improved; the companies should formulate structures that will help in administration of the companies

and more importantly they should form human resource divisions and equip them with competent personnel to enable the companies motivate and maintain the employees.

- (e) The companies should also improve their communication strategy. If every worker has to contribute to the achievement of the companies objectives, those objectives must be clearly communicated to them and their role clearly stipulated.
- (f) Since the reforms in the water sector are ongoing and not a one day affair employees should be informed of what is going on and asked to make suggestions on how best the reforms could be carried out. They must be involved in the change so that they do not sabotage the gains that have been achieved so far.
- (g) The government of Kenya which initiated the reforms should ensure that the new companies comply with the Labour Laws. The transferred employees should not be

treated differently from those that the companies are hiring directly.

5.3. Areas of Further Research

Due to the limitations stated above the researcher was not able to do a conclusive study in all the new water institutions. The researcher would like to suggest the following areas that need further research;

- (a) Inspiring leadership, mission statements, lack of Ministry of water top management, promotion opportunities, appointed change agent, staff commitment and education level; has been established to be significant in other studies. These findings contradict the literature and thus the need to further investigate these variables.
- (b) A research could be carried out in another region for example in Coast Water Service Board for comparison with the results in Lake Victoria North Water Services Board to see whether the findings will be similar.

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