



RELATIONSHIP BETWEEN REVENUE GENERATION STRATEGIES AND PERFORMANCE OF WATER SERVICE PROVIDERS IN KENYA, A CASE STUDY OF HOMA BAY WATER AND SEWERAGE COMPANY LIMITED

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Mwango, M. O.,¹ & Juma, O. D.²

¹ Msc. Candidate, Jomo Kenyatta University of Agriculture and Technology [JKUAT], Kenya

² Ph.D, Lecturer, Jomo Kenyatta University of Agriculture and Technology [JKUAT], Kenya

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ABSTRACT

To realise adequate reliable safe and sustainable water in Kenya is elusive for most water service providers with special reference to public utilities which are grappling with the reality of not being able to break even in their operations. Estimates showed that access to water in Kenya is currently at 59% and sanitation 32%. This situation is associated to inability by water service providers to meet the set revenue generation strategies, Homa-Bay water and Sanitation Company Limited (HOMAWASCO) included. The existing literature studies on the factors influencing revenue generation by water utilities have led to varied results ranging from those which support a low and significant relationship to those which are supporting moderate and insignificant relationship. This study therefore articulated the problem by finding the relationship between revenue generation strategies and performance of water services in Kenya guided by four objectives so as to establish the relationship between goal setting and performance of Water Service Providers in Kenya, to determine relationship between customer sensitization and performance of Water Service providers in Kenya, to establish relationship between staff capacity building and performance of Water Service Providers in Kenya and to establish relationship between service expansion and performance of Water Service Providers in Kenya. The study utilized simple random sampling technique to select the sample from the target population. The target population was from HOMAWASCO employees. The entire population of HOMAWASCO was selected and a structured questionnaire was used for data collection as the study used primary data. Statistical Package for Social Sciences (SPSS) was used in analyzing the data where the results were presented in tabular form. Correlation analysis was conducted to establish the relationship between revenue generation strategies and performance of water service providers in Kenya. From the analysis done, the researcher found that revenue generation strategies greatly influence the performance of water service providers thus recommended that the water service providers should have clear policies governing the revenue collection process as clear policies defines the channels to be used to reach the clients and how the clients are given services to their expectations thus customer satisfaction leading to more demand of the product as the company generates more income.

Key words: *Goal setting, Customer sensitization, staff capacity, Service expansion*

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INTRODUCTION

Improving access to safe and adequate water and sanitation was one of millennium development goals. Though the world has moved from (MDGs) to Sustainable Development Goals (SDGs) SDGs drafters agreed that member state must not divert focus or effort from the achievements of Millennium Development Goals (MDGS) development agenda beyond 2015. In Kenya water is enshrined in the current Constitution of Kenya 2010 as basic human right, it is also a key commitment of the government as contained in the country's Development Blue print, Vision 2030. Yet access to water and sanitation remains low in rural and urban area due to rapid population growth (estimated 2.44% per annum in 2012) and accelerating urbanization (estimated at 4.2% per annum between 2010 and 2015). The World Health Organization (WHO) and United Nations Children Education Fund, joint monitoring program (2012) report estimates the Country's access to water at 59% and sanitation 32% In Kenya.

The Water Act (2002) heralded far reaching institutional reforms in the Kenyan Water Sector, The most important part of these reform was distinction of roles for water resources management and water sanitation services provision .It also provided an institutional framework that Separates policy formulation, regulation and service provision. In terms of services provision the reforms have decentralized functions to semi-autonomous institution. In this agreement the ministry of water retains the role of policy formulation and sector oversight. The Water Service Regulatory Board (WASREB) is responsible for regulation and performance monitoring. Water Services Boards are mandated to provide water and sanitation services through services provision agreement with Water Services Providers (WSPs). Water Service Providers are therefore responsible for daily operation and maintenance of water production and distribution, waste water collection and treatment, billing and Revenue collection and ultimate good service to customers (K'Akumu,

2006). In Homa- Bay town water service provision is done by Homa- Bay Water and Sanitation Company limited contracted by Lake Victoria South Water Services Board.

Despite of conscious effort by the Government to put in place measures to address improvement in water and sanitation service delivery through implementations of sector reforms. Sustainable access to safe water and basic sanitation remains elusive to many Kenyans; the main reasons for poor performance include old infrastructure, insufficient sustainability measures and inadequate ability by water service providers to adequately generate enough revenue to enhance service provision Kihumba (2013). Many of these challenges are as a result of inappropriate utility management practices, including the lack of a commercial-oriented culture. With the growing urban populations, WSPs must adapt quickly to reduce the growing service gap, by reducing unaccounted for water, increasing revenues to cover operation costs, and expanding services to the urban poor.

Available studies have associated poor revenue generation to inability of water service providers to meet set performance indicators benchmark; however these studies give a varied view of how these water performance indicators relate to revenue generation by water utility. For example Tynan and Kingdom, (2002). In their study of effective water service provision in developing countries found that out of 246 water companies they researched on, staff cost was 39% of total operating cost as compared to 29% in developing countries utilities, the coefficient of staff productivity to utility performance was moderately negative but insignificant at 0.05 level. Another Study by Onsomu (2013) on factors affecting financial viability of water service providers in Kenya, a case of Gusii Water and Sanitation Company found that staff productivity index had a weak negative but significant relationship. These studies though both gave negative relationship result, they had contradicting significance and strength of the relationship, ranging from Onsunu

weak and significant relationship to that of Tynan and kingdom moderate but insignificant relationship. Both studies also studied a combination of rural water and small towns Water Utilities; however no known study has looked at relationships between Staff capacity building and Revenue Generation of Urban Water Service Providers.

Another factor which has been put forward to be affecting revenue generation by water service providers has been Non-Revenue Water for example kingdom, Liemberger and Morin(2006) in their study titled challenges in reducing Non-Revenue Water, found that almost about 45 million cubic meter of water is lost daily they translate this to US\$2.9 billion loss, equivalent to more than a quarter amount currently being invested in water infrastructure in the developing world, they concluded that other factors remained constant, Non-Revenue Water had negative significant relationship at 0.05 level, another study by Kihumba(2013) titled factors influencing revenue generation in Nyeri County found that Non-Revenue Water had a moderate negative relationship. Although these studies give a very good insight of how Non-Revenue Water affect revenue generation of water utilities, there is no agreement on the strength of relationship, none also has specifically dealt with a purely urban set up water utility.

Another Water Service Performance Indicator which has been associated to have been affecting revenue generation is Revenue Collection Efficiency, for example a study by Grawal, (2008) found that improving billing and effective revenue collection services will have swift impact on revenue streams of a water utility. He failed to conclude whether there is a positive or negative relationship between Revenue Collection Efficiency and total revenue water utility. This study aimed at confirming or otherwise establishing whether there is a relationship between Goals setting and total revenue at HOMAWASCO. In Kenya impact assessment report by Water Services Regulatory

Board reveals that uncollected revenue by water services providers in Kenya by end of June 2014, was Ksh.0.5billion. All these studies generalize collection efficiency of all places while generalization of result might give incomplete result hence the need to separate major urban towns from small towns and rural service provision.

Problem of the study

The Water Sector Reforms key objective was to improve access to safe, affordable, reliable and sustainable water and sanitation services to enhance economic growth and poverty reduction in Kenya. Despite the formulation of a regulation framework which if adopted by the Water Service Providers would ensure provision of sustainable services, many Kenyans still remain without access to safe, affordable and reliable water and sanitation services, which studies have associated to inability by Water Service Providers to increase accessibility due to low revenue collection which compromises their core mandate on equitable coverage and sustainability. Water Service Performance Indicators such as Staffing Levels, infrastructure, Non-Revenue Water, Revenue Collection Efficiency and Service Coverage and Hours of Supply have been put forward by researchers as the major contributing factors affecting revenue generations.

Kihumba (2013) in her study found out that increasing Service Coverage and Hours of Supply will greatly enhance revenue generation by water service providers, she found out that there existed positive but insignificant relationship between service coverage ratio, meaning results may be due to chance. This study contradicts that of Tynan and Kingdom (2002) who found out that the coefficient of the low coverage ratio is negative and significant, which reflects the decrease of revenue with size of the utility.

Though studies on revenue generation by water supplies has been done by several scholars, it is clear from existing literature that studies on the factors affecting revenue generation have produced varied results ranging from those who support a low and significant relationship to those who

supporting moderate and insignificant relationship. There is no consensus on how water service performance indicators relate to total revenue generated by Water Utility. The aim of this study is therefore to establish the relationship between water service provider's performance and revenue generation strategies at HOMAWASCO by use of both correlation and regression methods of data analysis. The sub aim was to test significance of this relationship on a purely urban set up water service provider.

Objective of the study

The general objective of this study was to establish the relationship between revenue generation strategies and performance of Water Service Providers, A case study of HOMAWASCO. The study sought to specifically achieve the following objectives;

- To establish relationship between goal setting and performance of Water Service Providers in Kenya,
- To determine relationship between customer sensitization and performance of Water Service Providers in Kenya,
- To establish relationship between staff capacity building and performance of Water Service Providers in Kenya,
- To establish relationship between service expansion and performance of Water Service Providers in Kenya.

The study was guided by the following research hypotheses;

- **H₁**: There is no significant relationship between goal setting and performance of Water Service Providers in Kenya,
- **H₂**: there is no significant relationship between customer sensitization and performance of Water Service Providers in Kenya,
- **H₃**: there is no significant relationship between staff capacity building and performance of Water Service Providers in Kenya,
- **H₄**: there is no significant relationship between service expansion and performance of Water Service Providers in Kenya.

LITERATURE REVIEW

Ssekakuboet *al.* (2014), studied leadership competencies and its effects on organizational performance and noted that leadership competencies can improve employee performance; this improvement is evidenced by enhanced organizational performance.

Darmuz and Ilhan (2015) agree that the strongest factors for keeping businesses alive in today's computational, fast-growing world is growth strategies and outcome of these strategies. Cutthroat competition environment in market conditions increases the importance of scale in businesses. Business management determines growth strategies in accordance with structures of businesses and the competitive environment by applying analysis and methods which will eliminate those impediments.

Ojokuku and Adegbite (2014) studied the impact of capacity building and manpower development on staff performance in selected organizations in Nigeria. They gathered data from 128 randomly selected managers in South Western Nigeria. Their study results showed a significant positive relationship between capacity building and staff performance. They concluded that capacity building and manpower development activities result in new knowledge, skills and management capabilities, and should therefore be the focus of greater attention and efforts by organizations.

Ahmed and Sasaka (2019) studied the effect of strategic management practices on the performance of non-governmental Organizations in Somalia. The study used descriptive research design and a sample population of 91 respondents. The findings showed that strategic direction, innovation, communication and organizational culture all had positive contributions to organizational performance.

Mulievi and Juma (2019) focused on capacity building and employee retention in the Health Sector in Kenya. The study employed a descriptive survey design and a sample of 297 respondents

from the sector. Their results indicated a positive relationship between capacity building practices and employee retention. The study recommended that organizations should proactively invest more in training their workforce at all levels in order to retain their staff.

Muzny and Simba (2019) assessed the influence of turnaround strategies on organizational performance at the Coast Development Authority, in Kenya. Using a case study design and a population of 35 senior staff, their results showed that there was a moderately strong positive significant correlation between retrenchment strategy and performance. The study recommended that management should retrench non-core assets and staff so as to improve its performance.

Finally, Muchiri, Waiganjo and Kahiri (2016) addressed the influence of visioning managers on organizational performance of commercial banks in Kenya. A survey design was adopted with a total of 273 respondents participating in the study. The results showed that managers usually have a vision to improve the financial performance of the commercial banks and that the organization chooses transformational leaders from internal and external labour markets, captivate extraordinary performance of the employees and lastly communicate effectively.

METHODOLOGY

Relationship between revenue generation strategies and performance of water service

providers in Kenya, a case study of Homa-Bay county water and Sewerage Company limited. This study utilized a descriptive survey design where interviews and self-administered questionnaires used for data collection. Kothari (2004) describes descriptive surveys as fact-finding enquiries, involving asking questions (often in the form of a questionnaire) of a large group of individuals, adding that the major purpose is description of the state of affairs as it exists at present and represent the findings / information statistically. Mugenda and Mugenda (1999) states that a descriptive survey design determines and reports the way things are or answers questions concerning the current status of the subjects in the study.

The study was carried out to determine the influence of Goal setting, customer sensitization, staff capacity and service expansion on performance water service providers, a case study of Homabay Water and Sewerage Company (HOMAWASCO).

FINDINGS

Descriptive results

The descriptive results were discussed based on Goal setting, customer sensitization, staff capacity, service expansion and performance water service providers.

Goal setting

The effect of goal setting was conceptualized using five statements as shown in the table 1 below.

Table 1: Descriptive Results for Goal setting and organisational performance

Statement	SD		D		U		A		SA	
	F	%	F	%	F	%	F	%	F	%
My work goals are clearly defined and known	20	23.8	36	42.9	18	21.4	5	6.0	5	6.0
I develop the measures of my performance which guide my daily and regular duties.	8	9.5	44	52.4	19	22.6	6	2.1	6	2.1
The activities that relate to my work are broken into clear tasks	3	3.6	5	6.0	25	29.8	40	47.6	11	13.1
There are specific time lines within which each task is to be done	3	3.6	4	4.8	16	19.0	9	61.9	9	10.7
The revenue targets for each employee are clearly stated.	5	6.0	4	4.8	15	17.4	42	50.0	18	6.0

Table 1 showed how respondents rated effect of goal setting on performance of Homabay Water and Sanitation Company. For example when asked 'My work goals are clearly defined and known', most respondents disagreed 36(42.9%), 20(23.8%) strongly disagreeing, 18(21.4%) undecided as 5(6.0%) agree and strongly agree respectively. On the statement, 'I develop the measures of my performance which guide my daily and regular duties', 6(7.1%) agreed, 6(7.1%) strongly agreeing, undecided 19(22.6%), while 44(52.4%) disagreed as 8(9.5%) strongly disagreed.

On the statement, 'The activities that relate to my work are broken into clear tasks', most respondents agreed 40(47.6%), 11(13.1%) strongly agreed, 25(29.8%) were undecided while 5(6.0%) disagreed and 3(3.6) strongly disagreeing. On the statement 'There are specific time lines within which each task is to be done', the majority

of the respondents 52(61.9%) agreed, 9(10.7%) strongly agreeing, 16(19.0%) undecided, 4(4.8%) disagreed with as 3(3.6%) strongly disagreeing. On the statement, 'The revenue targets for each employee are clearly stated', 4(4.8%) disagreed, 5(6.0%) strongly disagreeing, undecided 15(17.9%), while 42(50.0%) agreed and 18(6.0%) strongly agreed. Considering the descriptive results above, more respondents seem to agree that the company has set goals that govern the employees' operations thus making them to focus their revenue targets. These results are supported by studies that have shown that individuals with clear goals are able to direct their attention and efforts towards activities that are relevant to the goals. Goal setting theory emphasizes the significant relationship between goals and performance (Harris, et al, 2006).

Customer sensitization

Table 2: Descriptive Results on Customer sensitization

Statement	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
We regularly analyze factors which influence the behavior of our customers.	6	7.1	1	1.2	16	19.0	39	46.4	22	26.2
We regularly monitor the requirements of current and potential customers.	5	6.0	9	10.7	56	66.7	0	0	14	16.7
We use individual approach to our customers.	5	6.0	0	0	22	26.2	43	51.2	14	16.7
We offer a wide range of services to our clients.	4	4.8	0	0	10	11.9	44	52.4	26	31.0
We regularly find out the rate of satisfaction of final customers	3	3.6	2	2.4	9	10.7	44	52.4	26	31.0
We know the image of our products from our customers.	2	2.4	2	2.4	12	14.3	49	58.3	19	22.6
We find out why potential customers did not use our products.	5	6.0	3	3.6	18	21.4	41	48.8	17	20.2
The creation of customer value is seen as a daily activity.	2	2.4	1	1.2	15	17.9	37	44.0	29	34.5
We are strongly committed to the customer.	6	7.1	3	3.6	11	13.1	52	61.9	12	14.3

Table 2 showed how respondents rated effect of Customer sensitization on Performance in Homabay Water and Sanitation Company. For example, on the statement that 'We regularly analyze factors which influence the behavior of our customers', 6(7.1%) strongly disagreed, 1(1.2%) disagreed,

4(7.8%) were undecided while 11(21.6%) agreed with 4(7.8%) strongly agreeing. On the statement, 'We regularly monitor the requirements of current and potential customers', 56(66.7%) agreed, 14(16.7%) strongly agreeing, while 9(10.7%) undecided while 5(6.0%) disagreed. On the

statement, 'We use individual approach to our customers', 5(6.0%) disagreed, 22(26.2%) strongly disagreed, 43(51.2%) were agreed while 26(31.0%) strongly agreed. On the statement 'We offer a wide range of services to our clients', 26(31.0%) agreeing, 44(52.4) strongly agreed, 10(11.9%) undecided and 4(4.8%) strongly disagreed. On 'We regularly find out the rate of satisfaction of final customers' 3(3.6%) strongly disagreed, 2(2.4%) disagreed, 9(10.7%) undecided while 44(52.4%) agreed as 26(31.0%) strongly agreed. On the statement 'We know the image of our products from our customers', 49(58.3%) agreed, 19(22.6%) strongly agreeing while 12(14.3%) were undecided with 2(2.4%) equally disagreed and strongly disagreed. On the statement 'We find out why potential customers did not use our products' 37(44.0%)

agreed, 29(34.5%) strongly agreeing while 15(17.9%) were undecided with 1(1.2%) disagreeing as 2(2.4%) strongly disagreed. On the statement 'We find out why potential customers did not use our products', 52(61.0%) agreed, 12(14.3%) strongly agreeing while 11(13.1%) were undecided with 3(3.6%) disagreeing as 6(7.1%) strongly disagreed. Customer preference to a product is very vital satisfaction is very vital thus the need to regularly check on the company's product is being consumed, the image of the company on the product and create the customer value. From the results above the company has achieved this as majority of the respondents agree to the facts that they offer a wide range of services to the clients and regularly find out the rate of satisfaction of final customers.

Descriptive Results on Staff Capacity building and performance

Table 3: Results on Staff Capacity building and performance

Statement	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
The Company constantly carries out training needs assessment for staff	2	2.4	0	0	11	13.1	60	71.4	11	13.1
I have attended a job-related training in the last one year	2	2.4	10	11.9	0	0	47	56.0	25	29.8
Our Company provides resources and opportunities for skills development	2	2.4	3	3.6	14	16.7	44	52.4	21	25.0
We exchange the lessons learnt at work with colleagues for improvement of Company tasks	3	3.6	3	3.6	10	11.9	50	59.5	18	21.4
I feel competent and confident about my work	0	0	6	7.1	26	31.0	40	47.6	12	14.3
I am very responsive to client needs	9	10.7	7	8.3	21	25.0	33	39.3	14	16.7

According to study findings in Table 3 on how respondents rated effect of Staff Capacity building and performance on in Homabay Water and Sanitation Company. Responses on the statements were as indicated below. For example, on the statement that 'The Company constantly carries out training needs assessment for staff', 2(2.4%) strongly disagreed, 11(13.1%) undecided, 60(71.4%) agreed while 11(13.1%) strongly agreed. On the statement, 'I have attended a job-related training in the last one year', 2(2.4%) strongly disagreed,

10(11.9%) disagreed, 4(7.8) while 47(56.0%) agreed as 25(29.8%). On the statement, 'Our Company provides resources and opportunities for skills development', 2(2.4%) strongly disagreed, 3(3.6%) disagreed 14(16.7) were undecided while 44(52.4%) agreed as 21(25.0%) strongly agreed. On the statement 'We exchange the lessons learnt at work with colleagues for improvement of Company tasks', majority 50(59.5%) agreed, 18(21.4%) strongly agreed while 10(11.9%) were undecided as 3(3.6%) disagreed and strongly disagreed

respectively. On the statement 'I feel competent and confident about my work', 6(7.1%) disagreed, 26(31.0%) undecided 40(47.4) agreed while 12(14.3%) strongly agreed. 'I am very responsive to client needs', 9(10.7%) strongly disagreed, 17(8.3%) disagreed 21(25.0) were undecided while 33(39.3%) agreed while 14(16.7%) strongly agreed. On average the respondents feel that the company is providing platforms for the staffs to learn providing job-related training opportunities, provides resources and opportunities for skills development

and the company also enables the staff to exchange the lessons learnt at work with colleagues for improvement of Company tasks. As a result the employees feel competent and confident about their work and are very responsive to client needs. Capacity building is an evidence-driven process of strengthening the abilities of individuals, organizations, and systems to perform core functions sustainably, and to continue to improve and develop over time (Fy, 2012).

Descriptive Service expansion

Table 4: Service expansion

Statement	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
The company has grown its customers substantially in the last one year	5	6.0	1	1.2	16	14.0	38	45.2	24	28.7
Our services are accessed by as many customers as we wish	2	2.4	4	4.8	12	14.3	46	54.8	20	23.8
Budgetary requests are assigned for expansion of our services	2	2.4	2	2.4	15	17.9	46	54.8	19	22.6
Our service coverage per area has been increased	2	2.4	3	3.6	18	21.4	36	42.9	25	29.8
We provide additional/complementary services to customers	2	2.4	2	2.4	19	22.6	48	57.1	13	15.5

Table 4 showed how respondents rated effect of service expansion on performance in Homabay water and Sanitation Company. Responses on the statements are as indicated. On the statement that 'The company has grown its customers substantially in the last one year', 5(6.0%) strongly disagreed, 1(1.2%) disagreed 16(19.0%) were undecided while 38(45.2%) agreed as 24(28.6%) strongly agreed. On the statement, 'Our services are accessed by as many customers as we wish,' 2(2.4%) strongly disagreed, 4(4.8%) disagreed, 12(14.3%) were undecided with majority 46(54.8%) agreed as 20(23.8%) strongly agreed. On the statement, 'Budgetary requests are assigned for expansion of our services', 2(2.4%) strongly disagreed and disagreed respectively, 15(17.9%) were undecided

with majority 46 (54.8%) agreed as 19(22.6%) strongly agreed. On the statement 'Our service coverage per area has been increased', 2(2.4%) strongly disagreed, 3(3.6%) disagreed, 18(21.4%) were undecided, 36(42.9%) agreed while 19(22.6%) strongly agreed. 'We provide additional/complementary services to customers', 2(2.4%) strongly disagreed, 1(1.2%) disagreed, 17(20.2%) were undecided while 47(56.0%) agreed and 17(20.2) strongly agreed. From the descriptive statistics it could be clearly noted that there are clear evidence of Service expansion in the company as most respondents seemed to agree to the statements like 'our service coverage has been increased' and the Service expansion has highly translated to provision of additional / complementary services to the customers.

Performance

Table 4: Results for Performance

Statement	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
The clients in my organization are very satisfied	8	9.5	8	29.4	16	31.4	13	25.5	5	9.8
The company meets its targets every year	3	3.6	5	6.0	25	29.8	37	44.0	14	16.7
We receive positive feedback from our customers	5	6.0	3	3.6	20	23.8	46	54.8	10	11.9
The revenue collected has grown in the last three years	3	3.6	9	10.7	19	22.6	43	51.2	10	11.9
We have maintained and recruited new customers in the last few years	5	6.0	4	4.8	26	31.0	42	50.0	7	8.3
We resolve customer problems in record time	2	2.4	3	3.6	18	21.4	36	42.9	25	29.8
The organization reports few defaults in the products delivered to customers	5	6.0	1	1.2	16	14.0	38	45.2	24	28.7

Table 4 showed how respondents rated Performance in Homabay Water and Sanitation Company. Responses on the statements are as indicated. When asked if 'The clients in my organization are very satisfied,' 8(9.5%) equally strongly disagreed and disagreed, 20(23.8%) were undecided while 40(47.5%) agreed as 8(9.5%) strongly agreed. On the statement, 'The company meets its targets every year', 3(3.6%) strongly disagreed, 5(6.0%) disagreed, 25(29.8%) were undecided as majority of 37(44.0%) agreed with 14(16.7%) strongly agreeing.

On the statement, 'We receive positive feedback from our customers', 5(6.0%) strongly disagreed, 3(3.6%) disagreed, 20(23.8%) undecided while 46(54.8%) agreed as 10(11.9%) strongly agreeing. On the statement 'The revenue collected has grown in the last three years', 3(3.6%) strongly disagreed, 9(10.7%) agreed 19 (22.6%) were undecided while 43(51.2%) agreed with 10(11.9%) strongly agreeing. On the statement that 'We have maintained and

recruited new customers in the last few years,' 7(8.3%) strongly agreed, 42(50.0%) strongly agreed, 26(31.0%) were undecided while 4(4.8%) disagreed as 5(6.0%) strongly disagreed.

On the statement 'We resolve customer problems in record time', 2(2.4%) strongly disagreed, 3(3.6%) disagreed, 18(21.4%) were undecided, 36(42.9%) agreed while 19(22.6%) strongly agreed. Finally on the statement 'The organization reports few defaults in the products delivered to customers', 5(6.0%) strongly disagreed, 1(1.2%) disagreed 16(19.0%) were undecided while 38(45.2%) agreed as 24(28.6%) strongly agreed.

Inferential Analysis

Correlation Analysis

Pearson correlation was performed to study the direction of relationship between the dependent and independent variables. Table 5 showed the results of the analysis.

Table 5: Correlation Analysis

		Goal setting	Customer sensitization	Staff capacity building	Service expansion	Performance
Goal setting	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	84				
Customer sensitization	Pearson Correlation	.709**	1			
	Sig. (2-tailed)	.000				
	N	84	84			
Staff capacity building	Pearson Correlation	.727**	.878**			
	Sig. (2-tailed)	.000	.000			
	N	84	84	84		
Service expansion	Pearson Correlation	.593**	.777**	.809**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	84	84	84	84	
Performance	Pearson Correlation	.691**	.734**	.723**	.728**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	84	84	84	84	84

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

The results on table 5 indicate that all independent variables were positively related to the dependent variable. The independent variables showed significant positive relationship. Goal setting is positively related to Performance at $R=.691$, $p=.000$. Customer sensitization is positively related at $R=.734$, $p=.000$; Staff Capacity building and performance is positively related at $R=.723$, $p=.000$

while Service expansion related pay is related at $R=.728$, $p=.000$.

When all the independent variables are computed and combined into Organisational culture and their effect on Performance correlated, the results were obtained. From the results, the relationship had $R=.867$, $p=.000$. This still indicated a significant positive correlation.

Table 6: Correlation Organisational Culture and Performance

		Organisational Culture	Performance
Organisational Culture	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	84	
Performance	Pearson Correlation	.867**	1
	Sig. (2-tailed)	.000	
	N	84	84

Regression Analysis

Multiple linear regression results

Multiple regression tested the influence of revenue generation strategies (independent variable: goal setting, customer sensitization, Staff Capacity building and service expansion) on Performance of

water service providers (dependent variable). From the findings, at 0.05 level of significance the ANOVA test indicated that in this model the independent variable namely; talent retention is important in predicting of Employee performance as indicated by significance value=0.004 which is less than 0.05 level of significance ($p=0.004<0.05$).

Table 7: Coefficients model for talent retention on employee performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.867 ^a	.752	.738	.604

a. Predictors: (Constant), Service expansion, staff capacity building, Customer sensitization, Goal setting

Regression analysis between independent variables and the dependent variable had coefficient of relationship $R = .867$. This shows the existence of a high positive relationship. The coefficient of determinant, R^2 was .752, the proportion of variance in the dependent variable (Performance) that was explained by the independent variables.

This indicates that a total of 75.2% of variations in Performance in Homabay can be explained by goal setting, Customer sensitization, Staff Capacity building and Service expansion while 24.8% can be explained by other factors which were not considered in this study.

Regression Coefficients for the Relationship between revenue generation strategies and Performance.

The coefficients for the regression model were obtained as shown on table 8.

Table 8: Regression Model Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.262	.186		2.318	.023
1 Goal setting	.351	.097	.324	3.621	.001
Customer sensitization	.161	.157	.135	1.025	.039
Staff capacity building	.198	.163	-.175	-1.211	.023
Service expansion	.760	.119	.672	6.397	.000

The regression coefficients which were obtained for the model were as shown in table 8. The coefficient for goal setting $B = .351$, $p = .001$; Customer sensitization had $B = .161$, $p = .039$; Staff Capacity building had $B = .198$, $p = 0.023$ and Service expansion had $B = .760$, $p = .000$. These findings imply that holding goal setting, Customer sensitization, Staff Capacity building and Service expansion (independent variables) constant, the Performance at Homabay Water and Sanitation Company would be 0.262. A unit change in goal setting at Homabay Water and Sanitation Company will change Performance by 0.351 units. A unit change in Customer sensitization at Homabay Water and

Sanitation Company will change Performance by 0.161 units. A unit change Staff Capacity building at Homabay Water and Sanitation Company will change Performance by 0.168 units and a unit change in Service expansion will lead to 0.760 units in Performance. Lastly from the results, all the values for all the variables were statistically significant considering that all their p -value were significant ($p < 0.05$) making the null hypotheses of this study to be rejected.

Therefore, from the regression model coefficients, this study found the relationship between organisational culture and performance in

Homabay Water and Sanitation Company to be;

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$; which on fitting the coefficients becomes

$$Y = .262 + .351X_1 + .161X_2 + .198X_3 + .760X_4 + \varepsilon$$

Where;

Y- Performance

$\beta_0, \beta_1, \beta_2, \beta_3$ and β_4 are the constants

X_1 – Goal setting

X_2 – Customer sensitization

X_3 – Staff Capacity building

X_4 – Service expansion

ε - Error term

The effect of the standard error of estimate was assumed to be negligible and is equal to zero ($\varepsilon=0$).

Hypothesis results

The study tested a total of four hypotheses, that is;

HO₁: There is no significant relationship between goal setting and performance of Water Service Providers in Kenya. From analysis, this null hypothesis was rejected as the alternative hypothesis, **H_A:** There is significant relationship between goal setting and performance of Water Service Providers in Kenya accepted. Results supported by Svetlik (2004, p. 323) says that organizational values are values that are being pushed forward by the management and have proven itself as a good foundation for development of organization.

HO₂: There is no significant relationship between customer sensitization and performance of Water Service Providers in Kenya. From analysis, this null hypothesis was rejected as the alternative hypothesis, **H_A:** There is significant relationship between customer sensitization and performance of Water Service Providers in Kenya. This study found that norms play a major role on employee commitment to his\her job therefore there is need for a cooperation to have a formal policy on norms for employees and encourage innovation by the employees and excellent performers making the employees to be committed and loyal to the company resulting to job satisfaction.

explained by the following regression equation

HO₃: There is no significant relationship between staff capacity building and performance of Water Service Providers in Kenya. From analysis, this null hypothesis was rejected as the alternative hypothesis, **H_A:** There is no significant relationship between staff capacity building and performance of Water Service Providers in Kenya accepted. From the findings, it was clear that the water company work culture is infused with high pressure and demands. This causes employees to become stressed and work extra time as they strive to meet expectations. However, focusing on the well-being of the employees which is considered as one way of encouraging employee's performance and productivity, it was found to be good in this company.

HO₄: There is no significant relationship between service expansion and performance of Water Service Providers in Kenya. From analysis, this null hypothesis was rejected as the alternative hypothesis, **H_A:** There is no significant relationship between service expansion and performance of Water Service Providers in Kenya accepted. The wellbeing of each employee is taken seriously at the company making the employees to focus on improvement of sales as they value their clients, thus a sense of commitment to their jobs as they feel satisfied. Mencl, Wefald, and van Ittersum (2016), acknowledge that Employee commitment is a sentimental response of an employee towards the job which emanates from their experience on the job, an acceptable measure of wellbeing in the workplace which contributes to the psychological wellbeing of the employees.

CONCLUSIONS AND RECOMMENDATIONS

Based on the findings of the study, the study concluded that, revenue generation strategies greatly influence the service provision by water service providers in Kenya. Goal setting, Customer sensitization, staff capacity building and service expansion great enhances water service provision, making company the company clients to be

satisfied with the services offered or not. This study has found that company having improved revenue generation strategies that outline clearly how the revenue should be collected and efficiently utilized always provides quality services to its clients making the clients to be satisfied and remain attached to the company. The company's urgency to responding to their clients issues and working them out is also very crucial as it determines how the clients perceives the level of attention given to them and how good they relate to staff members of the company. This good relationship between the staffs and the clients brings closeness thus easy and effective communication leading to positive attitude towards the company's goals and achievements as well as higher revenue collections. The study therefore concludes that clear revenue generation plays a major role in on the level of performance of the company.

From the findings of the study the researcher recommended that the water service providers should have clear policies governing the revenue collection process as clear policies defines the

channels to be used to reach the clients and how the clients are given services to their expectation, thus a higher amount of revenue may be collected.

Areas for Further Studies

This study has found positive relationship between all revenue generation strategies and performance of Homabay Water and Sanitation Company by 75.2%, meaning 24.8% of factors that influences revenue generation at Homabay Water and Sanitation Company were not covered by this study therefore the researcher would wish to recommend future studies to consider more factors on these other factors in HOMA WASCO.

Secondly, the researcher recommended a study on the relationship between revenue collection strategies and performance of HOMA WASCO

Lastly, the researcher also recommended a similar study in other water companies in other counties in the country.

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