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EFFECTS OF STRATEGIC MANAGEMENT PROCESS ON ACCESS TO WATER IN KISUMU COUNTY, KENYA

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ABSTRACT

Strategic management process is an important management discipline and practice that has transformed many organizations to perform better. The stages involved in this process are basically strategy formulation, implementation and strategic control. This study specifically focuses on effects of strategy formulation as a first step on water supply in Kisumu County Kenya . The specific objectives of the study were ;to find out the effects of strategy formulation on water supply In Kisumu County and ,to make recommendations for best practices in the light of findings. Kisumu County was selected as the venue of the study due to the problem of water in spite of its location next to a fresh water lake . the study used a mixed method research approach with concurrent triangulation design . The study target population was 205 respondents .Out of this a sample of 134 was selected using both stratified and purposive sampling. Questionnaires and document analysis were the main methods of data collection. the instruments were validated through expert vetting and reliability ascertained through piloting . The results indicated that there was a positive significant relationship between strategy formulation and access to water and it was recommended that the mission statement should identify various purposes of the organization under which the organization is registered and that the mission should highlight key stake holders ,markets, products and major systems of production. Further it is recommended that the main objectives of the organization should be supported by complementary objectives that assist sourcing of inputs, production process and distribution of outputs, in this case water.

KEY WORDS: ***Strategic*** *management, Strategy formulation, Supply of water.*

INTRODUCTION

Strategic management process is playground for art and science of improving current and future management roles of setting, selecting, implementing and controlling operations to achieve desired results (Mintzeberg, 2017). Another authority viewed strategic management as matching internal environment to external opportunities and mitigating threats to position a firm to achieve planned results (Porter, 2012). The first definition conceptualizes agility and ability to optimize returns while changing with the changing environment but under positioning: vision, mission, objectives and values are selected with skill and care to place the firm in a position to achieve planned results. The positioning view is appropriate because of the water act.

Water Planning in Kenya was influenced by national policies and international directives.
The County Government of Kisumu has 29 water facilities which process and distributed piped water mainly in towns; the water was of good quality and reliability. Rural households used improved water from springs, streams, and shallow wells. Although the water was not processed or tested, it was reliable and affordable and managed by communities or water CBOs. About 5% of people used poor quality water from the lake, rivers and dams but it was available and free at face value (LVNWSB, 2017).The water coverage fluctuating from a low of 2.9% in Seme to a high of 76% in Kisumu Town. The raw and processed water storage was not adequate, which made the county to experience critical water shortages in dry seasons. Many people used improved springs and shallow wells whose water was sometimes contaminated by pit latrines but the water was not processed or tested before use (Kanoti J, R., Olago D., Opiyo N., Nyamai C. 2019).

STATEMENT OF THE PROBLEM

Studies show that effective and efficient strategic management process increased access to water to over 90% in all continents except Africa which achieved 60%, which was below acceptable minimum of 80% (water aid,

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2018). Access to water is important for good health, happy families, economic and social development. It contributed 5% to Kenya's GDP(Kenya National Bureau of statistics, 2013). Caroline & Alexanda, 2017 demonstrated that average access to water per person per day was 220 litres in developed countries and Africa 76.6 litres. Low access to water lead to use of bad water which causes water borne diseases that killed 361,000 children yearly and negatively affected 2.1 billion people yearly (European Union, 2019). Globally 32 billion M^3 of treated water equivalent to $ 3 billion annually goes to waste due to failure to control water detractors (world health organization, 2019). Strategic management process improves a performance. This study investigated the effect of strategic management process on access to water in Kisumu county Kenya.

The study precisely focused on the strategic formulation process as the first step in the process to find out its effect on water supply in Kisumu county

OBJECTIVES OF THE STUDY

The main objective of the study was to determine the effect of strategic management process on access to water in Kisumu County in Kenya. Specifically, the study sought to:

i. Investigate effect of strategy formulation on access to water in Kisumu County, Kenya.
ii. Recommend best practices in strategy formulation that will improve access to water in Kisumu county ,Kenya.

LITERATURE REVIEW

STRATEGY FORMULATION PROCESS

Strategy formulation is important because it provides the direction, basis of implementation, evaluating performance and control. The three components of strategy formulation are namely: setting direction (vision, mission, objectives and values), analyzing the environment and selecting a strategy. A vision is long term expected achievement of the organization, Good vision statements are directing, futuristic, inspiring, communicating realizable values according to study done in Slovakia Republic and Nigeria (Papulova, 2014; Derbi & Phanuel, 2012).The vision of Water Services Regulatory Board (WASREB) in Kenya was to be a proactive dynamic water regulator. While the vision was directing, futuristic and inspiring, it did not communicate realizable value (WASREB, 2017). The Kisumu Water and Sewerage Company Limited(KIWASCO) vision was to be the most admired WSP (KIWASCO, 2017 c), it was directing and inspiring and not realizable. A good vision leads the organization to planned direction.

The mission is derived from the vision to articulate tangible and intangible things which the organization should do to achieve the vision (USA Department of commerce, 2009). The mission statement of KIWASCO was to provide quality water for improving livelihoods (KIWASCO, 2017 c). The mission was good to the extent that it mentioned the product and livelihood but did not state area of coverage, left out various stakeholders like the employees, suppliers and Government. Technology, water detractors and sustainability, were critical but not addressed. The mission was not comprehensively developed. Mission statements had a tendency of being over ambitious by mentioning huge projects that did not match realizable resources and critical needs. The studies examined suggest that comprehensive mission statements were rare.

Strategic goals were clear medium-term intentions to be achieved within the strategic plan period to realize the mission (Robert, 2011). The goals were broad in nature, involved many stakeholders, cuts across departments, financial years and required a large outlay of resources to implement. Each goal was important as a milestone and sometimes an initial step to next level. Goals were relevant as units for resource allocation and means of division of work to various people and periods. A mission may have one or more strategic goal(s) and each strategic goal may have one or more specific objectives to realize the goal (Steven, 2012).

The strategic goals of KIWASCO were water infrastructure development, operational efficiency, customer service, pro-poor initiative, financial sustainability, institutional strengthening, corporate governance and reduction of non-revenue water from 41% to 25% (KIWASCO, 2017 c).

Specific objectives are the desired result of functional strategies (Taiwo & Agwu, 2016). Effective objectives are specific, measurable, achievable, relevant and timely (SMART). KIWASCO functional strategies were supported by policy manuals for human resource, finance and technical operations. Objectives may be SMART but unachievable if they are not complemented upstream, downstream and crosswise where upstream is a link with suppliers of inputs, downstream is link with customers while crosswise is links with other stakeholders in the sector, Good objectives go beyond SMART to being SMARTC where the last C stands for Complementary. KIWSCO's goals lacked complementary objective.

Although the value statement looked good it did not bond with some stakeholders: the employees would be attracted by motivation, the national/ county governments and the regulator would be interested in compliance, donors would want accountability and suppliers would want fair dealings. These issues were not articulated clearly in the value statement. Many value statements are paper statements for public relations and the individuals in the organizations did not practice them. Although value statements should target values they want to share with stakeholder, KIWASCO did not articulate values to target diversified potential and current stakeholders.

METHODOLOGY

The area of study is Kisumu County in Kenya. Kisumu County had a population of over 1.2 million people; Kisumu city is the 3rd largest city in Kenya and hosts the 3rd largest fresh water lake in the world. It is a significant central point in East African regional corporation, a leading conference and tourist attraction in the western region. It therefore requires water of highest quality to sustain its operations.

This study targeted all the 10 members of the KIWASCO board, senior and middle level staff of KIWASCO numbering 195, and all totaling up to 205. The study left out 64 subordinate staff made of cleaners, messengers, ground maintenance and manual laborers because they did not have enough technical knowledge on water issues (KIWASCO, 2017 a). The 205 members were targeted because they were likely to provide high quality information on water issues. The staff was divided into technical, administrative, senior managers and board members, in strata where members in each stratum were selected for data collection. The stratification improved the representativeness of the sample.

A sample was taken from Board members, technical and administrative groups made of senior and middle level staff. The sample frame has 205 people, including 10 board members for open ended questions. The target population comprised 205 people and 134 people were selected including 10 board members and five top managers.

Stratified random sampling was used to select a sample from the targeted population. A good sample should have over 30 units and be representative of the population, according to central limit theorem (Richard, & Davis, 2009). The stratified random sampling was used to pick a representative random sample from all strata hence bring different cadres of staff with different experiences to provide quality information. The sample size for this study was arrived at using Krejcie Morgan Table of sample size determination (Krejcie and Morgan, 1970)..

Primary data was collected from respondents through likert scale questionnaire and open ended questionnaire. The secondary data was collected from research journals, reports in water sectors, government publications, strategic plans, financial reports, websites, and relevant books on research methodology and strategic management. They were used for content documentary data analysis and triangulation.Validity of the data collection instruments was established by expert vetting while reliability was ascertained through piloting.

RESULTS AND DISCUSSION

EFFECT OF STRATEGY FORMULATION ON ACCESS TO WATER

The strategy formulation objective had 21 indicators clustered in sub objectives of setting direction, environmental analysis (external and internal) and strategy selection. The indicators measured performance on five-point Likert scale which was converted into five interval scale, The scores are strongly disagree(SD)=,1 disagree(D)= 2, neutral(N)=3 agree,(B)= 4 strongly agree(A)= 5 which ranged from 1 – 5 with a distance of 4 units, hence interval of 4/5= 0.8: the equal distance in a scale is a statistical requirement for interval scale to be reliable and balanced (Donald and William, 2012). The means adopted for analysis were: $1 \leq SD < 1.8$, $1.8 \leq D < 2.6$, $2.6 \leq N < 3.4$, $3.4 \leq A < 4.2$ and $4.2 \leq SA \leq 5$. The mean scores strongly disagree were rated as very low performance, disagree, low performance, neutral as average performance, agree, good performance, strongly agree very good performance. The transformation of ordinal data to interval scale Likert data was done in line with studies carried out (Ankur & Saket, 2015). The likert data was transformed into five equidistant interval of 0.8 where the frequencies of the scores A to E were incorporated into the scale and subsequently used to determine the value of each scale. The SPSS software tools were used to transform data and variables as required.

The first variable investigated the extent to which the vision was directing, futuristic inspiring and realizable. The mean score attained was 4.5, implying that the majority of respondents strongly agreed that the vision was directing, futuristic, inspiring and realizable with high risk of deviation of 0.67 . The results indicate that the vision is directing, futuristic, inspiring and realizable in concurrence with literature (KIWASCO, 2017 c). The vision for ministry of Water in Kenya was Universal access to adequate, safe and sustainable water resources, the

vision was directing and futuristic (Ministry of Water and Sanitation, 2018). This agrees with studies carried out in the Czech Republic found vision statements to be directing, futuristic and inspiring (Afonina, 2015). In Figure 1 the majority of respondents score A (60%) for Strongly Agree and B (30%) for agree in their rating of vision statement. The KIWASCO vision statement was rated high (90%) agreed, it can be used to improve strategy formulation.

The study further investigated if the mission statement of KIWASCO identified products, markets, main stakeholders and major The position was supported by qualitative results which scored neutral meaning the respondents were not sure. KIWASCO literature found that the mission did not identify all key stakeholders (KIWASCO, 2017b)The variable investigated whether KIWASCO had specific, measurable, achievable, relevant and time bound (SMART) complemented objectives (mean score= 3.9, SD= 0.54). The mean score of 3.9 stood for good performance, the objectives were SMART with high . The results were supported by literature review which found objectives to be SMART but not complemented (KIWASCO, 2017 b). According to sound management practices, good objectives should be specific, measurable, achievable, relevant and timely ((Barbara, Kozuch & Adam, 2018). The objectives of KIWASCO were water infrastructure development, efficiency in all operations, financial viability, water supply coverage of 74% by year 2017 the objectives were clear and achievable but had no upstream and downstream complementing objectives. Access to waters was not improved, there were no complementary objectives, to increase raw water supply for processing, SMART, objectives should be complemented to achieve results. The Kenya Government objective to increase access to drinking water to 80%, by year 2015 was not achieved due lack of raw water complementary objective (Kenya Government, 2018). Application of SDGs in developing countries improved access to water by providing raw water dams and piped water extensions to homes (Josefina, 2015). In a study carried out in Brazil, water utilities that provided raw water dams and distribution network to consumers achieved their targets. There was no relationship between SMART objectives and access to water unless there were complementing objectives. In this study respondents scored B (70%) supported by A (10%) hence 80% agreed that objectives were SMART but access to water was still a big problem . Good objectives went beyond being SMART they have to be complemented. Good objectives are therefore SMARTC where the last C stands for complementary.

CONCLUSIONS

There was positive significant relationship between strategy formulation and access to water, implying improvement in strategy formulation will lead to improvement in access to water, more effort directed to strategy formulation will translate into more access to water. However ineffective and inefficient application of strategy formulation will attract low level access to water. access to water.

RECOMMENDATIONS

Based on the study findings and conclusions the following recommendations are generated

1. The mission statements should identify various main purposes of the organizations under which the organization is registered . KIWASCO was registered under water act and company act, and its mission should articulate objects of both acts. The mission should also highlight key stakeholders, markets, products and major system of production.
2. The main objectives of the organization should be supported by complementary objectives to be SMARTC. Lack of objectives that support sourcing of inputs, production process and distribution of output stifle performance.

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