RESEARCH PROJECT

EFFECTS OF PRIVATIZATION ON WATER SECTOR, A STUDY OF EMPLOYEE ATTITUDES AND PERCEPTIONS OF THE CHANGE IN NAIROBI REGION:

BY:

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REG. NO. D53/OL/1661/02

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT FOR THE DEGREE OF MASTERS IN BUSINESS ADMINISTRATION IN THE SCHOOL OF BUSINESS, KENYATTA UNIVERSITY

MARCH 2007
DECLARATION

This research project is my original work and has not been presented for a degree in any other University or any other award.

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I confirm that the work report in the project was carried out by the candidate under my supervision.

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KERKATTA UNIVERSITY LIBRARY
ACKNOWLEDGEMENT

In undertaking this project I am grateful to all those who assisted me in one way or another. I am particularly grateful to my Supervisor Mr. E. Obere and all those who responded to the questionnaire. I am also grateful to the Management of Athi Water Services Board for allowing me to undertake the research in Nairobi Region which is in their jurisdiction.
DEDICATION

To my children

Macharia & Wairimu
ABSTRACT:

The GOK initiated reforms in the water sector in the year 2002 with an aim of making the sector more effective in service delivery. The water Act 2002 established water services boards to replace the MWI and NWCPC in direct water provision and sewerage services. The MWI and NWCPC were the two government agencies that had the mandate then to provide water and sewerage services throughout the country. (Transfer Plan 2004)

Majority of the employees of MWI and NWCPC especially those in direct water provision and sewerage services were deployed to work in these new institutions since their parent organizations i.e (MWI & NWCPC) had taken up new different roles. These employees had been writing letters requesting to go back to their parent organizations. Others especially the young professionals resigned and took up jobs elsewhere. (Correspondences in the files). The union that represent these employees went to court to challenge the governments rationale of deploying their members to these new institutions.

The researcher in undertaking the research hoped to find out why all these was happening yet the reforms were meant to improve service delivery and in turn offer employees better terms and conditions of service.

The researcher used a questionnaire to gather data that could help to answer the question. This method of data collection is quite popular, particularly in case of big enquiries. It is being adopted by private individuals, research workers, private and public organizations and even by government., Kothari, (2004).
<table>
<thead>
<tr>
<th>CORPORATION</th>
<th>National Water Conservation and Pipeline Corporation</th>
</tr>
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<tbody>
<tr>
<td>CV</td>
<td>Curriculum Vitae</td>
</tr>
<tr>
<td>GOK</td>
<td>Government of Kenya</td>
</tr>
<tr>
<td>MWI</td>
<td>Ministry of Water and Irrigation</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
</tr>
<tr>
<td>NWCPC</td>
<td>National Water Conservation &amp; Pipeline Corporation</td>
</tr>
<tr>
<td>WAB</td>
<td>Water Appeals Board</td>
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<tr>
<td>WRMA</td>
<td>Water Resources Management Authority</td>
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<td>WSB</td>
<td>Water Services Board</td>
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<tr>
<td>WSRB</td>
<td>Water Services Regulatory Board</td>
</tr>
<tr>
<td>WSP</td>
<td>Water Services Provider</td>
</tr>
<tr>
<td>WSTF</td>
<td>Water Services Trust Fund</td>
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DEFINITION OF TERMS

Privatization - Transfer of management of water and sewerage Services from the GOK to Semi Autonomous Government organizations and private companies. According to the Wikipedia Encyclopedia Privatization (Sometimes privatisation, denationalization or disinvestment) is the process of transferring property from Public ownership to private ownership and/or transferring the management of a service or activity from the government to the private sector. Privatization can be partial or complete. It may also carry conditions as to the change in ownership.

Reforms - Government driven Change that is in the water sector aimed at improving service delivery. Change as defined by George & Jones (2000) is an alteration in the existing field of forces that tends to affect the status quo, in order for equilibrium to be restored action has to be taken. The change of hand in the management of water and sewerage services has disturbed the equilibrium of organizations which were managing the resource before.

Perceptions The way the employees of NWCPC imagine the ongoing reforms in the water sector will affect them.

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CHAPTER ONE

INTRODUCTION

BACKGROUND OF THE STUDY

This chapter highlights the background of the study, statement of the problem, objectives, significance and scope of the study. It also highlights the research questions and the limitation of the study.

For a long time Kenyans especially those in the rural areas have had to walk for long distances to look for water for their various needs. Majority of this have had to do with dirty water which has led to out breaks of various water borne diseases. Lack of adequate water in the rural areas has led to people in these areas living below the poverty line as they can not engage in any meaningful agricultural activities. Rural people rely on the rains and many a times the rains are not enough especially in the Arid and Semi-Arid areas. (Sessional Paper No. 1 1999)

The sessional paper also noted that, Kenya is classified as water-scarce and this situation is getting worse day by day. Current water demands outstrip water supplies in all sectors of the economy and hence intense competition between users becoming evident. This state of affairs calls for fundamental and even radical changes including reclamation of water catchment areas, rehabilitation of the infrastructure and development of potential water sources among others.

In the slum areas of the urban centers there is no clean tap water and this has led to the urban-poor people being afflicted by water borne diseases as they use untreated water for domestic needs. The only people who seem to benefit in this scenario are the water vendors who do brisk business in the slum areas and also in some middle class estates of Nairobi city and other towns. (Sessional Paper No. 1, 1999)

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

It is against this background that the Government of Kenya initiated reforms in the water sector to restructure and improve sector performance and address the problems associated with the management of the resource and delivery of water and sewerage services.

The long term objective (vision) for these reforms is reduction of poverty levels in the country and especially in the rural areas where the problem is great. In order to give the reforms a legal backing Water Act 2002 was enacted. (Water Rules, 2004)

The Act established various water bodies namely, Water Resources Management Authority (WRMA), Water Services Regulatory Board (WSRB), Water Services Boards (WSB), Water Services Trust Fund (WSTF) and the Water Appeals Board (WAB). Each of this body was given a distinct role in the management of water resources. The Ministry of Water and Irrigation was left with policy formulation only while National Water Conservation and Pipeline Corporation is the construction arm of the Government. (Water Act 2002)

Perception exists in many people's mind that the privatization of Public Services results in massive layoffs as private companies get rid of highly compensated public employees and replace them with lower paid, non-union workers with fewer benefits to perform the same services. This has generated intense opposition to privatization from public employee unions at all levels of government. However, there is much evidence to show that privatization has resulted in few, if any layoffs and that public employees can actually benefit in the long term from private-sector management. Johnson(2001)
The employees of the MWI and NWCPC were transferred to the newly created Water Services Boards which in turn transferred them to private companies. Since then these employees kept writing letters to their parent organizations requesting to go back, others opted to take early retirement while the young professionals resigned and took up jobs in other organizations. (correspondences files).

The Union that represented these employees went to court asking the court to order the government to stop transferring their members to other institutions. “The High Court has allowed 1,400 unionisable employees of the National Water Conservation and Pipeline Corporation to seek orders stopping their retrenchment. Lady Justice Roseline Wendoh also granted the employees leave to apply for a prohibition preventing the Corporation from deploying the union members, contrary to the Industrial court.” Daily Standard newspaper, 27th June, 2006.

It is against this background that the researcher conducted the research in order to find out the attitudes and perceptions of the employees on privatization of water & sewerage services and how these attitudes and perceptions affected their work in the new water institutions.

STATEMENT OF THE PROBLEM

After the employees of the MWI and NWCPC were deployed to the newly created water institutions some of them sought ways of going back to their parent organizations while others resigned and joined other organizations. The researcher intended to find out why the employees wanted to go back to their original organizations and whether it had anything to do with their attitudes and perception of the water sector reforms.

The reason why this was important to find out was because the water sector was losing qualified and experienced employees to other organizations and this would hinder the government’s reforms in the sector which were aimed at improving service delivery for the benefits of all Kenyans.
OBJECTIVES OF THE STUDY

The main objective of the study was to determine the attitudes and perceptions of former employees of NWPC on the privatization of water and sewerage services. Specifically, the researcher intended:-

(i) To find out where the employees wanted to work after the reforms
(ii) To establish why employees transferred to the new Water Institutions were resigning and joining other organizations or volunteering to retire early
(iii) To come up with suggestion on appropriate strategies of implementing change in government owned organizations
(iv) To determine why the union representing the employees had gone to court

RESEARCH QUESTIONS

In order to achieve the stated objectives the researcher attempted to answer the following questions:-

(i) Where among the water institutions would the employees want to be in after the reforms?
(ii) Why did some employees among the ones transferred resign and join other organizations?
(iii) Why did some employees among the ones transferred volunteer to retire early?
(iv) Why did the union go to court yet none of their member had been retrenched?
(v) What strategies were used in implementing the change?
SIGNIFICANCE OF THE STUDY
The study is of utmost significance to:-

Academic world, this research will expand the knowledge that already exists in the field of effects of privatization of public resources on Public Officers.

This study will also help policy makers know what aspects of human resource they need to consider while making policies that will directly or indirectly affect the human resource in an organization.

To the management of NWCPC the study helps them understand why their former employees would wish to come back

To Athi Water Services Board the research is an eye opener of the things they require to do in order to integrate these employees into their system.

SCOPE OF THE STUDY
The study specifically targeted former employees of NWCPC in Nairobi Region which is now under Athi Water Services Board. NWCPC is a state corporation under the Ministry of Water and Irrigation. Before the transfer of management of water resources, it was mandated to provide water to four regions namely, Nairobi, Western, Coast and Central. It has now handed over these roles to various Water Services Boards.

The research focused on Nairobi region which was handed over to Athi Water Services Board. Nairobi region is divided into four schemes namely, Ruiru, Kiserian, Kajiado and Kiambu. The researcher believes that the results in Nairobi region are similar to those of other regions and therefore the results can be applied in all the regions.
CHAPTER TWO

LITERATURE REVIEW

INTRODUCTION
The purpose of this chapter is to show how the problem under investigation relates to previous research, literature, conference and reports through the mass media.

REVIEW OF LITERATURE AND PAST STUDIES
Managers need to be aware of the forces shaping society and to plan strategies to meet the challenges to come. Predictions of the future are becoming more difficult as the pace of change accelerates. Panning the future for the management of people involves scanning the business environment when considering how to decide the policy direction to recommend, Human Resource Managers will need to show how their plans take account of the likely scenarios. A ‘PEST’ analysis (describing the political, economic social and technological changes) is one way to structure such a report, Shaun & York, (1996)

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

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

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

As employees’ career prospects disappear so the psychological contract comes under strain. The employability strategy is an attempt to rebuild the contract around the notion that opportunities are given to employees to develop themselves within their jobs, to acquire skills and abilities which can be used to build a convincing CV, to become attractive in the labour market. This strategy responds to employee needs for security and sometimes contradictory desire for autonomy. This has to be accompanied by the idea of corporate citizenship in commitment to goals and to the values of the organization, Pearce & Robinson (1994)

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

Some organizations change largely in response to external circumstances this is often referred to as reactive change. Other organizations change principally because they have decided to introduce change, this is usually known as ‘proactive change’. Some organizations are conservative in outlook, seeking little by way of change, others are entrepreneurial in outlook, always on the look out of new opportunities and challenges. An organization can choose to adopt a more or a less conservative entrepreneurial view of its strategic direction, depending on its culture and management style, George & Jones, (2000)
An organization can encourage change by achieving flexibility by empowering people, this implies allowing, indeed encouraging, employees at all levels to share in the decision making processes of the organization. Thus firms should do all they can to create opportunities for people to participate fully in the running of the operation, providing incentives, recognizing successes, providing training and reducing the amount of supervision and other traditional controls. These policies are increasingly features of many renewed companies, George & Jones, (2000)

"Learning to love change" a new view of leadership at all levels. This is mainly about management style. It proposes that managers should be single-minded about their pursuit of key values in order to provide a stability of purpose and vision, but should be willing to listen, to delegate, and to defer to the front line (i.e. to adopt a participative style), Pearce & Robinson (1994).

Cole, (1997) points out that, it is important to recognize that most people need to be persuaded of the need to change. People need to know the reason for change as some of them fear change. The reality is that every human group has simultaneously within it pressures that keep it together and provide it with stability, and others which provide the spur for change and adaptation. Kurt Lewin (1957) illustrated the dilemma neatly with his classic notion of 'force-field theory as shown below:

 Forces resisting change/
 For maintaining the status quo

 Forces for change/
 Pressure to innovate

**Figure 2.2.1**

Source: Lewin (1957)

This theory suggests that all behaviour is the result of an equilibrium between two sets of opposing forces i.e. driving and restraining forces.
Driving forces push one way to attempt to bring about change, restraining forces push the other way in order to maintain the status quo. Generally speaking human beings seem to prefer to use driving forces to bring about change. They want to win by exerting pressure on those who oppose them but as Lewins model suggests, the more one side pushes, the more the other resists, resulting in no change. The better way of overcoming resistance, therefore, is by focusing on the removal, or at least weakening of the objections and fears of resisting side. Thus the initial policy should not be ‘how can we persuade them of our arguments for change’? But rather ‘what are their objections/fears and how can we deal with them’? The principal approach to change is to reduce opposition rather than try to impose new ways of working. Cole, (1997)

Employees are direct stakeholders i.e. a group that is directly affected by the decisions made on behalf of the organization. They can be considered as a dependent category of stakeholders thus much of their personal lives depend on the success or otherwise of the corporate strategy adopted by their employer. The role of Human Resource Manager is to ensure the fair treatment of employees as important stakeholders in the organization. Cole, (1997)

The management of change/innovation is a challenge to the senior management of every organization. It is particularly important at the strategic level to, Identify priorities and targets, Provide adequate resources to carry them out, Allow for mistakes within reason, Develop positive employee attitudes towards change, Provide appropriate means of learning. In today’s highly competitive market-place, made even more complex by the activities of Government and pressure groups firms must learn to adapt or they will die. Although the need for major strategic change reorientation occurs rather infrequently, it does mean moving from a familiar domain into a less well defined future where many of the old rules no longer apply. People must often abandon the roots of their past successes and develop entirely new skills and attitudes’. Mintzbers and Quinn (1991)

In order to overcome resistance to change several suggestions have been put forward in relation to Human Resource. This include, Encouraging a culture of pride in the organization,
Improving communication in the organization, Encouraging labour mobility and Improving the dissemination of information throughout the organization. Mintzbers and Quinn (1991)

Another 3 stage approach developed by Lewin, (1957) and revised and extended by Schein (1964) comprises of the following steps ‘Unfreezing’ existing behaviour (gaining acceptance for change), Changing behaviour (adopting new attitudes modifying behaviour) – this stage usually requires the services of a change agent, Refreezing’ new behaviour (reinforcing the new patterns of working). The unfreezing stage is aimed at getting people to see that change is not only necessary but also desirable.

The change stage is mainly a question of identifying what needs to be changed in people’s attitudes, values and actions, and then helping them to accept and acquire ownership of the changes. A crucial role at this stage is that of the change agent i.e. (a skilled person responsible for helping individuals and groups to accept new ideas and practices). The ‘refreezing’ stage is aimed at consolidating and reinforcing the changed behaviour by various support mechanisms (encouragement, promotion, participative management style, more consultation etc).

Organizational change model.

<table>
<thead>
<tr>
<th>Unfreezing</th>
<th>Change</th>
<th>Refreezing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Identifying the need for change.</td>
<td>Individual comments</td>
<td>1. Reinforcing the newly Learned behaviour.</td>
</tr>
<tr>
<td>2. Increasing the driving force to change.</td>
<td>Group components.</td>
<td>2. Finding fit between Organizational</td>
</tr>
<tr>
<td>3. Reducing the resisting forces to change.</td>
<td>Structural components</td>
<td>3. Maintaining fits between Organizational</td>
</tr>
</tbody>
</table>

Figure 2.2.2

Source: Schein (1964)
Organizations usually introduce change through people hence unless the people are willing to accept the need and the responsibility for organizational change the intended change(s) cannot occur. Individuals have to learn to change their attitudes and behavioral patterns to match the constantly changing environments by new patterns of behaviour. A flexible organization culture will encourage adaptation.

On the other hand, rigidly controlled organizational relationships between and within work groups can impede the information processing activities needed to make timely decisions. Nzuve (1999)

Changes in the environment will dictate changes within organizations. A technological change necessitates a change in production systems.

A change in consumer demands calls for a change in a company’s products and services. Some organizational changes may occur naturally, but most require careful planning and execution. People resist change because they perceive it to be non-beneficial to them. Managers can therefore formulate plans to reduce resistance only if they understand why people resist change which may be due to, Lack of resources whereby people or organizations may resist change because they lack the necessary finances to effect the transformations, Fear of the unknown because people are not sure how it will affect them, Fear that change may lower their incomes or their living standards, Disturbance of social relationships, Changes in organization structure usually mean the redistribution of authority and power hence people tend to resist any proposed changes. If people feel comfortable with existing social relationships, they will resist change that may disturb them. Tyson & York, (1996).

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

They also identified impediments to change as power and conflict, differences in functional and orientation, mechanistic structure, organizational culture, group norms, group cohesiveness, group think and escalation of commitment. Individual impediments include, uncertainty and insecurity, selective perception and retention habit. Forces for and impediments to change as depicted by George and Jones (2000)

**FORCES FOR CHANGE**
- Competitive forces
- Economical & political forces
- Global forces

**IMPEDIMENTS TO CHANGE**

**Organizational Impediments**
- Power & conflict
- Differences in functional orientation
- Organizational culture

**Group Impediments**
- Group norms
  - Group cohesiveness
  - Group think & escalation of commitment

**Individual Impediments**
- Uncertainty & Insecurity
- Selective perception & retention habit

*Source: George and Jones (2000)*
There are several types of change that managers can adopt to help their organizations achieve desired future states. In general, types of change fall into two broad categories, evolutionary change and revolutionary change. Evolutionary change is gradual, incremental and narrowly focused. It involves not a drastic or sudden altering of the basic nature of an organization’s strategy and structure but a constant attempt to improve, adapt and adjust strategy and structure incrementally to accommodate changes taking place in the environment.

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

Johnson, (2001) states that, perception exists across the United states that privatization of Public Services results in massive layoffs as private companies get rid of highly compensated public employees and replace them with lower paid, non-union workers with fewer benefits to perform the same services. This has generated intense opposition to privatization from public employee unions at all levels of government. However, there is much evidence to show that privatization has resulted in few, if any lay offs and that public employees can accurately benefit in the long term from private-sector management.

Several studies demonstrate that these fears have been over blown. A case in point is a 1995 study of privatization in Illinois municipalities which found that only 3% of the 516 responding cities reported layoffs due to contracting. Nearly 2/3 (64.9%) of the cities reported no displacement of affected employees. Multiple sources exist that can assist public officials with employee transition strategies. For example, a 1997 General Accounting Officer (GAO) report in the USA recommended employee involvement in the privatization decision making process, training to provide skills for either competing against the private sector or monitoring contractor performance, and creation of a safety net for displaced employees.
Adopting a more employee-friendly policies will lessen the impact of privatization on public employees. Such policies include involving line employees in the evaluation process to determine the feasibility or privatization initiative and requiring private contractors hire the existing workforce, or reducing public employment only through attrition. (Johnson 2001)

Privatization can potentially cause tremendous shocks in the short-term as the countries adjust to the abandonment of the command economy. Social fractures and upheavals have occurred, as privatizations often lead to mass redundancies, or sharp changes to consumer prices as price controls are lifted. This may lead to widespread despair and civil unrest. For example in East Germany and Poland privatization has been blamed for 16% of work force becoming unemployed. Gertler & Sturzanegger (2005)

According to a UN report of 2001, Privatization proposals in key public service sectors such as water and electricity are in many cases strongly opposed by opposition political parties and civil society groups usually campaigns involve demonstrations and political means, sometimes they may become violent (as Cochabamba riots of 2000 in Bolivia, Arequipa, Peru, June 2002) opposition is often strongly supported by trade union and is usually strongest to water privatization. Those who argue against privatization argue that, in the absence of a transparent market system, privatization, may lead to assets being transferred to a few very wealthy or influential people at the expense of the general population. They also argue that large scale programs of privatization can be associated with high unemployment.
CONCEPTUAL FRAMEWORK

The conceptual framework model on effects of privatization of water and sewerage services.
A study of employee attitudes and perceptions on the change, in reference to Nairobi Region.

Independent variables

<table>
<thead>
<tr>
<th>Creation of new Water Institutions</th>
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<tbody>
<tr>
<td>Transfer of Assets to newly created Institutions</td>
</tr>
<tr>
<td>Employee and Unions involvement in the transfer process.</td>
</tr>
<tr>
<td>Labor policies and practices in the water sector</td>
</tr>
<tr>
<td>Performance of the newly created water Companies</td>
</tr>
<tr>
<td>Owners of the new water companies.</td>
</tr>
</tbody>
</table>

Dependant variable

| Employee attitude & perceptions on privatization of water resource |

SUMMARY OF LITERATURE AND PAST STUDIES REVIEW:

From the research done on the area of change, it is evident that change will occur in one way or another, whether the organizations concerned are prepared or not. Change can be devastating especially to the employees if they are not well prepared to embrace the change. It is the responsibility of the managers especially the human resources managers to put in place measures that will help employees embrace change. Cole (1997).

It is also evident that whatever kind of change is to be introduced in organizations, may it be privatization, automation, restructuring or mergers it happens through people who are the employees of those organizations. People resist change mainly because, they have not participated in the change process, they do not believe the change is possible and fear of the unknown. Despite these obstacles successful management of change can be achieved through
CONCEPTUAL FRAMEWORK
The conceptual frame work model on effects of privatization of water and sewerage services.
A study of employee attitudes and perceptions on the change, in reference to
Nairobi Region.

Independent variables

- Creation of new Water Institutions
- Transfer of Assets to newly created Institutions
- Employee and Unions involvement in the transfer process.
- Labor policies and practices in the water sector
- Performance of the newly created water Companies
- Owners of the new water companies.

Dependant variable

- Employee attitude & perceptions on privatization of water resource

SUMMARY OF LITERATURE AND PAST STUDIES REVIEW:
From the research done on the area of change, it is evident that change will occur in one way or another, whether the organizations concerned are prepared or not. Change can be devastating especially to the employees if they are not well prepared to embrace the change. It is the responsibility of the managers especially the human resources managers to put in place measures that will help employees embrace change. Cole (1997).

It is also evident that whatever kind of change is to be introduced in organizations, may it be privatization, automation, restructuring or mergers it happens through people who are the employees of those organizations. People resist change mainly because, they have not participated in the change process, they do not believe the change is possible and fear of the unknown. Despite these obstacles successful management of change can be achieved through
Education and communication, participation and involvement, negotiation and agreement. Mintzberg & Quinn (1999)

The literature reviewed also indicates that where good employee policies are put in place, there is less resistance to change. Force Field theory indicates that there are forces for change and forces resisting change. Some authors have indicated that a change agent is necessary when implementing change.

Privatization as has been highlighted by the studies that have been done can have both positive and negative effects on the employees of public service.

The employees as citizen of the country can benefit when public services like water provision is privatized because the private companies are more efficient than the government. Government may only be motivated to improve a Company when that poor performance becomes politically sensitive unlike private companies which are profit driven and will demand good performance always. Kikeri & Wells (2002)

Public employee’s attitudes and perception of privatization are likely to be negative because they are afraid of what would happen to their jobs. Many public employees have a culture that does not reflect good performance. They are used to doing things in the old way and therefore they would be afraid of being taken over by a private company. It is believed that in private companies one must earn his/her money unlike the public sector where, whether one works or not he will still be paid. Kikeri & Wells, (2002)

From the above analysis it is evident that employee’s perceptions and attitudes will be influenced by the level of involvement that they have had. Employee’s attitudes and perception on the privatization on the water sector will greatly depend on whether the employees have been involved or not. The level of involvement will also matter because employees must be involved as stakeholders and not just as people who do not matter in the whole process. Failure to involve people can lead to resistance to change.
The researcher through the proposed research will confirm or refute the ideas and theories advanced by the past studies and also with the results contribute to the knowledge that already exists in this area.

**GAPS TO BE FILLED**

Studies on Privatization have not focused on the perceptions and attitudes of employees of public organization a significant gap given that reform efforts depend on employee's cooperation. The researcher take a step towards filling that void by examining the employee’s attitudes and perception of privatization within the water sector.

Much organizational theory, research, and practice emphasizes the value of organizational members having clear perceptions of the organizational goals. For years authors have asserted that public organizations have particularly vague goals, Goals more vague than those of business firms. Yet researchers have not devoted a lot of attention to ways of measuring perception about organization goal clarity in public organizations and analyzing these perceptions. Pandey & Rainey (2004)

Despite the normative political & instrumental importance of privatizing state-owned enterprises world wide, researchers know little, empirically about how different types of public employees feel about these efforts. Reforms offer economic gains for Society at large, but can represent a threat to the interest of public employees. Public sector reforms facts opposition form voters employed in public sector.

Survey data on Norwary shows that Public employees prefer less reform than the rest of the population. Atto & Sorensen (2004).

Most of the studies done are based on privatization in general and not specifically on water, the researcher therefore intends to expand knowledge already available and specifically on public employees attitudes and perceptions of privatization of water.
CHAPTER THREE

RESEARCH METHODOLOGY

INTRODUCTION:

This chapter presents the study design and methodology used in gathering information that was needed for the purpose of completing the study. It contains the study design, target population and area of study, data collection instrument, procedures and data analysis criteria.

STUDY DESIGN

The researcher used descriptive survey research design. Descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual, or of a group, Kothari, (2004). It can be used when collecting information about people's attitudes, opinions, habits or any of the variety of education or social issues (Orodho and Kombo 2002).

Lockesh, (1984) defines descriptive survey as the precise measurement and reporting of the characteristics of the phenomena under investigation.

The researcher endeavoured to obtain pertinent and precise information on the attitude and perception of employees on privatization of water and Sewerage Service. From the information collected the researcher drew valid general conclusions on the problem under study.

The researcher believed this was the best research design for the investigations of the attitudes and perception of employees, since descriptive research describes the state of affairs as it exists. Descriptive studies are not only restricted to fact findings, but may often result in the formulation of important principles of knowledge and solution to significant problems. They are more than just a collection of data.
They involve measurement, classifications, analysis, comparison and interpretation of data. Kerlinger (1969).

### TARGET POPULATION AND AREA OF STUDY

The study specifically targeted former employees of NWCP in Nairobi Region which is now under the Athi Water Services Board.

<table>
<thead>
<tr>
<th>SCHEME</th>
<th>NO. OF STAFF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ruiru</td>
<td>25</td>
</tr>
<tr>
<td>Kiserian</td>
<td>18</td>
</tr>
<tr>
<td>Kajiado</td>
<td>15</td>
</tr>
<tr>
<td>Kiambu</td>
<td>20</td>
</tr>
</tbody>
</table>

The researcher chose Nairobi region as she was familiar with Nairobi and it would also not involve huge traveling costs. A researcher should be familiar with the research locale, Kerlinger, (1973).
DATA COLLECTION PROCEDURES/INSTRUMENTS USED

The researcher used primary data, primary data is information gathered directly from respondents either through questionnaires, interviews, focused group discussions, observation and experimental studies, Kombo & Tromp, (2006). Primary data are those which are collected afresh and for the first time, and thus happen to be original in character, (Kothari, 2004)

Data for this study was collected for the first time by the researcher using a questionnaire. The questionnaire was delivered to the informants and the researcher collected them later.

The researcher used questionnaires because it is economical in terms of time, human energy & finances. With questionnaires there is low cost even when the universe is large and is widely spread geographically. It is free from the bias of the interviewer since answers are respondents own words and respondents who are not easily approachable, can also be reached conveniently. Kothari (2004).

DATA ANALYSIS

The study generated both qualitative and quantative data, hence both descriptive and inferential statistics in the statistical packages for social sciences (SPSS) was used to analyse the data obtained. As Onyango (2001) observes, the SPSS package is known for its ability to handle large amount of data, and given its wide spectrum of statistical procedures purposefully designed for social sciences, it is quite efficient.

The data collected was analyzed using descriptive statistics like tables, frequencies, percentages, pie charts & graphs. The rest of the data was analyzed qualitatively.
CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

Introduction

This chapter presents the analysis of the collected data and discusses the findings of the study on the attitudes and perceptions of former employees of the NWCPC on the reforms in the water sector.

Overview Of Collected And Analyzed Data

The data was collected by administering questionnaires to the 78 former employees of NWCPC in Nairobi Region which is now under the Athi Water Services Board. Out of 78 questionnaires distributed 55 were returned. This represents a response rate of 70% which is significant enough to provide reliable findings for this study.

From the data collected it is evident that the employees fall under different management levels i.e middle level 49%, supervisory level 41.2% and subordinate level 9.8%. None of the respondent is at the top level management. This fact could have contributed to the feeling among the employees that they are not well integrated into the new institutions.

12.7% of the interviewees were below 25 years of age, 30.9% between 26 and 30 years, 27.3% between 31 and 35 years, 16.4% between 36 and 40 years, 7.3% aged between 41 and 45 years while the rest, 5.5% are aged between 46 and 54 years of age. Majority of the employees i.e 70% are between 26-35 years. These are ages where many people have decided on the career path to take. Majority of the employees are well educated at least over 60% have attained college education and therefore these are people who are trained in certain fields which they would want to progress on.
The interviewees are under various terms and conditions of service. 1.8% were in the probationary term and the same percentage for those in contract. Majority of the employees, 96.4% are employed on permanent and pensionable basis. This could explain why majority of them want to work for NWCPC by the end of the reforms because they feel they will be forced to start afresh and lose gained service and also the new institutions may not offer them jobs on permanent and pensionable terms of service.

The level of literacy in the company is characterized by high levels as 67.3% of the interviewees have attained up to college education, 18.2% secondary education, 9.1% university education, 3.6% postgraduate education while only 1.8% have obtained primary education.

79.2% of the employees had worked for more than five years before joining the company as 20.8% had worked for less than five years before joining the company. 45.3% of the employees belong to the union while 54.7% do not belong to the union.

58.2% of the employees want promotion and so advance to higher positions as 12.7% are looking for jobs elsewhere. 9.1% want to start their own businesses and the same percentage is shared by those who want to retire early. 5.1% are seeking transfers to other departments. 1.8% wants to get jobs in the public sector.

### DATA ANALYSIS

#### 1 Knowledge About Reforms In The Water Sector

35.2% of the employees are informed about the reforms in the water sector while 33.3% of the employees are not well informed about the reforms. 24.1% of the employees are well informed and 7.4% are very informed. This shows that at least 66.7% of the employees are informed about the reforms. See fig 4.3.1. below,
Fig 4.3.1: Knowledge about reforms in the water sector

35.2% of the employees are informed about the reforms and the changes that are going on in the water sector. However, over 33% are not well informed and only a few said they were well informed about the reforms. Lack of information about the water sector reforms could have contributed to employees wanting to go back to their former employer because they could not understand the intricacies of the new companies. Their attitude and perception of the new companies as individually owned companies, which were bound to collapse after a few years could have been changed by giving information about the new institutions, their constitutions, responsibilities and legality.

1.2 Change Of Employer

The employees of the MWI and NWCPC were transferred to the Water Services Boards. 51.9% were not prepared at all to change the employer. 37.0% were some how prepared, 7.4% were well prepared and 3.7% were very prepared. This is an indicator of how the reforms were made such that there was no proper communication to the workers before being transferred. Majority of the employees i.e 51.9 % were not prepared to change the employer and only a few about 3.7% were prepared for the change. This is explained by the fact that majority of the employees were not well informed about the changes/reforms. If the employees were prepared before they were transferred to the new institutions and their ideas sought they would have felt as part and
parcel of the new institutions. But the fact that they were simply transferred without their involvement either individually or through their union this makes them feel like foreigners in these institutions. This could also explain why majority of them felt more satisfied with working in NWCPC and not in the new institutions.

A positive correlation exists between communications by the institutions to the preparedness to change employer. This is expected because the more one is informed about what is supposed to be done the more one will be prepared. See table 4.3.1 below,

<table>
<thead>
<tr>
<th>How prepared to change the employer</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.439**</td>
<td>.001</td>
<td>54</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Whether the institution communicates its goals &amp; strategies to respondent</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>.439**</td>
<td>.001</td>
<td>54</td>
<td></td>
</tr>
</tbody>
</table>

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

Table 4.3.1: Correlation of workers preparation to change employer and whether institution communicates its goals.

The table shows there is no significant correlation between, the institution communicating its goals and strategies to the workers and the workers' opinion on changing the employer.

3 Satisfaction With Working at NWCPC and New Water Institution

The workers are generally more satisfied with working at the NWCPC than working at the new institution. This can be seen in lack of motivation among the workers as they see the new changes in the water sector. See table 4.3.2(i) below,
<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction with working at NWCPC</td>
<td>55</td>
<td>2.69</td>
<td>1.136</td>
</tr>
<tr>
<td>Satisfaction with working at the new institution</td>
<td>53</td>
<td>4.11</td>
<td>1.068</td>
</tr>
<tr>
<td>Motivation of the new changes in the water sector</td>
<td>54</td>
<td>3.20</td>
<td>1.337</td>
</tr>
</tbody>
</table>

Table 4.3.2(i) Satisfaction with working at NWCPC and new water institution

45.5% of the employees are satisfied with working at NWCPC as 22.6% Overall satisfaction with working at new water institution. 49.1% are not satisfied with working at the new water institution while 7.3% are not satisfied with working at NWCPC. See table 4.3.2 (ii) below,

<table>
<thead>
<tr>
<th>Satisfaction</th>
<th>At NWPC (Percent)</th>
<th>At new water institution (Percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely satisfied</td>
<td>20.0</td>
<td>3.8</td>
</tr>
<tr>
<td>Very satisfied</td>
<td>16.4</td>
<td>1.9</td>
</tr>
<tr>
<td>Satisfied</td>
<td>45.5</td>
<td>22.6</td>
</tr>
<tr>
<td>Somewhat satisfied</td>
<td>10.9</td>
<td>22.6</td>
</tr>
<tr>
<td>Not satisfied</td>
<td>7.3</td>
<td>49.1</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 4.3.2 (ii) Percent satisfaction with working at NWCPC and new water institution

However, among the unionisable employees they felt more satisfied in working with the new water institutions. This is really unexpected given the fact that the Union that represent them went to court to stop their transfer to the new institutions. A possible explanation to this could be that the unionisable staff view the new institutions as providing new opportunities for growth. The new institutions are beginners in the water industry and therefore they would be looking up to these old employees to help them
achieve their objectives the employees with time could therefore be appointed to higher positions due to their long experience, positions which they could not get if they remained in NWCPC because of competition. This also implies that the union is championing for the rights of its members and so the members are satisfied. This is expected because it should be the reasons for existence of the union. See table 4.3.3(iii) and 4.3.3(iv) below,

<table>
<thead>
<tr>
<th>Number</th>
<th>Extremely satisfied</th>
<th>Very satisfied</th>
<th>Satisfied</th>
<th>Somewhat satisfied</th>
<th>Not satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belong to Union</td>
<td>Yes</td>
<td>6</td>
<td>4</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>4</td>
<td>5</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>9</td>
<td>24</td>
<td>6</td>
<td>4</td>
</tr>
</tbody>
</table>

Table 4.4.4 (iii) Satisfaction with working at NWCPF

<table>
<thead>
<tr>
<th>Belong to Union</th>
<th>N</th>
<th>Mean Rank</th>
<th>Sum of Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction with working at NWCPF</td>
<td>Yes</td>
<td>24</td>
<td>24.54</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>29</td>
<td>29.03</td>
</tr>
<tr>
<td>Total</td>
<td>53</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.3.3 (iv) Satisfaction with working at NWCPF ranked by union membership

4 Motivation at Realization of Changes in The Water Sector

31.5% of the interviewees are not at all motivated by the changes that have taken place in the water sector and 13.0% are very motivated by the changes. This could be explained by the fact that they were not well prepared to change their employer and at the same time information was not availed to them to enable them feel 'part and parcel' of the reforms. If the employees were involved in the changes/reforms their attitude and perception would be more positive as they would not want to see the reforms they were part and parcel of fail, but because they were not involved especially those in lower management level they are not motivated about the reforms. This could be the reason why they are not motivated to see the reforms succeed.
Only a few 13% of the respondents said they were motivated by the changes this could be those who were well informed about the changes taking place. See table 4.3.4 and figure 4.3.2 below,

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very motivated</td>
<td>7</td>
<td>12.7</td>
<td>13.0</td>
<td>13.0</td>
</tr>
<tr>
<td>Somewhat motivated</td>
<td>12</td>
<td>21.8</td>
<td>22.2</td>
<td>35.2</td>
</tr>
<tr>
<td>Not very motivated</td>
<td>8</td>
<td>14.5</td>
<td>14.8</td>
<td>50.0</td>
</tr>
<tr>
<td>Not at all motivated</td>
<td>17</td>
<td>30.9</td>
<td>31.5</td>
<td>81.5</td>
</tr>
<tr>
<td>Not sure</td>
<td>10</td>
<td>18.2</td>
<td>18.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>98.2</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing System</td>
<td>1</td>
<td>1.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.3.4 Motivation of the new changes in the water sector

5 Referring Friends for Jobs

84.9% of the interviewees would actually refer a friend to apply for a job in NWCP as 13.2% would refer a friend to apply for a job in the new water institution. Majority of the employees interviewed indicated that they would not refer a friend to apply for a job in the new water institution but in NWCP. Their attitude and perception towards the new water institutions is negative and that is why they would not refer any of their friends to apply for jobs in those organizations. See table 4.3.5 below,
Those interviewed gave reasons for this as good working conditions, pay and gained experience or opportunity for growth in NWCP more likely than in the new water institutions. The reasons for referring a friend to apply for a job in the NWCP or the new water institution include good working conditions 53.6%, better pay 25.0%, gaining of experience 17.9% and 3.6% would tell the friends to apply because there is a vacancy. This implies that there is a possibility of poor working conditions at the new water institutions making the workers to prefer NWCP. See table 4.3.6 below,

<table>
<thead>
<tr>
<th>Valid</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>NWCP</td>
<td>45</td>
<td>81.8</td>
<td>84.9</td>
<td>84.9</td>
</tr>
<tr>
<td>New Water Institution</td>
<td>7</td>
<td>12.7</td>
<td>13.2</td>
<td>98.1</td>
</tr>
<tr>
<td>Both</td>
<td>1</td>
<td>1.8</td>
<td>1.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>53</td>
<td>96.4</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing System</td>
<td>2</td>
<td>3.6</td>
<td>3.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.3.5: Opinion on referring friends for jobs

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good working conditions</td>
<td>15</td>
<td>27.3</td>
<td>53.6</td>
</tr>
<tr>
<td>Better pay</td>
<td>7</td>
<td>12.7</td>
<td>25.0</td>
</tr>
<tr>
<td>Gain Experience</td>
<td>5</td>
<td>9.1</td>
<td>17.9</td>
</tr>
<tr>
<td>Vacancies available</td>
<td>1</td>
<td>1.8</td>
<td>3.6</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>50.9</td>
<td>100.0</td>
</tr>
<tr>
<td>Missing System</td>
<td>27</td>
<td>49.1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.3.6: Reasons for referring a friend to apply for a job in NWCP or the new water institution
3.6 Communication

33.3% of the interviewees disagree with the fact that the institution they are working for fully accepts and integrates them as one of them. 27.8% disagrees strongly while 1.9% agrees strongly. This can be attributed to the fact that most interviewees feel that the institution rarely communicates; 45.5% as this is the percentage of interviewees who believe that the institution rarely communicates its goals and strategies. 7.3% believe the institution never communicates and 14.5% believe the institution always communicates. This can be attributed to the fact that most interviewees feel that the institutions have not fully integrated them as one of their own. The employees therefore feel they do not belong to the new institution and the management of the institutions are not doing anything to integrate them into the system. This could be the reason why the employees attitudes and perceptions of the reforms are negative since they feel that they have been disrupted from their places of work where they felt they belonged.

3.7 Reforms in the water sector

The reforms in the water sector are intended to ensure that the sector performs better than the past. 46.3% of those interviewed agree that the reforms would achieve the intended purposes. 11.1% agree strongly to this fact. 20.4% disagree and 11.1% disagree strongly. The same percentage is shared by those who agree strongly. Most of the interviewees i.e 46.3% feel that the reforms in the water sector were good and this will ensure the sector performs better than in the past. This could be explained by the fact that the employees are not opposed to the decentralization of water services but their movement from their parent employer to the new institutions. This is clearly seen by the fact that 22.6% are happy that professionals are now running the sector and that the sector will create more jobs than there were in the old institutions.

See table 4.3.7 below,
<table>
<thead>
<tr>
<th>Valid Cumulative</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td>6</td>
<td>10.9</td>
<td>11.1</td>
<td>11.1</td>
</tr>
<tr>
<td>Agree strongly</td>
<td>25</td>
<td>45.5</td>
<td>46.3</td>
<td>57.4</td>
</tr>
<tr>
<td>Agree</td>
<td>6</td>
<td>10.9</td>
<td>11.1</td>
<td>68.5</td>
</tr>
<tr>
<td>Indifferent</td>
<td>11</td>
<td>20.0</td>
<td>20.4</td>
<td>88.9</td>
</tr>
<tr>
<td>Disagree</td>
<td>6</td>
<td>10.9</td>
<td>11.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>98.2</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing System</td>
<td>1</td>
<td>1.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.3.7: Agreement with the reforms in the water sector

3.8 Reasons for satisfaction with the reforms

22.6% of the interviewees are satisfied about the fact that now professionals run the water sector. 12.9% are satisfied about the timeliness of salary and the same percentage is shared by those who are satisfied about job retention prospects and improved services. 9.7% are satisfied about the billing system, the same percentage is for the interviewees who are satisfied about revenue collection about the reforms. See figure 4.3.3

Fig 4.3.3: Reforms interviewee satisfied with
9 Dissatisfaction about the reforms

28.9% of the interviewees are dissatisfied about the poor remuneration of the workers. 18.4% are dissatisfied about lack of employee motivation. The same percentage is shared by those who are dissatisfied about lack of clear structures. 10.5% are dissatisfied by poor communication in the institution. The other causes of dissatisfaction amongst the interviewees are shown in the pie chart below Fig. 4.3.4.

All these reasons have contributed to employees negative attitudes and perception of the new water institutions and this is why about 70% of those interviewed would want to go back to their original organization i.e NWCPC where they feel their concerns would be addressed.

3.10 Employer After The Reforms

At the end of the reforms, 72.7% of the interviewees want to work for NWCPC, 4.5% would like to work for the ministry of water and irrigation and the same percentage for those who would like to work in Water Resources Management Authority, Water Services Board and Water Services Trust Fund.
Only 2.3% of the respondents said they would want to work with the water service providers. This shows that very few people would want to work with the water companies that are being formed this could be attributed to the fact that most employees felt that they were not fully integrated into these companies and the fact that there are poor work conditions in those companies. See table 4.3.8 below,

<table>
<thead>
<tr>
<th>Valid Ministry of Water &amp; Irrigation</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>NWCPC</td>
<td>32</td>
<td>58.2</td>
<td>72.7</td>
<td>77.3</td>
</tr>
<tr>
<td>Water Resources Management Authority</td>
<td>2</td>
<td>3.6</td>
<td>4.5</td>
<td>81.8</td>
</tr>
<tr>
<td>Water services Board</td>
<td>2</td>
<td>3.6</td>
<td>4.5</td>
<td>86.4</td>
</tr>
<tr>
<td>Water service provider</td>
<td>1</td>
<td>1.8</td>
<td>2.3</td>
<td>88.6</td>
</tr>
<tr>
<td>Water Services Trust Fund</td>
<td>2</td>
<td>3.6</td>
<td>4.5</td>
<td>93.2</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>5.5</td>
<td>6.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>80.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing System</td>
<td>11</td>
<td>20.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Table 4.3.8** Where workers want to work after the reforms

**11 Reasons For Choice Of Workplace**

42.9% of the interviewees would want to work where there are good working conditions. 17.9% would want to work in a place where there is job security and 3.6% would like to work in government institutions. This shows the employees interviewed perceive NWCPC as having good working conditions and that’s why they would want to work there. Only 3.6% said they would want to work in government organization this means that if the new water institutions had good working conditions the employees would not want to go back to their former employer. See table 4.3.9 below,
Table 4.3.9: Reasons for choice of place of work

<table>
<thead>
<tr>
<th>Reason</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Good working condition</td>
<td>12</td>
<td>21.8</td>
<td>42.9</td>
<td>42.9</td>
</tr>
<tr>
<td>Former employer</td>
<td>2</td>
<td>3.6</td>
<td>7.1</td>
<td>50.0</td>
</tr>
<tr>
<td>Professional fit the organization</td>
<td>3</td>
<td>5.5</td>
<td>10.7</td>
<td>60.7</td>
</tr>
<tr>
<td>Job security</td>
<td>5</td>
<td>9.1</td>
<td>17.9</td>
<td>78.6</td>
</tr>
<tr>
<td>Has national outlook</td>
<td>1</td>
<td>1.8</td>
<td>3.6</td>
<td>82.1</td>
</tr>
<tr>
<td>Offers selfless services</td>
<td>2</td>
<td>3.6</td>
<td>7.1</td>
<td>89.3</td>
</tr>
<tr>
<td>Familiar with the company</td>
<td>2</td>
<td>3.6</td>
<td>7.1</td>
<td>96.4</td>
</tr>
<tr>
<td>Government institution</td>
<td>1</td>
<td>1.8</td>
<td>3.6</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>50.9</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td>Missing System</td>
<td>27</td>
<td>49.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>55</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.12 Satisfaction With Working at NWCPC in Reference to the Level of Management

Motivation of workers to see changes that have taken place in the water sector considering those who are members of the union is such that those of middle and supervisory levels who are not members of the union are somewhat motivated by the changes. This may be due to the fact that the union members are preoccupied by championing for their rights than being keen on the changes taking place in the sector. See fig 4.3.5 below,
Fig 4.3.5: Motivation aggregated with union membership and level of management

6.13 Correlation of Comment and Organization the Interviewee Wants to Work

25% of the workers at middle level who are well informed about the water sector reforms are extremely satisfied with working at NWCPC. 50% of those who are satisfied with working at the NWCPC are not informed about the water sector reforms. 50% of the workers at the subordinate level are not well informed about the water sector reforms.
CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

Introduction
This chapter draws conclusions on the major findings of the study in relation to the objectives provided in chapter one. It discusses recommendations, limitations of the study and suggestions for further study.

Conclusions
From the study done it is evident that most of the former employees of NW CPC transferred to the new Water Institutions, would want to work at their parent organization i.e. NW CPC after the reforms in the Water Sector have been concluded.

It is also evident that the employees are not against the reforms but are not happy with the working conditions in the new water institution.

Lack of involvement of the entire workforce of the NW CPC made the employees view the change in a negative manner. If they had been well informed and involved with the change they would have been more supportive.

The new companies have not integrated the transferred officers into their organization and this makes the officers feel unwanted and unsure about the future. This could have led to some of them resigning or retiring early.
RECOMMENDATIONS

From the above finding, the researcher would want to make the following recommendations.

a) The new water institutions should come up with policies geared towards integrating the officers from NWCPC to the companies. If the employees are well integrated and given a sense of belonging they would be more useful to the companies and supportive of the reforms in general.

b) The working conditions in the new water institution should be improved; the companies should formulate structures that will help in administration of the companies and more importantly they should form human resource divisions and equip them with competent personnel to enable the companies motivate and maintain the employees.

c) The companies should also improve their communication strategy. If every worker has to contribute to the achievement of the companies objectives, those objectives must be clearly communicated to them and their role clearly stipulated.

d) Since the reforms in the water sector are ongoing and not a one day affair employees should be informed of what is going on and asked to make suggestions on how best the reforms could be carried out. They must be involved in the change so that they do not sabotage the gains that have been achieved so far.

e) The government of Kenya which initiated the reforms should ensure that the new companies complies with the Labour Laws. The transferred employees should not be treated differently from those that the companies are hiring directly.
LIMITATIONS OF THE STUDY

The researcher encountered limitations during the course of the research.

a) Time and Resource constraints- the researcher had hoped to complete the research by November 2006 but due to factors beyond her control e. g closure of the University the research dragged and was only able to complete it in March 2007. Also due to financial constraints the researcher was only able to conduct the research in Nairobi. It would have involved a lot of money to conduct the research in other regions which are far.

b) Lack of the statistical programme for social sciences, due to the kind of research that the researcher was conducting it required analysis by use of the (SPSS), which the researcher did not have and had to enlist the services of a data analyst.

c) Data collection, non response - out of 78 questionnaires distributed 23 No. were not returned. This was due to the fact that some employees were on leave by the time the questionnaires reached their offices. Others felt that they were not obliged to return and therefore did not return. The researcher also had to really persuade the employees to agree to fill the questionnaire and this took a bit of time as some would promise to return but would delay beyond the agreed time.

d) The researcher used more money than she had budgeted for especially for use of the SPSS and transport as she had to go several times for the questionnaires.
SUGGESTIONS FOR FURTHER RESEARCH

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

(a) A research could be carried out in another region for example in Mombasa or Nyeri for comparison with the results in Nairobi region to see whether the findings will be similar.

(b) Also a research could be carried out on the impact of the water sector reforms on employees who were transferred from the old institutions.
To Ms/Mr/Mrs

--------------------------------------------------

Dear Sir/Madam,

**REF: EFFECTS OF PRIVATIZATION ON WATER SECTOR: A STUDY OF EMPLOYEE ATTITUDES AND PERCEPTIONS:**

You have been randomly selected to participate in the survey described below.

As you may already be aware, the Government of Kenya is implementing far reaching reforms in the water sector to restructure and improve sector performance and address the problems associated with the management of the water resources and delivery. Water Act 2002 provides the legal framework for the implementation of new institutional arrangements.

It is against this background that the survey intends to investigate the attitudes and perception of employees on privatization of the water sector.

You are therefore kindly requested to fill in the questionnaire and return it to make this survey a success.

Please note that all information gathered through this survey will be kept secret and you are therefore reminded not to write your name to ensure anonymity.

If you have any queries regarding the survey or the questionnaire, please contact the undersigned on phone numbers 3000143 or 0722 – 800294.

Thank you very much.

**Esther W. Chege**
The purpose of this questionnaire is to gather data on employee’s perception and attitudes on the reforms taking place in the water sector.

Personal privacy is respected. All data is confidential and will be kept anonymous.

A. **BACKGROUND QUESTIONS**

Please indicate by ticking

1. Please indicate the level of the management under which you fall.
   a) Top level
   b) Middle level
   c) Supervisory level
   d) Subordinate

2. Your age bracket
   - Below 25 years ( )
   - 26 – 30 ( )
   - 31 – 35 ( )
   - 36 – 40 ( )
   - 41 – 45 ( )
   - 46 – 54 ( )
Your terms and conditions of service

( ) Temporary
( ) Probationary
( ) Contract
( ) Permanent & Pensionable

Your level of education,

a) No Formal Education
b) Primary
c) Secondary
d) College
e) University
f) Postgraduate

5. How long had you worked for your former employer before you were deployed to the new institution? (a) Below 5 years (b) Above 5 years

6. Do you belong to the Union? (a) Yes (b) No
7. What plan/vision do you have for your future career?
   a) Stay on my current post
   b) Advance to a higher post
   c) Transfer to another division, dept/section
   d) Get another job in public sector
   e) Find a job elsewhere
   g) Start my own business
   h) Retire early
   i) I do not know yet

B. QUESTIONS ABOUT REFORMS IN THE WATER SECTOR

8. How informed are you about the reforms in the water sector?
   v  Very informed
   v  Well informed
   v  Informed
   v  Not well informed
   v  Not informed at all

9. How prepared were you to change the employer
   v  Well prepared
   v  Very prepared
   v  Somehow prepared
   v  Not prepared at all
10. How would you rate your overall satisfaction with working at NWCPC?

- Extremely Satisfied
- Very Satisfied
- Satisfied
- Somewhat satisfied
- Not satisfied.

11. How would you rate your overall satisfaction with working at the new water institution?

- Extremely Satisfied
- Very Satisfied
- Satisfied
- Somewhat satisfied
- Not satisfied.

12. How motivated are you to see the changes that have taken place in the water sector succeed?

- Very motivated
- Somewhat motivated
- Not very motivated
- Not at all motivated
- Not sure

13. Would you refer a friend to apply for a job in the new water institution or in NWCPC?

Why?
14. Do you believe that the new institution you are working in now has fully and integrated you as one of them?

- Agree strongly
- Agree
- Indifferent
- Disagree
- Disagrees strongly

15. Do you believe that the institutions communicate its goals and strategies to you?

- Always communicates
- Usually communicates
- Sometimes communicates
- Rarely Communicates
- Never Communicates

16. The reforms in the water sector are good and will ensure that the sector performs better than the past.

- Agree strongly
- Agree
- Indifferent
- Disagree
- Disagrees strongly
In the spaces provided indicate things about the reforms that you are most satisfied /dissatisfied about

<table>
<thead>
<tr>
<th>What I am satisfied about</th>
<th>What I am dissatisfied about</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

By the end of the reforms taking place in the water sector which organization would you like to be working in

- Ministry of Water & Irrigation
- NWCP
- Water Resources Management Authority
- Water Services Board
- Water Service Provider
- Water Services Trust Fund
- Water Services Regulatory Board
- Water Appeals Board
- Other, please specify..................................................................................................
19. Why? ...............................................................................................................................................

If you have any other comment please make it at the reverse of this page.

Thank you very much.
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