Effect of Corporate Strategies on Organizational Performance among Water Service Providers in Kenya

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Abstract: ***Water is life. It is vital to enhance living and therefore essential to ensure sufficient provision in the right quantity and quality. Poor state of water and sanitation services has in the recent past attracted a lot of public interest. The current study was undertaken to establish the effects of corporate strategies on organizational performance. It was guided by the following research objectives; to determine the effect of growth strategy on organizational performance: to identify the influence of financial performance on organizational performance and to determine the influence of internal resource allocation on organizational performance among Water Service Providers in Kenya with a focus on a sample drawn from Western region only. The study applied a census sampling technique. The respondents comprised of four senior managers representing the fourteen water service providers because of their key role in corporate strategy to reduce chances of data redundancy. The data was tabulated, and then analyzed using descriptive and inferential statistics with the help of Social Sciences (SPSS) version 22 software. Descriptive statistics involved the use of weighted averages and percentages while inferential statistics involved the use of ANOVA and regression analysis. The data obtained was analyzed using correlation analysis. The constitution of Kenya 2010 recognizes water as the basic right for every person in Kenya, and hence the base for this study which looked at the water service providers in western Kenya. To gather information required, structured questionnaires were administered. Based on the study findings, it became apparent that organizational performance was predominantly dependent on collection efficiency; staff productivity, NRW reduction, operational efficiency and customer's insights on the WSPs. Further, internal and risk management controls, written policies, and alignment of annual budgets to strategic plans and engagement of competent and qualified personnel greatly impacted on organizational performance. Finally, where there is single team (team work) between the Board and staff and that once Corporate Management Team has capability to manage physical resources and implement a change process or new strategic direction there is increased organizational performance.***

Keywords: Organizational performance, Growth Strategy, Strategy

1. Introduction

1.1 Background of the Study

Corporate strategy is distinct from competitive strategy and operational strategies because corporate strategy defines the firm's strategic intent and how the firm should be structured and administered. A strategy is a long term plan of action designed to achieve a particular (winning) goal (Thompson and Strickland, 2007:120). Strategy is differentiated from tactics or immediate actions with resources at hand by its nature of being extensively premeditated, and often practically rehearsed. Strategy is a deliberate search for a plan of action that will develop a business's competitive advantage and compound it. Corporate strategy is a series or pattern of consistent and systematic decisions overtime made at the corporate level of a firm that integrate 'an organization's major goals, policies, and action sequences into a cohesive whole' (Quinn, Mintsberg & James, 1995). The strategy must also be consistent with the firm's vision, mission and objectives (Johnson and Scholes, 2009).

A wholly different conception of strategy is to view it as a pattern of emerging actions and behaviour. According to the pattern-view, strategy is not a preconceived plan, but a consistency in behaviour. In a sense according to the pattern view, strategy is not a proactive but a reactive concept. This view may be hard to accept, but it reflects the reality of many organizations (Mintzberg, 1995).

Strategy generally involves setting goals, determining actions to achieve the goals, and mobilizing resources to execute the actions. A strategy describes how the ends (goals) will be achieved by the means (resources). Strategy is important because the resources available to achieve one or more goals under conditions of uncertainty are usually limited. Strategy can be intended or can emerge as a pattern of activity as the organization adapts to its environment or competes. It involves activities such as strategic planning and strategic thinking.

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). According to Richard et al. (2009) organizational performance encompasses three specific areas of firm outcomes: financial performance (profits, return on assets, return on investment), product market performance, and shareholder. Specialists in many fields are concerned with organizational performance including strategic planners, operations, finance and legal experts. In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as: financial performance (shareholder return), customer service, social responsibility (corporate citizenship, community outreach), employee stewardship, Performance measurement systems, Performance improvement, Organizational engineering.

Organizational performance is a highly sort and research variable, but difficult to conceptualize. Steer (1975) identified 15 different indicators which have been used by one or more analysts in the measurement of organizational performance. These include adaptability-flexibility, productivity, satisfaction, profitability and resource acquisition, absence of strain, control over environment, development, efficiency, employee retention, growth, integration, open communication and survival. Consequently, organizational performance is a multi-dimensional concept, reflecting both financial and non-financial indicators. Scott (1992) grouped these indicators into three - outcomes, processes and structure.

Strategies are the means by which objectives are achieved. According to Haberberg and Rieple (2008), a strategy is the set of actions through which an organization, by accident or design develops resources and uses them to deliver services and products in a way which its users find valuable, while meeting the financial and other objectives and constraints imposed by key stakeholders. Chandler (1962) defines strategy as the determination of basic long term goals of an organization and the determination of courses of actions and the allocation of resources necessary to carry out these goals. Organizations therefore put in place strategies to achieve their goals. The strategies are about using resources to give value to customers.

At any given time an organization has a variety of choices of many strategies that it can employ to achieve its goals (David, 2009). Strategies can be deliberate or emergent. A deliberate strategy involves formal planning for intentions to be carried out while emergent strategy arises in the absence of or despite, previous intentions (David, 2005). Consistent with the firm's vision, mission and objectives (Johnson and Scholes, 2009). Before settling on a particular strategy, the firm must analyze the advantages, disadvantages, trade-offs, costs and benefits of each alternative strategy. The ultimate success of the identified strategy depends on its implementation. According to Pearce and Robinson (1988), a well formulated and implemented strategy provides long term direction for the firm and helps the firm cope with change and enables it to focus resources and efforts in the market.

The current legal framework for the Kenyan water and sanitation sector is based on the Water Act No. 8 of 2002 which was operationalized in March 2003. The Act provided for the separation of the management of water resources from the provision of water services, the separation of policy making from day-to-day administration and regulation, decentralization of functions to lower level state organs, the involvement of non-government entities in the management of water resources and in the provision of water services. (Owour & Foeken, 2009).Responsibility for water and sanitation service provision is in the hands of Water Services Boards. However, they are not required to provide services directly – they can delegate them to commercially oriented public entities, called Water Service Providers (WSPs). Service provision is regulated by service provision agreements (SPAs) to ensure compliance with the standards on quality, service levels and performance established by WASREB.

The reforms incorporated all the key principles that are now internationally acknowledged as appropriate ingredients for a modern water sector reform process. Water is treated as an economic good and managed in an integrated way. Poverty eradication, sustainability, cost recovery and human rights had become core principles of the sector years before the new Constitution of Kenya was enacted in 2010. The reforms embedded the principles of accountability, transparency and participation in the Sector's policy and institutional framework and in the operations of the sector institutions. Ultimately, better governance lays the groundwork for the gradual achievement of Kenya's Vision 2030 objectives of universal access to water and sanitation, and improved quality of life for all citizens (Good governance in the Kenyan water sector GIZ, 2012), and ultimately to achieve sustainable development goals. Levels of disbursement and expenditure can also be improved to make the most of increased allocations to the sector from donors and government, AMCOW, Water Supply and Sanitation in Kenya (2015).

1.2 Problem Statement

Clean Water provision is a right to every human being, McNamara (2008). Water connects every aspect of life. Access to safe water and sanitation can quickly turn problems into potential by unlocking education, work opportunities, and improved health for women, children and families across the world. People need clean and potable water for various uses including industrial, public health institutions, educational institutions and social places which require huge quantity of water for use. According to UN Water (2013) access to clean, affordable and potable water improves the quality of life. Furthermore, provision of adequate water and wastewater services is a key element towards the achievement of several national development policies. The Government of Kenya through its National Water Policy has put emphasis on a water service delivery framework to achieve this objective through enactment of the Water Act 2016 in line to SDG 6 ensuring access to water and sanitation for all.

1.3 Objectives of the study

The general objective of this study was to establish the effects of corporate strategy on organizational performance of water service providers.

The specific objectives of the study were:
1) To determine the effect of growth strategy on organizational performance.
2) To identify the influence of financial performance on organizational performance.
3) To determine the influence of internal resource allocation on organizational performance among Water Service Providers.

1.4 Research questions

The study sought to answer the following questions:
1) What is the effect of growth strategy on organizational performance of water services providers?

2) What is the influence of financial performance on organizational performance of water service providers?
3) What is the influence of internal resource allocation on the organizational performance of WSPs?

1.5 Significance of the study

The study findings contribute valuable knowledge to the field of corporate strategy in organizational performance in general. It is expected to produce hitherto unavailable knowledge on this subject. It therefore form a useful material for reference to other researchers and readers in general.

The study informs on the performance of Water Service Providers in Kenya because it focuses on specific issues of corporate strategy generated through research. Henceforth, water service providers need not follow theories, rules or traditions that are remote and without specific reference but face their practices, decision and other performance behaviour on products of research that are specific to situations. The use of such specific knowledge contributes greatly to the quality of performance of water service providers.

2. Literature Review

2.1 Theoretical review

2.2.1 Contingency theory

This theory loosely relates to the situational approach. The contingency theory of leadership was proposed by the Austrian psychologist Fred Edward Fiedler in his landmark 1964 article, "A Contingency Model of Leadership Effectiveness." It draws the idea that there is no one or single best way or approach to manage organizations. Organizations should then develop managerial strategy based on the situation and condition they are experiencing. The contingency theory emphasizes the importance of both the leader's personality and the situation in which that leader operates. Corporate strategy relies on quality leadership towards enhancing organizational performance. They outline two styles of leadership: task-motivated and relationship-motivated. Task refers to task accomplishment, and relationship-motivation refers to interpersonal relationships.

Fiedler measured leadership style with the Least Preferred Co-Worker Scale (LPC scale.) The leaders scoring high on this scale are relationship motivated and those scoring low are task motivated (Northouse, 2007, p.114). Central to contingency theory is concept of the situation, which is characterized by three factors: Leader-member relations, deals with the general atmosphere of the group and the feelings such as trust, loyalty and confidence that the group has for its leader. Task structure, is related to task clarity and the means to task accomplishment.

The position power, relates to the amount of reward-punishment authority the leader has over members of the group (Northouse, 2007, p.114-115). The theory is relevant in this study because these attributes produce leaders who have the capacity to adopt corporate strategies aimed at positioning companies to greater heights of organizational performance since they are equipped with intuition to assess various situations arising as the organizations pursues its objectives.

2.2.2 Resource Based Theory

As theorized by David, (2011), the Resource-Based View (RBV) approach to competitive advantage contends that internal resources are more important for a firm than external factors in achieving and sustaining competitive advantage. Proponents of the RBV contend that organizational performance will primarily be determined by internal resources that can be grouped into three all-encompassing categories: physical resources, human resources, and organizational resources. Physical resources include all plant and equipment, location, technology, raw materials, machines; human resources include all employees, training, experience, intelligence, knowledge, skills, abilities; and organizational resources include firm structure, planning processes, information systems, patents, trademarks, copyrights, databases. RBV theory asserts that resources are actually what help a firm exploit opportunities and neutralize threats.

The basic premise of the RBV is that the mix, type, amount, and nature of a firm's internal resources should be considered first and foremost in devising strategies that can lead to sustainable competitive advantage. Managing strategically according to the RBV involves developing and exploiting a firm's unique resources and capabilities, and continually maintaining and strengthening those resources. The theory asserts that it is advantageous for a firm to pursue a strategy that is not currently being implemented by any competing firm. The Resource-based Theory (RBT) is a strategic management theory that is widely used in strategic management. It examines how resources can drive competitive advantage (Killen et al., 2012).

Hoopes & Madsen (2009) observed that Resource Based Theory is a combination of economics, organizational theory, and business policy. Resource Based Theory is a theory of growth rather than one of equilibrium. The resource based theory stems from the principle that the source of organizational competitive advantage depends on the unique resources and capabilities that a firm possesses and not mainly their positioning in the external environment or simply evaluating environmental opportunities and threats in conducting business.

Based on this theory, WSP can leverage on their huge investment on Physical resources including plant and equipment, location, water technology to harness on raw water while utilizing available human resources as internal resources to improve organizational performance.

2.2 Conceptual Framework

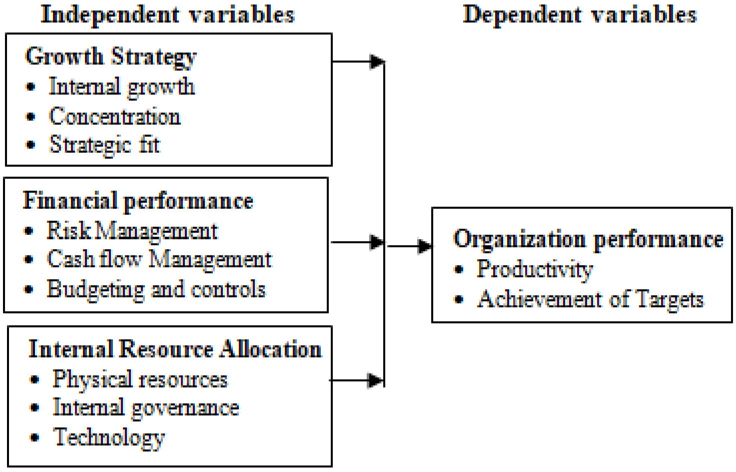


Figure 2.1: Conceptual Framework

In the conceptual framework depicted above in figure 2.1 the independent variable is hypothesized to influence dependent variables. The framework postulates that the independent variables in an organization directly affect the performance of water service providers in Kenya. However, this relationship may be modified by corporate strategic management and the external environment of the corporations.

2.3 Empirical Review

2.4.1 Growth Strategy

A growth strategy signifies something different from stable growth strategy or stability strategy. It is a situation where an organization raises the level of its objectives from what it had achieved in its immediate past in terms of its market share, sales revenue, production or when its strategic business decisions are centered around increased functional performance in major respects. Growth strategy is different from stability strategy in the sense that the former implies exponential growth while the latter implies an extrapolation of growth which is based on past performance. The modes of growth strategy could be said to evolve beginning with the early stages of the potential development of a business organization and culminate in more advanced and complex forms, in the later stages. On that basis, Guth, (1980). has distinguished between various types of growth strategies in the American context which have been enumerated upon as follows: A growth strategy which is concerned with the involvement of maintaining the relative position of a business enterprise in a high growth product market area, a growth strategy which deals with the increase in the market share in a high growth market, a growth strategy which deals with the increase in the market share in a slow growth, i.e., a mature market, a growth strategy which is concerned with the maintenance of a strong relative position in a slow growth market; using excess cash flow, funds capacity and other resources to support penetration of multinational markets with the existing product line, a growth strategy which is concerned with the maintenance of a strong relative position in a maturing market, using excess cash flow, external funds capability and other resource to support the penetration of new product market areas domestically, a growth strategy which is concerned with the maintenance of a strong relative position in multinational markets with the present product line, using excess cash flow, funds capability and other resources to diversify its products, a growth strategy which is concerned with the maintenance of a strong position in a diversified product line domestically, using excess cash flow, fund capability, and other resources to diversify the market (Guth, 1980).

Internal growth strategy consists of increasing the sales revenue, profits and the market share of the existing product line or services. It is concerned with the concentration of resources in a high growth product or market segment. It is a widely used growth strategy. If the product is not in the maturity stage of the life cycle, this becomes a particularly attractive strategy to be selected and implemented. It is often suitable to a business enterprise having a small market share, irrespective of whether the product is in the high growth stage or the maturity stage of its life-cycle. According to (Guth, 1980) there are various methods of implementing internal growth, which are as follows: Increasing the volume of sales of existing products in the unexplored sectors of the economy, increasing the sales by encouraging new uses of the existing product in the same market, or increase the primary demand for the product at the same price and with the present, existing organizational set-up, increasing the sales volume by introduction of minor modifications in the product and entering a new market segment.

Concentration on single product or services advocates that practically impossible to grow beyond a specific point through market penetration. Concentration on a single product or services entails increasing sales, profits, or market share faster than it has increased in the past. Guth, (1980) identifies seven key growth strategies from the point of view of a single-product-line business firm, namely holding relative position in high-growth product / market area, increase market share in high-growth market, increase market share in mature market, hold strong relative position in mature market [slow-growth], hold strong relative position in maturing market.

Strategic fits among related businesses offer the competitive advantage potential of lower costs or and efficient transfer of key skills, technological expertise, or managerial know-how Ketokivi, Schroeder, (2004). The key to cost-sharing and skills transfer opportunities is diversification into business with strategic fit. Thompson and Strickland, (2007) identified three types of strategic fit; Market-Related Fits, Operating Fit and Management Fit.

The Expansion Strategy is adopted by an organization when it attempts to achieve a high growth as compared to its past achievements. In other words, when a firm aims to grow considerably by broadening the scope of one of its business operations in the perspective of customer groups, customer functions and technology alternatives, either individually or jointly, then it follows the Expansion Strategy.

According to Boer (1991), the reasons for the expansion could be survival, higher profits, increased prestige, economies of scale, larger market share, social benefits. The expansion strategy is adopted by those firms who have managers with a high degree of achievement and recognition. Their aim is to grow, irrespective of the risk and the hurdles coming in the way. The firm can follow either of the five expansion strategies to accomplish its objectives: Integration, diversification, cooperation, concentration or internationalization.

According to (Vives, 2000), the choice of funding methods on infrastructure can have an important impact on the effectiveness and efficiency of investment programmes geared toward enhanced organizational performance. This point can be illustrated first by comparing the respective impacts of grants and concessional loans, and secondly through the potential impact of institutional investors on WSS borrowers and bond issuers. Institutional investors have great potential influence on WSS operations. Water is a risky financial undertaking in many developing and emerging societies, requiring substantial public financial support. Compared with other networked public services such as electricity, gas, and telecommunications, water is more capital-intensive, under-financed, less profitable and less appealing to private capital and commercial finance. It is also more heavily politicized.

2.4.2 Financial performance

Financial performance is a measure of companies' policies and operations in monetary terms. It is a general measure of a firm's overall operation health over a given period of time, and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation. There are many different ways to measure a companies' financial performance. This may be reflected in the firm's return on investment, return on assets, value added, among others and is a subjective measure of how a firm can use assets from its primary mode of business and generate revenues.

Financial risks are only one category of a broad field of risks. Furthermore financial risks can be classified into three subclasses credit risk, liquidity risk, and market risk. Market risk can be classified into four broad classes, foreign currency, interest rate, commodity, and equity risk. For financial risk management there are many different kinds of definitions. Some researchers define it whether very broadly or narrowly which leads that there is no globally accepted definition of financial risk management (Yakup and Asli, 2010). However financial risk is such a complex and extensive concept that financial risk-management practitioners need often specialize themselves only to certain part of financial risk management as for instance foreign exchange risk.

However Ekwall (2010) has relatively narrow view to risk management, he finds risk management as the risk handling process. Panos et al., (2009) define risk management as the process whereby decisions are made to accept a known or anticipated risk and/or the implementation of actions to reduce the effects or likelihoods of those risks. Furthermore in Jansson and Norrman's (2004) view risk management leads to avoiding, reducing, transferring, sharing or taking the risk. Also it is good to notice that risk management is a very broad term due to the wide range of risks and thus there are several categories of risk management as financial risk management operational risk management, supply chain risk management (Mishkin, 2007).

Cash flow is the difference in amount of cash available at the beginning of a period referred in accounting terms as opening balance and the amount at the end of that period referred as closing balance. The expression cash flow was coined in the late 1950s (Mason, 1961). Cash flow is of vital importance to the health of a business. Many businesses may continue to trade in the short- to medium term even if they are making a loss. This is possible if they can, for example, delay paying creditors and/or have enough money to pay variable costs. Cash is more like an organization's engine on which the company runs. If cash management is not up to the standard required, then the company is likely to go bankrupt. Moreover, high profits do not in any way mean that the business enterprise is liquid. Cash flow analysis gives an insight into the core business activities and management decisions on which the company's profitability and sustainability linger. For companies, often profit is the overriding objective but if cash is not sufficient, the company's growth will slump and there may be a threat to its survival. Hence, cash flow is absolutely critical for the existence and survival of an organization and a company generating healthy cash balances will invariably have high profitability. To put in another way, cash is a need whereas profit is a want.

Efficient cash management involves the determination of the most favourable cash to hold by considering the trade-off between the opportunity cost of holding too much cash and the trading cost of holding too little (Ross et al., 2008 cited in Nyabwanga, et al., and 2011). Cash management is fundamental to every business that desires to meet up with its short-term financial obligations. Cash management consists of taking the necessary actions to maintain adequate levels of cash to meet operational and capital requirements and to obtain the maximum yield on short-term investments. Uwuigbe, Uwalomwa and Egbide (2011) observed that cash management assumes more significance than other current assets because cash is the most important asset that a firm holds. Cash, unlike fixed assets or inventories does not produce goods for resale, notwithstanding management's considerable time is devoted to managing cash. Traditionally, budgeting is considered to be one of the most important management tools to steer the organization, evaluate its performance and motivate its people (Maritim, 2013). For other organizations, budgeting process has been implemented to a very advanced level including planning, coordinating, control, and performance evaluation (Yang, 2010 cited in Maritim, 2013).

Cash budget is the most significant device to plan for and control the cash receipts and payments Marfo-Yiadom (2009), and it aids in the effective operation of any business (Barrel, 1999) a study by Nguyen (2001) noted that most firms carried out their cash budgeting on a weekly basis mainly to plan for shortages and surpluses of cash and that they would determine target cash balances based on needs for transaction balances, and put its idle cash in cash management accounts or certificates of deposit.

However, budgets control can also create problems. First, Budgets can demotivate employees because of lack of participation. This usually happens when the employees feel that budgets are arbitrarily imposed top down, hence rendering them unable to understand the reason for budgeted expenditures, and will not be committed to them. Budgets can cause perceptions of unfairness. Secondly, budgets can create competition for resources and politics in the sense that, a rigid budget structure reduces initiative and innovation at lower levels, making it impossible to obtain money for new ideas. These dysfunctional aspects of budgets systems may interfere with the attainment of the organization`s goals (Kim, 2002).

2.4.3 Internal Resource Allocation

Internal resource allocation represents the mechanism by which strategic decisions are implemented (Duncan & Weiss, 1979). Barney (1995) proposed that valuable, rare and inimitable resources can be exploited by appropriate internal governance mechanisms such as reporting, control and compensation systems. Internal resource allocation then represents decisions regarding how the firm should be managed, organized and controlled.

Internal resource allocation mechanisms also assist in directing individual behaviour in line with strategic intent (Kerr, 2004). How a firm is organized shapes the structures of the work employees undertake and consequently influences employee emotions, thoughts, learning and behaviour (De Jong & van Witteloostuijn, 2004).

David (2003) asserts that organizations have at least four types of resources that can be used to achieve desired objectives, namely financial, physical, human and technological.

Internal resource allocation decisions also include the creation of coordination and cooperation strategies regarding external relationships, such as, supplier alliances (Juttner & Peck, 1 998).

Yet there is also evidence that governing boards can enhance organizational performance by understanding and undertaking the governance role in a manner suitable for their particular organization. They carry the public (or customer) trust and provide an accountability structure for management. The importance of governance grows as the level of public interest and investment in an organization grow (Mel Gill).Organizational structure "involves how a firm is organized and governed and how decisions actually are made and carried out" (Nelson, 1991, p. 67). Organizational "structure reduces the task uncertainty by setting up the division of labour (amount of role differentiation), the departmental structure, the shape (the number of levels, spans of control), and the distribution of power" (Habib & Victor, 1991, p. 590). Hamel and Prahalad (1994) suggested that firms should, in contrast to the portfolio tools, structure themselves around core competencies rather than Strategic Business Units, products, or markets. Organizational structure impacts the control and coordination of employees via an administration system (Mintzberg, 1998) to enhance optimal utilization of internal resources.

Resource governance encompasses the deliberate intent to capture, accumulate, reconfigure, protect and leverage renewable, existing, potential and unrealized resources (Hamel & Prahalad, 1994). They also noted that additional value can be created when firms leverage their resources, thus increasing the effectiveness of the resource. Resource leverage encompasses maximizing the return from resources, further developing resources through learning, exploitation, and spreading resources into additional arenas, that is, resource widening (Hamel & Prahalad, 1994). Resource allocation consists of the deployment of existing resources between competing projects, tasks, activities and areas. Managerial capabilities are utilized by firms to "build, integrate, and reconfigure organizational resources and competences" (Adner and Helfat 2003 p. 1012). To create value, resources need to be "released", that is, transferred or deployed.

2.4.4 Organizational Performance

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). According to Richard et al. (2009) organizational performance encompasses three specific areas of firm outcomes: financial performance (profits, return on assets, return on investment), product market performance, and shareholder. Specialists in many fields are concerned with organizational performance including strategic planners, operations, finance and legal experts. In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as: financial performance (shareholder return), customer service, social responsibility (corporate citizenship, community outreach), employee stewardship, Performance measurement systems, Performance improvement, Organizational engineering.

Combs, Crook, and Shook (2005) distinguished between operational and organizational performance. In their framework operational performance combines all non-financial outcomes of organizations. On the other hand the conceptual domain of organizational performance is limited to economic outcomes. On this basis, four organizational performance dimensions are identified: profitability, liquidity, growth, and stock market performance.

The concept of organizational performance is based upon the idea that an organization is a voluntary association of productive contributions, including human, physical, and capital resource, for achieving a shared purpose. Those providing the assets will only commit them to the organization so long they are satisfied with the value they received in exchange, relative to alternative uses of the assets (Carton, 2004). It is also often assumed that organizational performance is relatively stable, predictable, determinable, and controllable (Monroe, 2012).

Steer (1975) identified 15 different indicators which have been used by one or more analysts in the measurement of organizational performance. These include adaptability-flexibility, productivity, satisfaction, profitability and resource acquisition, absence of strain, control over environment, development, efficiency, employee retention, growth, integration, open communication and survival. Consequently, organizational performance is a multi-dimensional concept, reflecting both financial and non-financial indicators. Scott (1992) grouped these indicators into three - outcomes, processes and structure.

2.4 Critique of Literature Review

Resource Based Theories fail to recognize that there are complexities of relationships in the operating environment. This means that an organization can break from its immediate environment and seek services in the external environment. It is critical that the theory can be faulted because resources can practically come from the external environment, for example during economic sanctions or political turmoil, organizations can still acquire resources. Whereas the researchers have taken cognizance of the efforts by previous researchers on the complex problem of factors affecting implementation of strategic plans by Water Service Providers in Kenya, it should nevertheless be pointed out that the researchers have fell short of providing a holistic approach to addressing the effect these strategies on performance. For instance, Odanga and Nzulwa (2016), and Kamali (2015) only focus on the factors affecting implementation of strategic plans in Water Service Providers. Onsomu (2013) provided a study on factors affecting financial viability of Water Service Providers. Kimotho (2012) delved into challenges in strategy implementation faced by Water Service Providers. The studies did not dissect and breakdown the effect of these strategies to provide a clearer understanding of their effect on organizational performance of the Water Service Providers.

2.5 Research Gaps

Water Service Providers in Kenya have embraced a business oriented approach in their strategy to achieve improved organizational performance and viability. With increased government support for the WSPs on operation and infrastructural development, many studies have been undertaken in the context of effect of corporate strategies in organizational performance.

They have documented strategic plans whose formulation followed a scientific approach. Operationalization of these plans has been successful through strategy implementation measures such as Annual Operational plans, functional or parts strategies, procedures and policies. Change management, training and capacity building of the water service providers on monitoring and evaluation of organizational processes remains a potential ground to further enhance successful strategic planning.

Since the operationalization of the Water Act, researchers have been concerned with challenges faced by the Water Service to achieve self-sustainability and operational effectiveness. Following devolution of water services and the enactment of the water Act 2016 which has enhanced ownership status and responsibilities of the WSPs, there is need therefore to delve into the effect of the strategies in place since no research has attempted an in-depth study offering detailed consideration of their effect on organizational performance indicating this as a research gap.

3. Research Methodology

3.1 Research Design

A research design is a plan, structure and strategy of investigation to obtain answers to research questions and control variance, Ogula (2005). The paper adopted a census sampling technique.

3.2 Target Population

This refers to the total number of subjects or the total environment of interest to the researcher. According to Ogula, (2005) it includes any group of institutions, people or objects. The research being a census study involved all the fourteen (14) water service providers licensed by the Lake Victoria South Water Services Board and Lake Victoria North Water Services Boards to operate in their area of jurisdictions where four management team members were picked from each WSP making a total of fifty six (56) respondents.

3.3 Sample Size and Procedure

The sample is part of the target population that has been procedurally been selected to represent it (Mugenda and Mugenda, 2013). Census study was adopted and all WSP from the target population were surveyed. This ensured that there was no biasness in picking a sample from the target population (Borg and Gall, 2003). It ensured that each member, that is, each company from the target population had equal and independent chance of being included in the study.

3.4 Data Collection tools

Qualitative data was collected focusing on the effects of corporate strategy on organizational performance among the water service providers. Primary data was collected using a questionnaire. The questionnaire comprised both open and close ended questions which provided for both qualitative and quantitative data. The personal interview method was used for primary data collection.

3.5 Data Collection Methods

Questionnaires were self-administered to facilitate collection of data. This was expected to collect a lot of information over a short period of time. This was possible because the respondents are literate and the information needed can be easily described in writing. These questionnaires were both closed ended and open ended. These enabled the researcher to balance between the quality and quantity of data collected. The balance between the quality and quantity of information was useful for a fuller explanation of the phenomena under investigation. Since the target population is also largely literate, it was unlikely to have difficulties responding to questionnaires items.

3.6 Piloting

This ensured that errors of whatever nature could be rectified immediately at little cost. In this regard people (non-respondents) were asked to complete it before it was officially sent out. This achieved two objectives: (i) improve the face of content validity of instruments and (ii) estimate how long it takes to complete a questionnaire (Bagwandeen D 2005).

The research design identified was pre-tested to assess its applicability. The research tools were presented to the management team to critique on the adequacy of the resources which included materials employed, time allocated in the study and the cost of the research project.

This enabled operationalization of variables identified in the conceptual framework and how these were to be measured. It also further tested on intervention strategy and identified important components. Pilot testing enabled testing on changes in methodology in administration of research instruments. This enabled maintain maximum objectivity and reduction of bias.

3.6.1 Validity of the research instruments

Burg and Gal 2009 defines validity as the degree to which a test measures what it purports to measure. The study also took validity in consideration, as they were important to make the study trustworthy (Cohen, Manion and Morrison, 2007). A panel of experts in the field led by my supervisor validated the instruments. According to Mugenda and Mugenda (1999), Validity is the accuracy and meaningfulness of inferences, which are based on the research results. It is the degree to which results obtained from the analysis of the data actually represent the variables of the study.

3.6.2 Reliability of the research instruments

If a researcher administers a test to a subject twice and gets the same score on the second administration as the first test, then there is reliability of the instrument (Mugenda and Mugenda, 1999). Burg and Gall (2009) defines reliability as the degree of consistency that the instruments demonstrates what it is measuring. Samples of the questionnaires were issued to the people who were not be part of the respondents but were of the same academic status and were collected at the appropriate time after being filled. Then an analysis was on the consistency of the respondents. From this analysis, some items were dropped and necessary amendments effected where possible.

3.7 Data analysis and Presentation

This section of the proposal entails or deals with organization, interpretation and presentation of the collected data. The data was tabulated then analyzed using descriptive, correlation and inferential statistics with the help of Social Sciences (SPSS) version 22 software. Correlation analysis was used because it enabled the researcher to predict and describe the association between two or more variables in terms of magnitude and direction. It is a measure of the degree of association between two or more variables that have been obtained from the same group of subjects. A correlation coefficient greater or equal to 0.6 was to be accepted (George and Mallery, 2003). Descriptive statistics involved the use of weighted averages and percentages. Inferential statistics was used to establish the causal relationship between the dependent and independent variables. This was achieved through the use of ANOVA. The results were presented in charts, tables and graphs.

The conceptual framework of this study provided the broad relationship of various corporate strategies that affect organizational performance of a WSP in the Kenya context. Based on the World Bank (2015) conceptualization, an empirical framework for assessing key corporate strategies that affect organizational performance of water utility were therefore presented in the following model:

$$OP = \beta_0 + \beta_1 GS + \beta_2 FS + \beta_3 IRA + \varepsilon \dots\dots\dots \quad (1)$$

Where:
OP = Organizational Performance of a water service provider
GS = Growth Strategy
FS = Financial performance
IS = Internal Resource Allocation
$\beta_1 \dots 4$ = Beta coefficients of the model variables
ε = the Error Term, which measures the variation in the model not explained by the listed variables.

This regression analysis model helped in establishing how the value of the dependent variable, organizational performance, changes when any one of the independent variables will be varied, while the other independent variables are held constant.

β_1 is the coefficient for the growth strategy variable in the model. It represents the difference in the predicted value of organizational performance for each rated variance in growth strategy, if all other variables remain constant.

β_2 is the coefficient for the expansion strategy variable in the model. It represents the difference in the predicted value of organizational performance for each rated variance in expansion strategy, if all other variables remain constant.

β_3 is the coefficient for the internal resource allocation variable in the model. It represents the difference in the predicted value of organizational performance for each rated variance in internal resource governance, if all other variables remain constant.

4. Data Analysis and Research Findings

4.1The distribution of the respondents

The figure below shows the distribution of the respondents for the study in terms of number of years they have been at the company;

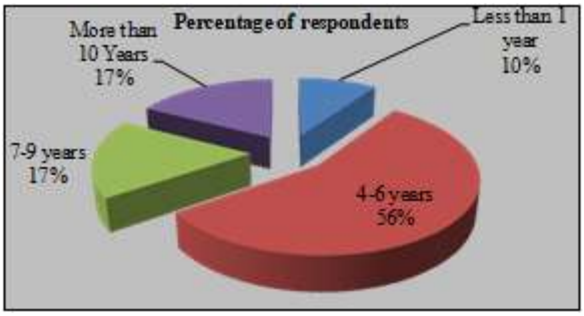


Figure 1: The distribution of respondents

According to the figure above, majority of the respondents (56%) had been in the WSPs for more than 4-6 years. On the other hand, 17% of the respondents had been in the WSPs for more than 7-9 years, equally the same with those who have been there for more than 10 years while only 10% of the respondents have been there for less than one year. Therefore, from the above statistics it is well evident that majority of the respondents (90%) had worked in the WSPs for than 4 years of which have equipped them with insider knowledge of the working of the WSPs. Respondents unanimously cited that their respective companies had vision. This is demonstrated in figure 2 below:

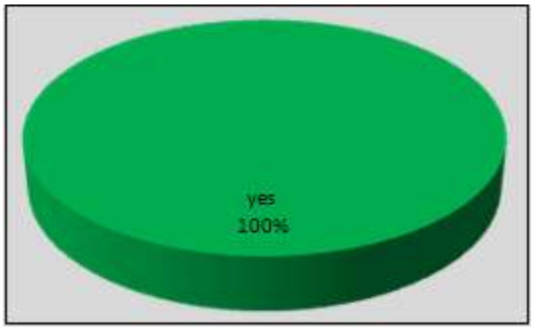


Figure 2: Percentage of response on whether the company has a vision

The respondents were unanimous in their response to the question on whether their companies had visions. All the respondents (100%) were emphatic that their respective companies had visions, which is driving the organizations to achieve a common goal. Nonetheless, the vision often act as a constant reminder of what the company is trying to achieve in midst of challenges. Responding to the question when the company's vision was last updated the respondents had variant responses as shown in the figure 3 below:

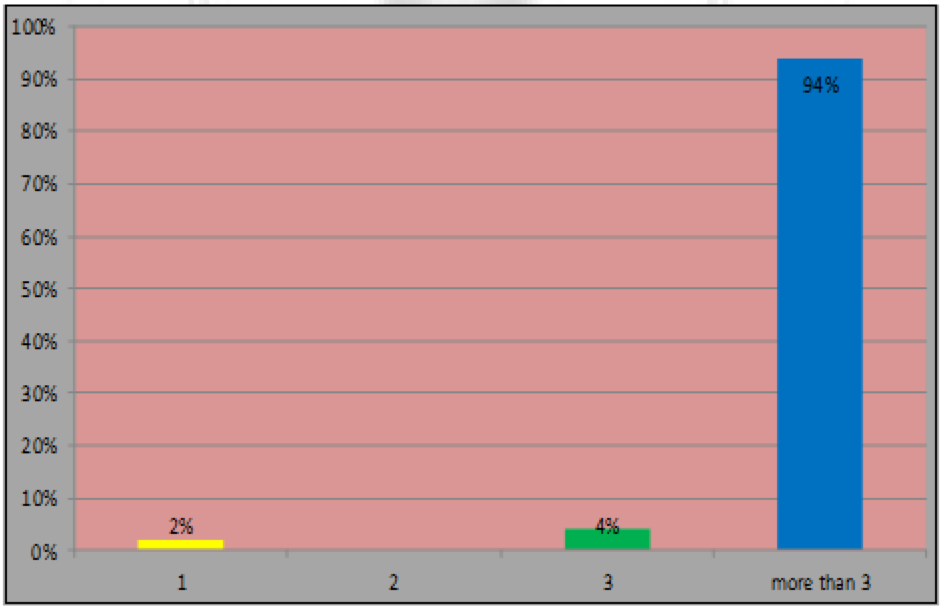


Figure 3: Percentage of response on when the vision was last updated

Of the respondents reached, 94% of the respondents were of the view that the vision their respective companies were last updated more than three years ago. On the other hand, 4% of the respondents highlighted that their companies had updated the company vision in the last three years. This could possibly translate to the fact that the companies often update their vision in a period of three or more years. Equally, 2% of the respondents said that their companies update their vision after one year or annually. On further, probing as to whether their companies had mission the response of the respondents is as shown in the figure 4 below:

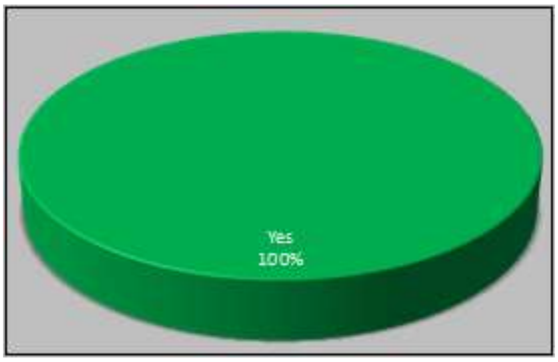


Figure 4: Percentage response on development of company mission

According to figure, 4 above the respondents were unanimous in their response in regards as to whether their companies had developed mission. A total of 100% of the respondents were categorical that their company had a mission. They noted that company mission is important because it is the guiding principle in the strategy and operational decisions. Nonetheless, it binds the organization together and describes what the organization does to achieve its vision. In light of how often the company updates their vision and mission the responses of the respondents are as shown in figure 4 below:

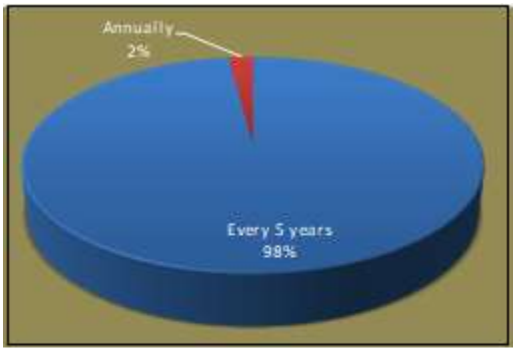


Figure 5: Perception on how often the mission and vision are updated

Responding to the question on how often the mission and vision are reviewed, 98% of the respondents were categorical that they are always reviewed in a span of five years. While 2% of the respondents stated that in their case, it is reviewed annually. The case for after five years could be as a result of giving a window period for the implementation of the company's goals as in some cases some goals often require long periods for their implementation. In the case of annual review could be because of short-term goals that do not require several phases of implementation. Responding to the question on those who are involved in the formulation and review of the company's mission and vision the respondents cited several actors. This is demonstrated in the figure 5 below:

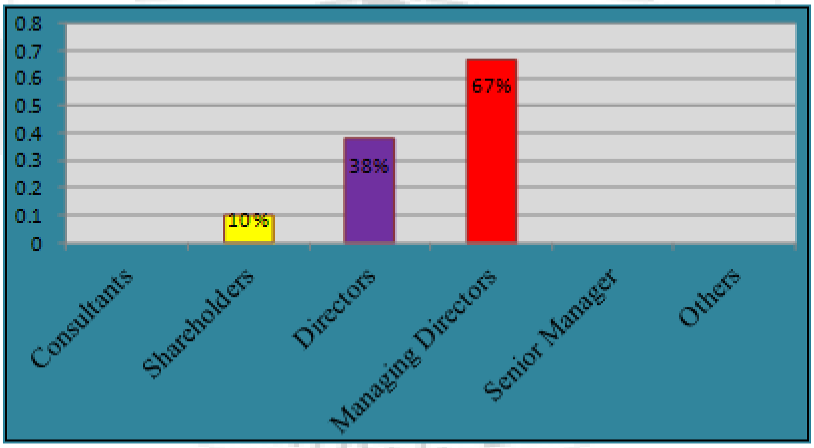
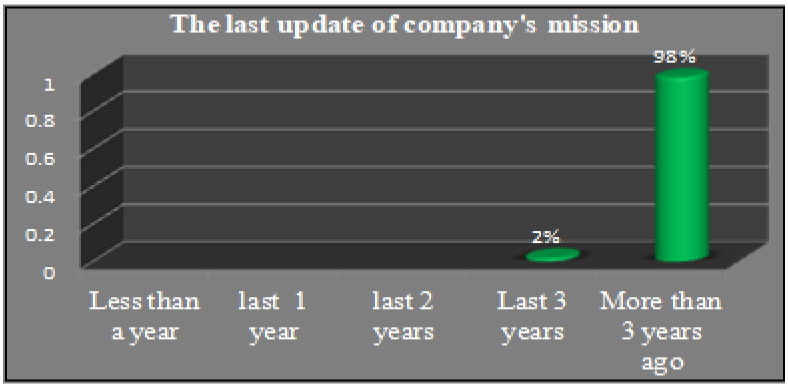


Figure 6: Those involved in formulation of company's mission and vision

Of the respondents reached, 67% were strongly convinced that the managing directors are the one who are involved in reviewing of the company's vision and mission. This could be driven by the fact that a managing director coordinates the activities for the organization and also keeps business goals and objectives in mind. Nonetheless, they also make sure employees are all on board with those goals and objectives. The directors were also cited by 38% of the respondents of being involved in the reviews. This is because in certain instants the board of directors is involved of which functions as a policy-making body when it comes to particular issues such as a creating policies governing the appointment and duties of board officers, including the board president, secretary and treasurer. Other people involved in the review include shareholders (10%). This is because the shareholders are involved in appointment of directors who oversee the day-to-day running of the Company; therefore, they had to be involved in the review of the company mission and vision. However, under the corporate statutes, certain matters are considered so fundamental that they require the approval of the shareholders, thus their involvement in reviewing of the mission and vision. However, on how frequent the company updates its mission the responses varied as shown below in figure 7:



A total of 98% of the respondents held the view that the company mission was last reviewed more than three years ago. While 2% of the respondents noted that, the mission was reviewed in the last three years. This is indicative that the companies often review their missions in a period of three or more years.

4.3 The effect of growth strategy on organizational performance

Respondents had diverse opinions regarding the effect of growth strategy on organizational performance as shown in Figure 8 below:

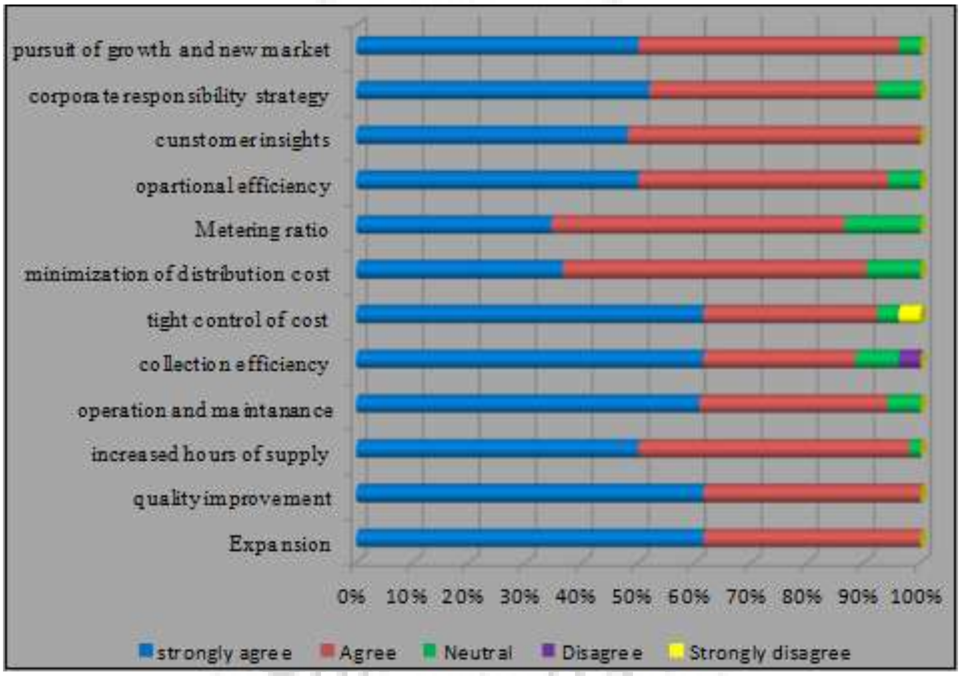


Figure 7: Perception on growth strategy as corporate strategy

4.3.1Expansion and increased hours of supply

According to the figure above, 98% of the respondents were emphatic that for the growth of the company, it should expand its activities. As a result, the company has expanded Water Coverage by targeting a specific market jurisdiction. Not only has the company focused on expansion of water coverage but also on the period of supply as was noted by 97% of the respondents. This has been achieved by forecasting on existing market, growth the Company has increased its hours of supply.

4.3.2 Operation maintenance

Majority of the individual respondents (92%) interviewed noted that the growth of the company was also determined by the operation maintenance. Therefore, operation & maintenance cost coverage has significantly improved by forecasting market growth. At the same time, tight control of cost played a significant role as was noted by 91% of the respondents. As a result, tight control of overhead costs has reduced Personnel expenditures.

4.3.3 Collection and operational efficiency

The figure above shows that 87% of the respondents were of the view that the Collection Efficiency had impact on the effect of growth strategy on organizational performance. Collection efficiency has significantly improved by vigorous pursuit of revenue collection measures. While 93% of the respondents held that operational efficiency was also having impact on the growth of the company, by improving operational efficiency Non-Revenue Water (NRW) has reduced.

4.3.4 Metering ratio, Customer insights and corporate responsibility

According to 99% of the individual respondents were of the opinion that the company had also integrated customer insights as an element of growth strategy. The organization aims to increase customer insights and simultaneously recognize and correct mistakes early to improve operational efficiency. Additionally, 91% of the respondents highlighted that customer insights go together with corporate responsibility.

4.3.5 Other factors

The respondents also cited other factors such as pursuit growth and new markets (95%), minimization of distribution cost (89%), metering ratio (85%) and quality of employment (98%). They cited that organization maintains high operational efficiency in pursuing growth and new market /business development and at the same time, the WSPs have refined existing water and sewerage connectivity by increasing metering ratio. In pursuit of cost reductions and Minimization of distribution costs staff Productivity has improved by utilizing Staff per 1000 connections. Nonetheless, the WSPs have improved their drinking water quality.

4.4 The influence of financial performance on organizational performance

Respondents had diverse views on the influence of financial performance on organizational performance as shown in figure 9 below:

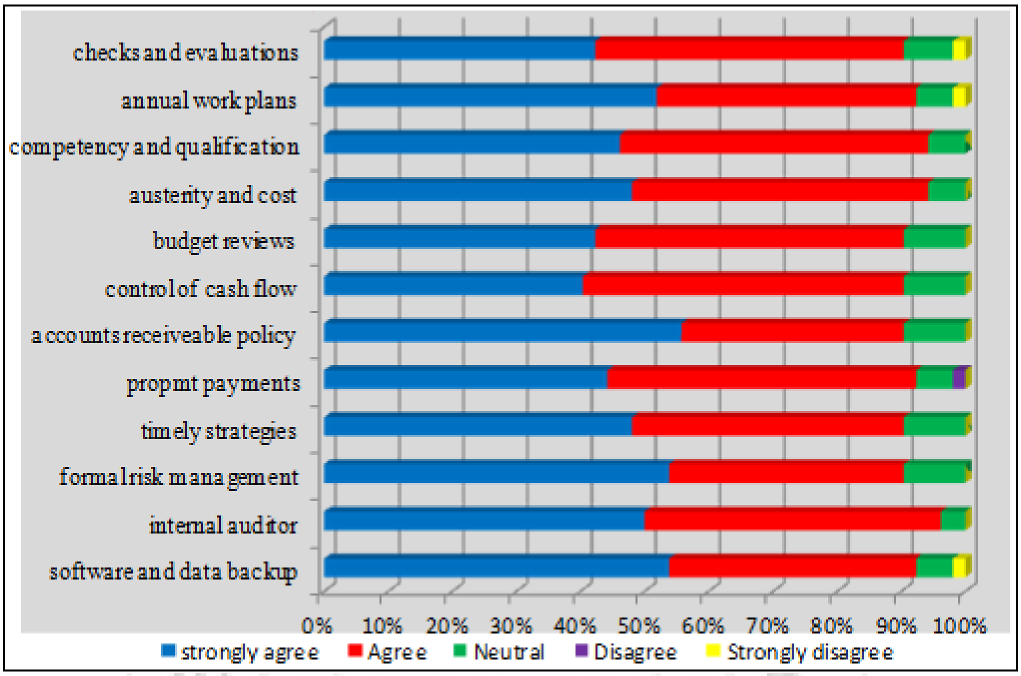


Figure 8: Perception on financial performance as corporate strategy
Source: Research Findings

4.4.1 Written accounts receivable policy

According to the figure above, a total of 89% of the respondents were emphatic that the establishment and adoption of written accounts receivable policy has greatly guided on debt management.

4.4.2 Internal auditor

In figure 9 above, many respondents (95%) highlighted that the internal auditor is responsible for review, verification and assessment of the effectiveness of overall controls in risk management systems, guidelines and activities in the Company. However, 4% of the respondents noted that financial performance of the company does not only rely on internal auditor review but there are also many other factors in the organization.

4.4.3 Software and data back up

A total of 91% of the respondents were emphatic that the company's performance was also dependent on the backups of software and data files that the company had in different location from the Company's office. This was because in case of any eventual disaster, the company would still have the information thus preventing total loss of information or the cost that could be incurred in trying to retrieve the data.

4.4.4Austerity measures on cost control

The figure above indicates that a total of 93% of the respondents were of the view that the company has instituted austerity and cost reduction measures to optimize resources, which has resulted to enhanced financial performance of the organization. Austerity measures have helped to reduce the organization spending and at the same time reducing budget deficit, thus improving public confidence in the WSPs.

4.4.5Competency and qualification

According to the majority of the respondents (93%) were of the view that the company has recruited its staff based on competency and qualification. As a result, the Company management has effectively assigned duties and responsibilities to persons commensurate to competencies and qualifications.

4.4.6Annual work plans and prompt payments

The existence of annual work plans within the company has enhanced its financial performance as shown in the figure above. A total of 91% of the respondents noted that budgets of the company are aligned to annual work plans and Contain performance indicators to assess progress towards meeting policy goals as per Strategic Plan of the company. This has ensured effective financial performance of the company. On the other hand, similar percentage of respondents noted that a prompt payment of receivables was also contributing to enhanced financial performance of the company. They pointed out that the Company does not experience long delays in payment of debts from customers and chase the parties involved for collection and that there is a remarkable improvement in sales revenue and the WSPs are in a position to meet their obligations.

4.4.7Checks and evaluations

In accordance with the figure above 89% of the respondents noted that checks and evaluation have greatly contributed to financial performance of the company. They cited that there exists independent process checks and evaluation of transactions and activities on an on-going basis to assess the adequacy of internal controls, financial management and risk management controls.

4.4.8Formal risk management and timely strategies

A total of 89% of the respondents highlighted that formal risk management and timely strategies had a great role in the financial performance of the company. In terms of timely strategies, the respondents were of the view that in the management of the company, it entails the Board timely setting up of strategies and taking pro-active decision process and the Board of Directors ensuring that management of the Company takes necessary actions in risk management. On the other hand, the WSPs have set up a formal risk management system. Nonetheless, the management understands significant uncertainties, or soft spots inherent in organization strategies for achieving business objectives and performance goals.

4.4.9Budget reviews and control of cash flow

As shown in the figure above 89% of the respondents cited that budget reviews and control of cash flows was also contributing to enhanced financial performance of the company. They pointed that control is exercised on cash flows by periodic review and reporting of cash available and cash required, by mobilizing efforts for collection of receivables and staggering payments, and by comparing the actual expenditure with budgeted figures and taking corrective action. Nonetheless, they added that the Company has budget reviews where budgeted expenditure is periodically and regularly compared to the actual expenditure and explanation to variances given thereof.

4.5 The influence of internal resource allocation

The respondents were asked to highlight how organization's internal resource allocation as a corporate strategy affects organizational performance among WSP in Western Kenya and responses varied as shown in the figure 10 below:

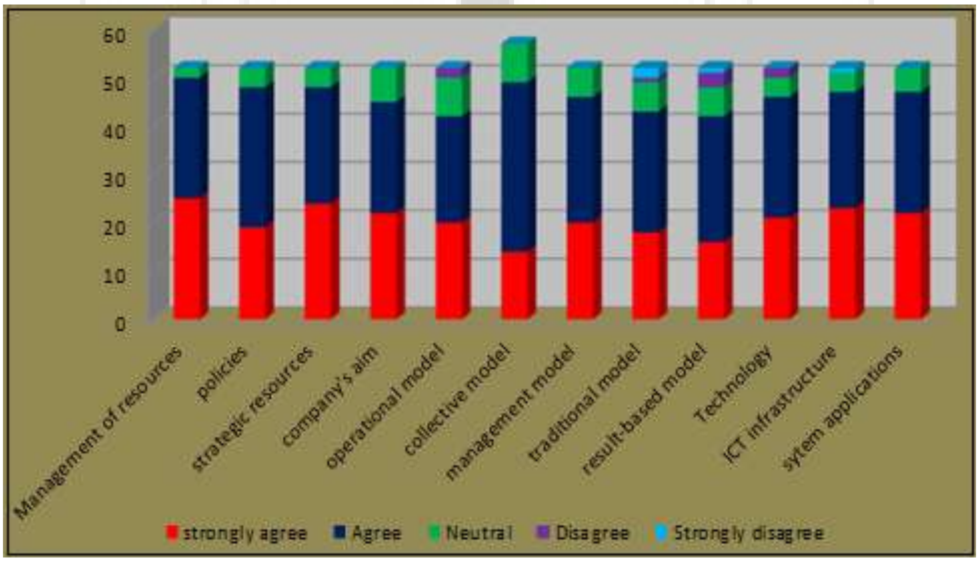


Figure 9: Perception on organizational resource allocation

4.5.1Management of resources

In figure 6 above, a total of 49% of the respondents attributed organizational performance to management of the resources. The respondents were of the view that corporate Management Team has capability to manage physical resources and implement a change process or new strategic direction.

4.5.2Policies

A total of 47% of the respondents pointed out that formulation of policies had an impact on internal resource allocation on the organizational performance. They were emphatic that policy is a direct link between an organization's 'Vision' and their day-to-day operations of the company. This is because policies help in identifying the key activities and provision of a general strategy to decision-makers on how to handle issues as they arise. They also cited that the Board of directors has capability to design policies geared towards optimal allocation of resources.

4.5.3Strategic resources

According to the figure above, 47% of the respondents pointed out that strategic resource had impact on financial performance in terms of allocation of resources. They cited that the company is designed to meet competitive challenge, leveraging on strategic resources.

4.5.4Company's aim

Companies aim is always to inform employees where the organization is going and how it plans to get there. Therefore, 43% of the respondents were of the view that the set objectives were the determining factor in the company's financial performance. As a result, the Company aims to encourage and appreciate value, speed and flexibility in their operations.

4.5.5Operational model

According to 40% of the respondents, the company had an operational model. They noted that the WSP has adopted operational model where the Board manages, governs and performs the work of the organization.

4.5.6Collective model,

The figure above shows that 57% of the respondents were of the view that collective model had a great impact on the company's financial performance. They pointed out that the WSP had adopted Collective Model where the Board and staff operate as a single team when making decisions about resource allocation and the work of the organization. They also added that the board members might work with either or both service operations or management functions.

4.5.7Management model

According to 43% of the respondents, management model was also integral bit of ensuring enhanced financial performance of the company. They cited that the WSP administers Management Model where the Board manages operations through functional committees that may or may not have a staff coordinator.

4.5.8Traditional model

The company was not only using collective, management and operational model but is also using traditional model as was indicated by 41% of the respondents. They pointed out that the WSP is suing traditional model where the Board governs and oversees operations through committees established along functional lines (finance, human resources, Technical and Audit programs) but delegates the management functions to the Managing Director.

4.5.9Result based model

In light of the above, four models that company also adopted result based model as was highlighted by 40% of the respondents. They noted that the organization adopted results-based model where the managing director is a non-voting member of the Board, carries substantial influence over policy making, and is viewed as a full partner with the board. Committees, organized around Board responsibilities and lead planning, would guide governance, and monitor and audit performance of the Board, managing director and organization.

4.5.10Technology, ICT infrastructure and application update

A majority of the respondents (53%) noted that the company had integrated technology in financial management and in other sectors as a way to bolster financial performance of the company. Additionally, they pointed out that the administration system favour the use of technology in accessing data for decision making, information systems reporting, communication tools, information gathering and record keeping. The company as not only adopted technology to enhance its financial performance but has also developed information, communication and technology (ICT) infrastructure to help in the same as was noted by 45% of the respondents. There is sound Effectiveness of present ICT infrastructure and networking fabric used in the organization. Equally, 45% of the respondents pointed out that the company is also using application update. They added that the company has put in place efficient application systems, which encompass hardware, software and facility resource requirement.

4.6 Organizational Performance among Water Service Providers

Company's level of performance

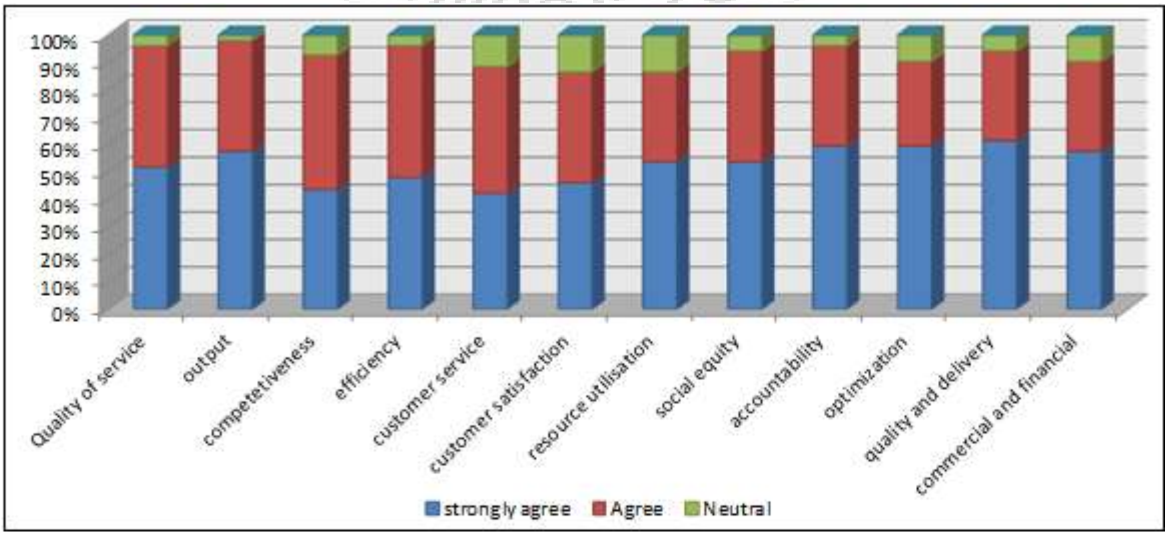


Figure 10: Perception on company level of performance

4.6.1Quality of service
Majority of the respondents (90%) were emphatic that the company's driving goal is provision of quality service to its clients. Citing this they pointed out that the organization has enhanced operating fit to attain economies of scope by controlling the quality of water produced and services provided. To achieve this the company is focusing on water quality, water delivery, pumping hours and reduction of NRW of which majority of the respondents (89%) of the individual respondents noted to have significantly improved. These has resulted to improved customer service and eventually leading to customer satisfaction as indicated by 93% and 91% of the respondents respectively. Customer service performance measures indicate that the company is satisfying customers, which translates to increased revenue collection by the company.

4.6.2 Output
Majority of individual respondents (92%) were of the opinion that the company's level of performance in terms of output has greatly improved. This according to the respondents is found in the performance measures, which indicate that quantity of water produced and services provided have increased significantly.

4.6.3Competiveness
According to 90% of the respondents the company's levels of performance has improved due to the competitive environment that it operates in. they pointed out that the organization has attained management suitability through extensive training of management personnel to enhance managerial expertise.

4.6.4Efficiency and optimization
According 91% of the respondents were of the view that the company's level of performance had improved and that it was attributed to increased efficiency. As a result the company was operating at an optimal level. Additionally, according to 85% of the respondents noted that the Company stakeholders' needs are identified and satisfied and contributions from them are optimized to enable us operate, maintain and enhance our processes.

4.6.5Resource utilization
Many respondents (91%) pointed out that the company's performance in terms of resource utilization was very efficient. They cited that the performance measures demonstrate that company is achieving its goals.

4.6.6Social equity and accountability
A majority of the respondents (89%) and (90%) were of the view that social equity and accountability respectively enhanced the company's level of performance. As a result the performance measures have informed the company water and wastewater services are equitably distributed among customers. Nonetheless, the corporate management team and supervisors of the WSP are held accountable for Company accomplishment of set strategic goals.

4.6.7Commercial and financial
Commercial and financial performance have significantly achieved customer satisfaction, increased flexibility and enhanced productivity as was highlighted by 85% of the individual respondents.

5. Summary and Conclusion

5.1 Summary

The major aim of the current study was to establish the effect of corporate strategies on organizational performance. The study adopted the following research objectives; to evaluate the effect of growth strategy on organizational performance: to examine the influence of financial performance on organizational performance and to describe the influence of internal resource allocation on organizational performance among Water Service Providers.

The study was based on the following research questions; what is the effect of growth strategy on organizational performance of water services providers? What is the influence of financial performance on organizational performance of water service providers? And what is the influence of internal resource allocation on the organizational performance of WSPs?

Census sampling technique was applied in this study. The method applied was present oriented and it was used to investigate populations by selecting samples to analyze and discover occurrences. Target population included all the fourteen (14) water service providers licensed by the Lake Victoria South Water Services Board and Lake Victoria North Water Services Boards to operate in their area of jurisdictions in which four management team members were picked from each WSP making a total of fifty six (56) respondents.

Qualitative data collected focused on the effects of corporate strategy on organizational performance among the water service providers in which a questionnaire was used in the collection of Primary data. The questionnaire provided data for both qualitative and quantitative data which comprised of both open and close ended questions.

Since the respondents were literate a questionnaires was administered to facilitate collection of data. This was likely to collect a lot of data over a short period of time. Piloting study was also carried out to maintain maximum objectivity and reduce bias. Validity and reliability of the research instrument was tested to ensure that the study conducted achieved objective results. Data was tabulated then analyzed based on descriptive method, correlation and inferential statistics with the help of Social Sciences (SPSS) version 22 software.

Significance of the study included valuable knowledge contribution to the field of corporate strategy in organizational performance in general. Significant policy statements were suggested through its recommendations. The study was conducted between April 2017 and March 2018 through census design.

In relation to objective one, the growth strategy on organizational performance, the following were examined; Expansion and increased hours of supply ,Operation maintenance, Collection and operational efficiency, Metering ratio, Customer insights and corporate responsibility, Other factors.

The findings indicate that of all the Water service providers that were studied,99% of the individual respondents were of the opinion that the WSPs had integrated Water coverage, cost coverage, NRW reduction, collection efficiency, metering ratio and staff productivity as elements of growth strategy. The organizations aimed to increase customer insights and simultaneously recognize and correct mistakes early to improve operational efficiency. In the same light, 91% of the respondents noted that customer insights go together with corporate responsibility.

98% of the respondents were emphatic that for the growth of the company, it should expand its activities. As a result, the company has expanded Water Coverage by targeting a specific market jurisdiction. Not only has the company focused on expansion of water coverage but also on the period of supply as was noted by 97% of the respondents. This has been achieved by meeting water and sanitation services demand by increased their hours of supply.

In relation to objective two whose aim was to establish the influence of financial performanceon organizational performance, 93% of the respondents were of the view that austerity and cost, competency and qualification have helped to reduce the organisation spending and at the same time reducing budget deficit while Company management has effectively assigned duties and responsibilities to persons commensurate to competencies and qualifications.

89% of the respondents cited budget reviews and control of cash flows, formal risk management and timely strategies, checks and evaluations, formal risk management and timely strategies. For instance, those who cited checks and evaluation noted the independent process of such transactions and activities on an on-going basis to assess the adequacy of internal controls, financial management and risk management controls have greatly improved company performance.

Objective three focused on influence of internal resource allocation on organizational performance among selected Water Service Providers. The following were examined namely; Management of resources, Policies, strategic resources, Company's aim, Operational model, Collection model, Management model, Traditional model, Result based model, Technology, ICT infrastructure and application update.

57% of the respondents were of the view that collective model had a great impact on the company's financial performance. They observed that the WSP had embraced Collective Model where the Board and staff operate as a single team when making decisions about resource allocation and the work of the organization.

Most of the respondents (53%) reported that the company had integrated technology in financial management and in other sectors as a way to bolster financial performance of the company. They too noted that the administration system favor the use of technology in accessing data for decision making, information systems reporting, communication tools, information gathering and record keeping. The WSPs have not only embraced technology to improve its financial performance but have also developed information, communication and technology (ICT) infrastructure to help in the same as was noted by 45% of the respondents. There is sound Effectiveness of present ICT infrastructure and networking fabric used in the organization. In equal measures, 45% of the respondents pointed out that the WSPs are also using application update. They further noted that the WSPs have put in place efficient application systems, which encompass hardware, software and facility resource requirement to run financial, commercial and technical systems in terms of billing software, financial management information systems, geographical information systems and Water Resource Information Systems.

5.2 Conclusion

The researcher drew the conclusions from the findings as follows:

Based on objective one on the growth strategy on organizational performance, the study concluded that collection efficiency; staff productivity, NRW reduction, operational efficiency and customer's insights on the company greatly influence the organizational performance.

Based on objective two on influence of financial performanceon organizational performance, the researcher concluded that organisational performance highly depends internal and risk management controls, written policies, and alignment of annual budgets to strategic plans and engagement of competent and qualified personnel.

Based on objective three on influence of internal resource allocation on organizational performance among Water Service Providers, the study concluded that where there is single team (team work) between the Board and staff and that once Corporate Management Team has capability to manage physical resources and implement a change process or new strategic direction there is increased organizational performance.

5.3 Limitations of the study

From the research it was impossible to ascertain whether or not all the respondents answered the questions with frankness. In this regard, it was recognized in Hammond (2006) that if the respondents failed to answer the questions honestly as envisaged, then the results may not be a true reflection of the population. However, the application of multiple research methods helped to obviate the potential biasness.

5.4 Policy recommendation

The findings from this study gave empirical evidence that have implications for policy and practice. Considering the above findings, the researcher made the following three recommendations, namely

Given that water service providers are Government owned business entities, there is need to enhance this approach to avoid over-reliance on government subsidy for the WSPs as evidenced on operation and infrastructure development grants. There is need for policy to enable the WSPs leverage on subsidies and set tariffs that cover on their costs.

The water service providers have corporate strategies which have been scientifically formulated. It is imperative therefore that adequate training and capacity building of the water service providers on all levels their operations undertaken to fully inform the parties involved of the WSPs strategic intent.

Due to change in legislation in the Water Act 2016, the BoD and management should check and control political influence by putting in place policies to handle cross county Water Service Providers issues. The management should also leverage on Corporate Strategies to improve service delivery and save the WSPs from the onslaught of County Governments on their desire to establish parallel WSPs to offer Water Service Providers in the same areas of jurisdiction that threaten the very nerve of these entities existence.

5.4 Recommendation for further research

This study aimed at finding out the effect of corporate strategies on organizational performance among Water Service Providers in Western Kenya. There searcher recommends that further studies be undertaken to cover all WSPs covered by other Water Service Boards. Further studies should be undertaken to assess the effect of strategies on financial performance on WSPs.

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