

**FUNCTIONAL STRATEGIES AND SERVICE DELIVERY IN PUBLIC  
WATER SERVICE PROVIDERS IN NAKURU COUNTY, KENYA**

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**D53/KU/PT/25448/2018**

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF  
THE REQUIREMENTS FOR THE AWARD OF MASTERS IN BUSINESS  
ADMINISTRATION (STRATEGIC MANAGEMENT OPTION),  
SCHOOL OF BUSINESS, ECONOMICS AND TOURISM, KENYATTA  
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**MAY, 2024**

**DECLARATION**

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

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This research project has been submitted with my approval as the university supervisor.

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## **DEDICATION**

I dedicate this research project to my supervisor, Dr. Anne Muchemi, my family and classmates for their support. May God bless you abundantly.

## **ACKNOWLEDGEMENT**

I thank God for good health, strength, persistence, ability and finance to finish this proposal successfully. I also extend my gratitude to my family for their moral support and understanding during the course work. I also take this chance to express my sincere profound appreciation to my supervisor, Dr. Anne Muchemi for dedicating her time and effort to guide me and also for her constructive advice without which this work could not have been accomplished. I appreciate my colleagues, workmates and friends for useful suggestions and comments provided and for making my study a success.

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## **ABBREVIATION AND ACRONYMS**

<b>ANOVA</b>	Analysis of Variance
<b>GOEs</b>	Kenyan Government Owned Entities
<b>HR</b>	Human Resource
<b>ICT</b>	Information and Communication Technology
<b>NACOSTI</b>	National Commission for Science Technology and Innovation
<b>NAIVAWASS</b>	Naivasha Water Sewerage and Sanitation
<b>NARUWASCO</b>	Nakuru Rural Water and Sanitation Company
<b>NAWASSCO</b>	Nakuru Water and Sanitation Services Company
<b>PSD</b>	Public Service Delivery
<b>PSM</b>	Public Sector Management
<b>RBV</b>	Resource Based View
<b>RVWSB</b>	Rift Valley Water Services Board
<b>SDS</b>	Service Delivery System
<b>SEM</b>	Structural Equation Modeling
<b>SMEs</b>	Small and Medium Enterprises
<b>SPAs</b>	Service Provision Agreements
<b>SPSS</b>	Statistical Package for Social Sciences
<b>TAM</b>	Technology Acknowledgment Model's
<b>WASREB</b>	Water Services Regulatory Board
<b>WRA</b>	Water Resource Authority
<b>WSBs</b>	Water Services Boards
<b>WSPs</b>	Water Service Providers

## OPERATIONAL DEFINITION OF TERMS

<b>Functional Strategies</b>	These are plans of action prepared by managers to strengthen an entity's functional resources, and its coordination abilities with a bid to create core competencies.
<b>Financial Management Strategy</b>	This refers to a set of activities and decisions taken by an individual or government to manage their financial resources effectively in order to achieve their financial objectives.
<b>Human Resource Management Strategy</b>	Refers to an approach of effectively managing employees in an organization such that they help their organization gain a competitive advantage.
<b>Information Communication Technology Strategy</b>	This refers to a comprehensive plan or framework that outlines an organization's approach to leveraging technology to attain its aims and objectives. It involves the identification of the most suitable ICT tools and technologies, the development of policies and procedures to govern their use, and the allocation of resources to support their implementation.
<b>Service Delivery</b>	This involves providing services to customers, clients, or stakeholders. It encompasses all aspects of the service experience, from initial contact with the service provider to the final delivery of the service itself.
<b>Service Management Strategy</b>	This is an elaborate process of how an organization builds its product or service to suit customers demand and remain competitive.

## ABSTRACT

Improving access to water supply and proper sanitation is key to poverty elimination and achieving sustainable development goals. Yet, accessing water for many urban and rural poor individuals remain very poor in Nakuru County. The challenge of responsiveness, assurance, reliability, and empathy persists within public water service providers in Nakuru County, Kenya. Residents often face difficulties in accessing timely assistance, feeling assured of service quality, relying on consistent water supply, and experiencing empathetic treatment from service providers posing significant hurdles in meeting the community's water needs and fostering trust in the system. The study sought to determine the effect of functional strategies on service delivery in public water service providers in Nakuru County, Kenya. The study sought to determine the effect of human resource management strategy, customer service management strategy, financial management strategy and information communication technology strategy on service delivery in public water service providers in Nakuru County, Kenya. The study was informed by human capital theory, resource-based view theory, actor network theory, diffusion innovation theory and Servqual Model. This study will use descriptive and explanatory research designs with a target population of 117 respondents from three water service provider companies in Nakuru: Nawassco, Naivawassco, Naruwassco. Since the study population is manageable, a census method will be used to have all the 117 targeted respondents. Primary data will be collected using questionnaires where drop and pick method will be utilized. Content validity will be used to evaluate the validity of the research instrument. Reliability will be tested through Cronbach's alpha of 0.7 will be adopted. Descriptive statistics will be computed. Multiple linear regression will be used. Results will be presented in tables and graphs. Results showed that respondents agreed that human resource management strategy, customer service management strategy, financial management strategy and information communication technology strategy influenced service delivery in public water service providers of Nakuru County, Kenya. Regression analysis showed that human resource management strategy influenced service delivery in public water service providers positively and insignificantly. Further, customer service management strategy influenced service delivery positively and significantly. Additionally, financial management strategy influenced service delivery negatively and significantly while information communication technology strategy influenced service delivery negatively and insignificantly in public water service providers of Nakuru County, Kenya. The study concluded that functional strategies' variables studied are significant factors of service delivery in public water service providers of Nakuru County, Kenya as they were found to affect service delivery. The study recommends that for public water service providers in Nakuru County, Kenya to have responsiveness, assurance, reliability and empathy, there is need for transparency in the recruitment processes, enhancement of the service structure, prioritizing financial management and automation of services to enhance service delivery in the public water service providers

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background of the Study**

Service delivery remains a crucial issue for the maintenance and propagation of business in the competitive business setting. So as to endure in a very vibrant service setting, it is important for industries that give services to offer their customers with services that are of high quality. Customers in the present-day demand quality and from their viewpoint, quality is nothing but a fundamental and anticipated part of service, that is service quality (Kandampully, 2016). The importance of service delivery has become one of the top priorities in the service sector, such as water service companies (Callan & Bowman, 2017).

Service delivery is important because organizations that consistently deliver high-quality service build a strong reputation for reliability and professionalism, which can lead to increased market share and brand loyalty. Service delivery is important in the success of a firm and investing in the development of strong service provision capabilities can provide a significant return on investment (Jin, 2018). The adoption of quality service delivery is critical for organizations to succeed in today's competitive business environment. Effective service delivery helps to build customer trust and confidence in the organization, leading to increased customer loyalty and repeat business. It also helps in attracting upcoming customers via positive word-of-mouth referrals, establish a positive reputation, and achieve long-term success.

Globally, water service companies in India, have recognized and observed how to create and enhance the quality of water resource and services that are offered. Mark II and Mark III hand pumps are mostly used where there is deep groundwater. In areas that are drier, deep boreholes need high investments and are mostly off-grid and powered by diesel generators (Shaikh & Khan, 2016). The Indian Government's Climate Resilient Water, Sanitation and Hygiene (WASH) initiative, launched in 2017, focuses on improving access to safe drinking water, sanitation facilities, and hygiene practices in areas that are particularly susceptible to the effects of climate change. The initiative aims to strengthen the resilience of these communities to climate change and related disasters, including floods, droughts, and cyclones (Government of India, 2017).

In Sub-Saharan Africa (SSA), accessing reasonable and clean water has continued to be a difficulty. Most African nations have been championing for the provision of clean water to its citizens via methods that are state driven. Even though there has been evidence of the positive contribution of community water supply greater than any other single method used in providing water supply in Africa, the approach is still viewed as informal (Dedeoglu, & Demirer, 2017). Even if SSA is making the slowest comparable and collective worldwide advancement with only one third of people (30%) without improved water for drinking, accessing clean water is supplied through water points that are managed by the community, by hand pumps or piped gravity-fed systems (Pribadi & Kanai, 2018).

In Ethiopia, there are more than 200,000 approximate improved rural water supply schemes. These are inclusive of comparatively simple and so-called “low cost” techniques like the hand-dug wells that have hand pumps and spring protections (Qaisar & Ahmad, 2015). According to Joint Monitoring Program (JMP, 2016) analysis, in rural areas of Ethiopia, 4%, 30% and 26% of people have safely managed, basic and limited services respectively. Forty (40%) of the nation’s population in the rural areas is left with water services that are not improved. Ministry of Water, Irrigation and Electricity (MoWIE, 2016) connoted that estimated figures, the population in rural areas that was covered with water supply had got to 63% by June 2016.

In Kenya, contamination, exhaustion and declining water sources is a threat to water resources. So as to show commitment to providing efficient services and access to safe water for consumption, the government and various stakeholders have made efforts to address the challenge through various investments and initiatives. The Kenyan government has invested in the construction of dams, boreholes, water treatment plants, and distribution networks to expand water supply infrastructure in the country (NWP 2012). For instance, the Northern Water Collector Tunnel project was completed in 2020, which provides clean water to over 1 million residents of Nairobi. It has also engaged in public-private partnerships to increase access to affordable and clean water. In 2018, the government signed a partnership agreement with the European Union to provide sustainable and affordable water supply to urban areas. Community-based initiatives such as rainwater harvesting, groundwater recharge, and watershed

management have been encouraged to promote sustainable water management practices at the local level.

Functional strategy is the plans and actions taken by an organization to attain its goals and objectives at the functional level. This strategy is focused on specific functions in the organization like marketing, finance, operations, human resources, and information technology (Qureshi & Sharif, 2017). Functional strategies and quality service delivery are interrelated in that, organizations as social systems have a purpose to function effectively and deliver high quality products and services to the clients. The services organizations like water service companies performs and produce goods and services that create value for customers. Functional strategy advocates for alignment with the overall organizational goals and objectives. This ensures that the activities of each functional area are focused on achieving the organization's mission and vision (Ndegwa & Owiti, 2018).

### **1.1.1 Service Delivery**

Bitner (2016) defines service quality as a subjective measure that reflects the customers' perceptions of the service based on their experiences. According to Lewis and Booms, (2014), service delivery encompasses everything that an organization does to satisfy its customers' needs. It involves deliberate actions undertaken by a firm in its strife to attain its objectives through satisfaction of particular needs of its clients. Quality service delivery refers to providing products or services that meet or exceed customer expectations, by ensuring that they are delivered in time, efficiently and effectively (Zeithaml & Bitner, 2016). Kara (2016) argue that quality service delivery is the disparity between the opinion and expectation. Bolton and Drew (2014) argued that opinion is inclusive of expectation.

Service delivery is the process of providing products or services to customers, clients or users. It encompasses all the steps involved in providing a product or service, including the planning, designing, development, delivery, and support of the product or service. (Lewis & Booms, 2014). Quality means to its ability to meet or exceed clients' expectations. Although consumers are co-producers and their participation has an effect on the quality, service organizations should not blame the customers.



Parasuraman *et al.* (1988) connoted that service quality is the extent to which a service meets or exceeds the expectations of the customers. They proposed an extensively-used model for gauging service quality, known as the SERVQUAL model, which identifies five dimensions namely tangibles, reliability, responsiveness, assurance and empathy. The tangibles are the physical evidence of the service, such as the appearance of the facilities, equipment, and personnel. Reliability is the capability of the service providers to present the service accurately and consistently over time. Responsiveness is the readiness of the service providers to address customers' needs and concerns promptly and effectively. Assurance is the confidence and trust that customers have in the providers of a service capability to deliver the service effectively and consistently while empathy is the extent to which the service provider understands and addresses customers' emotional needs and concerns (Parasuraman *et al.*, 1988). Tangibility, responsiveness, assurance, reliability and empathy were the service quality dimensions evaluated.

Several studies have compared diverse sets of metrics used to measure service delivery across different contexts. For example, Smith *et al.* (2019) compared customer satisfaction scores, response times, and service completion rates as metrics for evaluating service delivery in the telecommunications industry. In the healthcare sector, Jones *et al.* (2018) compared patient wait times, treatment outcomes, and patient satisfaction ratings. Additionally, Wang *et al.* (2020) examined metrics such as service availability, reliability, and responsiveness in the context of online retail platforms. In this study, service delivery was operationalized by the three prime indicators which include responsiveness, assurance, reliability and empathy.

### **1.1.2 Functional Strategies**

Jones (2016) defines functional strategies as the plans and actions taken by a firm to attain its aims and objectives at the functional level. Pearce and Robinson (2014) suggested they are a short-term game or a plan of action designed by a functional area to support a company's overall business strategy. Meeting goals and objectives is the aim of any organization be it a profit, non-profit or government-based entity. Organizations therefore must have a clear roadmap that gives the overall direction towards the achievement of their objectives. Gareth (2016) noted that functional strategy aligns the objectives, resources, and activities of each functional area with the

overall business strategy to achieve the firm's aims and objectives. It is a roadmap that guides each functional area to execute its specific tasks in a manner that supports the company's overall strategy.

According to Schermerhorn (2014), functional strategies are organized into different functional areas for effective and efficient administration. Functional strategies include Human Resource Management (HRM) strategy, customer service management strategy, financial management strategy and information communication technology strategy. According to Lehner (2015), functional strategy of an organization includes the marketing strategy, human resource strategy, financial strategy and the production strategy. According to Hambrick (2016), functional strategy of the organization consists of financial strategy, functional marketing strategy, HRM strategy, production strategy and R & D strategy. In this study, the functional strategies were conceptualized as human resource management strategy, customer service management strategy, financial management strategy and information communication technology strategy.

Rousseau and Greller, (2016) defines human resource management strategy (HRM) as a set of planned and coordinated actions designed to attain the organization's objectives via effectual management of its HR. According to Tracey (2016), HRM strategy is the practice that attracts, develops, rewards and retains staff for the advantage of both the staff as individuals and the entire organization. According to Lepak and Snell (2017), HRM strategy refers to set of interrelated policies with an explicit theory of the motivation and behavior of employees that is designed to create a sustainable competitive advantage.

According to Richardson (2016), HRM functions includes recruitment and selection, training and development, performance management through which staff are able to comprehend the terms of their employment. Bartol and Erhardt, (2015) noted that the HRM strategy consists of selection, training, development, and performance management in achieving business objectives. Hendry and Pettigrew (2018) argued that the main human resource strategies include employee engagement, performance management, diversity and inclusion, succession planning and compensation and benefits. In this study, human resource strategy was measured by indicators such as work life balance, reward, training and recruitment.

According to Kandampully (2019), customer service is essential for building strong customer relationships, increasing customer loyalty, and improving brand reputation. It can also help to reduce customer churn, increase customer satisfaction, and generate positive word-of-mouth referrals. It entails addressing customer needs and concerns, providing information, and resolving any issues or problems they may encounter. Baron and Kenny (2014) defines customer service strategy as the provision of superior service levels and delivery that ensures the creation of delighted customers. Olsen and Linh, (2015) defines a customer service strategy as the carefully planned and implemented comprehensive approach to customer service that encompasses all aspects of the organization and its products and services.

According to Chastek, (2019), the components of customer service strategy include customer needs analysis, service design and delivery, service recovery, employee engagement and continuous improvement. According to Donohoe and McGregor, (2017) the components of customer service strategy include top-tier knowledge, overall customer experience and on time delivery of services. According to Wijeratne and Achchuthan (2017) customer service strategies include expertise, empathy, communication and professionalism. In this study customer service management strategy was measured by customer needs, response rate, demanding management and service structure.

According to Aleda and Roth, (2018) financial management strategy is a road map to guide financial and accounting managers on the set of plans, policies, and procedures that a company develops and implements to manage its financial resources and achieve its financial goals. According to Unggah, and Chali, (2017) strategic financial management involves setting financial aims and developing and implementation of strategies to attain those aims. According to Zeithaml, and Bitner (2016), financial management strategy entails developing and implementing plans and actions designed to capitalize on the worth of the organization and minimize its financial risk.

According to Barcet (2016) the main components of financial strategy include financial analysis, financial planning, financing decisions, investment decisions and risk management. Unggah and Chal (2016) noted that the components of financial strategy encompass capital budgeting, capital structure, working capital management, risk

management and dividend policy. According to Randle (2015) the financial management strategy majorly deals with accurate profit and loss budgets, accurate cash flow and budgeting. In this study financial management strategy was measured by indicators such as financial planning, financial monitoring, financial control and financial management.

According to Singh (2016), Information and Communication Technologies (ICTs) is the process of development of a roadmap for company's goals and objectives. Smythe (2016) defines ICT strategy as a plan of action to create the capability of an organization to maximize and sustain the value of its investment on ICT. According Lowther (2016), ICTs refer to a coherent set of interrelated choices that determine how an organization will use IT to help achieve its objectives. Kent and Facer (2014) notes that the components of ICT include servers, computers, and mobile devices, IT software, IT networks among others. According to Madan (2016) the components of ICT consists of ICT infrastructure, ICT appliances, ICT applications and ICT services. In this study, ICT management strategy was measured by indicators such as user friendliness, extent of automation, building infrastructure, and new e- applications.

### **1.1.3 Water Service Providers in Nakuru County**

Water supply and sanitation in Kenya is characterized by significant challenges and disparities. While Kenya has made some progress in improving access to water supply and sanitation services, the country still faces several significant difficulties in meeting the needs of its population. Water is an essential resource for the Nakuru county's residents, and as such, there are several water service providers operating in the region. The main water service provider in Nakuru County is the Nakuru County Water and Sanitation Company (NAWASSCO). NAWASSCO is a government-owned company that was founded in 2005 to offer water and sanitation services to the Nakuru county's residents. The company is responsible for providing piped water to urban areas within the county, as well as managing sanitation services in these areas.

NAWASSCO has faced several challenges in its operations, including a lack of adequate infrastructure to serve all areas within the county, as well as a shortage of skilled personnel to manage its operations. The company has also faced challenges in revenue collection, with many customers refusing to pay their water bills due to a lack

of trust in the company's capability to offer consistent and reliable services. To address these challenges, NAWASSCO has implemented several measures, including the expansion of its infrastructure to reach more areas within the county, and the recruitment of additional skilled personnel to manage its operations. The company has also worked to improve its customer service, with a focus on building trust with its customers through transparency and accountability.

In addition to NAWASSCO, there are several other water service providers operating in Nakuru County, including the Rift Valley Water Services Board (RVWSB) and private water companies such as AquaServe and Maji Milele. The RVWSB is a government agency that is responsible for providing water and sanitation services to rural areas within the county. The agency is also responsible for managing water resources within the county. Private water companies such as AquaServe and Maji Milele are relatively new entrants to the water services sector in Nakuru County. These companies have focused on providing water to areas that are not served by NAWASSCO or the RVWSB, such as rural areas and informal settlements. They have also introduced innovative solutions such as prepaid water meters, which allow customers to pay for water in advance, thus improving revenue collection for the companies.

The public water companies include: Naivasha Water Sewerage and Sanitation Co. Ltd (NAIVAWASS), Nakuru Water Sewerage and Sanitation Co. Ltd (NAWASSCO) and Nakuru Rural Water and Sanitation Co. Ltd (NARUWASSCO). These three are under the jurisdiction of Nakuru County Government. The County hosts a long list of privately managed water companies that either pack potable water for sale or avail water via water bowsers to their customers. All the water companies within the County are regulated by the Water Resource Authority (WRA) and Rift Valley Water Services Board (RVWSB). The water service providers in the County are together able to serve 63% of the County population, (Nakuru County Government, 2019). The service is offered through either of the following: piped water especially provided by the three main County Water Companies namely: NAIVAWASS, NAWASSCO, and NARUWASSCO.

A major challenge faced by water service providers in Nakuru County is the issue of water scarcity. The county has experienced severe droughts in the recent years leading to a shortage of water resources. This has made it difficult for water service providers to meet the demand for water, particularly in rural areas and informal settlements. The government has responded to this challenge by investing in the development of new water sources, such as boreholes and dams, and by implementing water conservation measures such as rainwater harvesting

## **1.2 Statement of the Problem**

In Nakuru County, Kenya, the challenges surrounding responsiveness, assurance, reliability, and empathy within public water service providers persist, significantly impacting residents' access to essential services (Mobarak, 2020). The difficulties in accessing timely assistance often leave residents grappling with unresolved issues and prolonged service disruptions, exacerbating their reliance on alternative water sources (Yuan & Yaqi, 2013). Moreover, the lack of assurance regarding service quality raises concerns about the safety and suitability of the water supply, prompting doubts and hesitations among the community. The inconsistent provision of water further compounds the problem, leading to disruptions in daily activities and hindering economic productivity (UNDP, 2019). Additionally, the absence of empathetic treatment from service providers adds to residents' frustrations, as they feel unheard and neglected in their grievances.

According to NARUWASCO 2018 – 2022 Strategic Plan more than 32% of household in Nakuru, there is less availability of water, the households do not have accessibility to clean water this is high compared to the targeted less than 5%. The strategic plan also reveals that the urban areas have irregular and inadequate supply of water. According to a report by WASREB more than 25% of residence in Nakuru County has to travel more than 5 Kilometers in search of clean water. Some of the common water challenges in Nakuru include illegal connections, vandalized water pipes, water rationing among other factors.

Various studies have been done on functional strategies and quality service delivery but there still exists some gaps. Ngure (2016) conducted a study on the functional strategies on service delivery at Saape Ltd which is a private company. The study established the

functional strategies in Saape Ltd. However, the study was conducted in a private organization. Acquah and Jayaram (2015) conducted a study on functional strategies and competitive strategy among family and nonfamily firms. A positive correlation between the functional strategies and competitive strategy was found. However, the study used competitive strategy as the dependent variable while the current study used quality service delivery as the dependent variable. Padmanabhan (2016) conducted a study on the functional strategy implementation - experimental study on agile Kanban. Leadership, communication, organization structure and culture impacted strategy implementation. This study sought to determine the effect of functional strategies on service delivery in public water service providers of Nakuru County, Kenya.

### **1.3 Objectives of the Study**

#### **1.3.1 General Objective**

The general objective of the study was to effect of functional strategies on service delivery in public water service providers of Nakuru County, Kenya.

#### **1.3.2 Specific Objective**

- i.** To establish the effect of human resource management strategy on service delivery in public water service providers of Nakuru County, Kenya
- ii.** To determine the effect of customer service management strategy on service delivery in public water service providers of Nakuru County, Kenya
- iii.** To find out the effect of financial management strategy on service delivery in public water service providers of Nakuru County, Kenya
- iv.** To determine the effect of information communication technology strategy on service delivery in public water service providers of Nakuru County, Kenya.

### **1.4 Research Questions**

- i.** What is the effect of human resource management strategy on service delivery in public water service providers of Nakuru County?
- ii.** What is the effect of customer service management strategy on service delivery in public water service providers of Nakuru County?
- iii.** What is the effect of financial management strategy on service delivery in public water service providers of Nakuru County?

- iv. What is the effect of information communication technology strategy on service delivery in public water service providers of Nakuru County?

### **1.5 Significance of the Study**

The results are important to the policy makers like the water companies as it generates insights that may help institutions in the country improve on their functional strategies which may in turn improve the probability of the institutions achieving competitive advantage and subsequently enhance the achievement of their goals. Water companies' executives may find the conclusions and recommendations of this study helpful in informing them of possible avenues that they can work on to improve on their strategic approach to improve service delivery. The study contributes to both theory and practice by enhancing our understanding of how strategic management principles can be applied to improve service delivery in essential public utilities, informing policy formulation and managerial decision-making. It also adds value to the knowledge body on the topic of functional strategies and service delivery in the public. This gives the academia an opportunity to critic the methods and findings of this study on the areas of functional strategies.

### **1.6 Scope of the Study**

This study was on establishing the effect of functional strategies on service delivery in public water service providers in Nakuru County. The study was supported by human capital theory, resource-based view theory, actor network theory, diffusion innovation theory and servqual model. The study involved 117 respondents who were drawn from the customer service, finance, administration, procurement, information technology and human resource departments from Nawassco, Naivawassco, Naruwassco water companies based in Nakuru County. Descriptive and explanatory research design were adopted. Data was collected with questionnaire and analyzed using descriptive and inferential statistics. The study was carried for ten months (May 2023 to Dec 2023).

### **1.7 Limitations of the Study**

First, there are few studies on functional strategies and service delivery in public water service providers in Kenya thus making it hard to obtain relevant literature review in the Kenyan context. The researcher compared related research in varied sectors both



globally and regionally to try and deduce the findings. There was difficulty in accessing information as some of the respondents targeted by this study were suspicious of the intentions of this research hence were unwilling to divulge their honest thoughts. An introduction letter from the university was provided to inform the participants that the purpose of the data collected was purely academic.

### **1.8 Organization of the Study**

The study has chapter one which presents the background of the study, statement of the problem, objectives, significance, scope and limitations of the study. Chapter two covers theoretical literature review and empirical review on human resource management strategy, service management strategy, financial management strategy and information communication technology strategy on service delivery. It also contains a summary of the literature review and presentation of a conceptual framework. Chapter three has the research methodology. Chapter four has the results and their interpretation while chapter five contains the summary of findings, conclusion and the recommendations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This section aims to bring out the theoretical features of the identified variables of this study. The chapter begins with the exposition of theories that relate to the independent variables chosen, followed by an empirical review of works done by previous scholars that relate to the variables. This chapter closes with a presentation of a conceptual framework showing indicators for each variable focused on.

#### **2.2 Theoretical Review**

This study is informed by theories and a model which offer explanations on matters that relate to functional strategies in an organization. The theories and model presented in this section are: Human Capital Theory, Resource Based View theory, Actor Network Theory, Diffusion Innovation Theory and Servqual model. Each theory and model is related to a particular independent variable of this research.

##### **2.2.1 Human Capital Theory**

This theory was proposed by Gary Becker in 1962 and it holds that economic benefit is gained by society, organizations and individuals from investments made in people. The investment in people include educating them, ensuring their health well-being, as well as identifying and nurturing their potential through trainings. The theory singles out education of the workforce as paramount in ensuring human capital effectiveness and gives categories of this education as formalized education given in institutions of learning, on the job training and apprenticeships (McCracken, Mclover, Treacy & Wall, 2017).

The theory identifies that human capital as part of an institution's assets categorized as intellectual capital. In addition, it includes the employees' abilities to manipulate organizational structures, routines, systems and processes to make sure that a firm attains its aims. The theory notes that education makes a perceived contribution to improved health and nutrition, and in general improves the quality of life of people (Becker, 2013).

The theory assumes that there is translation of experiences into knowhow and skills. As such, whatever learning or experience that an individual employee goes through, it is assumed that he or she will gain some knowhow and expertise to perform some task that is economically productive. This assumption is criticized in that the time taken to gain experience doesn't necessarily translate to good expertise. This means that the factors of human capital like managerial length, experiences in the industry and education level is not a strong prediction of success (McCracken *et al.*, 2017). The theory is relevant as it helps in explaining the significance of developing the human capital of an organization.

The importance of human capital of the employees cannot be overstated (Becker, 2013). Further, an organization with highly skilled and knowledgeable employees can gain a competitive advantage over its competitors. Such employees can help the organization to innovate, improve its products and services, and increase its efficiency and productivity. Employees with a high level of human capital can make better decisions based on their expertise and experience. This theory is therefore linked to the HR strategic function and thus inform the objective on the HRM strategy.

### **2.2.2 Resource Based View Theory**

This theory was advanced by Penrose in 1959. It states that competitive advantage of any organization depends on the internal resources at the disposal of the organization. The theory argues that an organization can only lay down strategies that are within the limitation of its internal resources. The resources are the inputs that allow a company to conduct its activities and produce its products. For the development of distinctive resources and capabilities, the RBV theory proposes that firms must engage in a process of continuous innovation and learning. Firms must constantly strive to improve their resources and capabilities in order to maintain their competitiveness. This process requires firms to engross in a continuous process of strategic analysis, resource allocation, and resource development (Madhani, 2010).

The theory explains that the organization's resources can be classified into tangible resources which are those that are visible and can be easily quantified, such as financial resources, physical assets, and technology. Intangible resources, on the other hand, are those that are not visible and are difficult to quantify, such as organizational culture,

knowledge, and reputation. It holds that resources of an organization must remain inimitable for competitive advantage to be achieved. It argues that resources that are valuable, rare, difficult to imitate, and non-substitutable (VRIN) are the key sources of an organization's competitiveness. These resources are known as strategic resources, and they give firms the ability to create and sustain competitiveness over their contenders (Talaj, 2012).

One of the key implications of the theory is that firms should focus on developing their unique resources and capabilities rather than competing solely on price or quality. This means that firms should invest in resources that provide a unique value proposition to customers. By doing so, firms can create a sustainable competitive advantage that is difficult for competitors to imitate (Madhani, 2010). Another implication of the RBV theory is that firms should focus on building organizational capabilities rather than relying solely on individual skills or competencies. Organizational capabilities are the collective skills, knowledge, and abilities of a firm's employees, and they are essential for the development of unique resources and capabilities. Firms should therefore focus on building a culture of continuous learning, innovation, and knowhow sharing so as to develop their organizational capabilities.

Resource Based View theory emphasizes leveraging internal resources and capabilities to gain competitive advantage. In the context of financial management strategy strategy, RBV informs decision-making by identifying and allocating resources efficiently to maximize value creation. Focusing on internal strengths and leveraging distinctive competencies helps financial managers to prioritize investments in areas where the firm holds a competitive advantage, optimizing resource allocation for long-term profitability. This approach ensures that financial decisions align with the firm's strategic objectives, enhancing overall performance and resilience in dynamic market environments. This theory was of importance to the researcher on selection indicators for the financial management strategy thus informing the third objective of the study.

### **2.2.3 Actor Network Theory**

This theory was advanced by Latour and Callon in the late 1990s. The theory attempts to polish the understanding of processes of technological inventions and scientific knowhow creation. The theory considers and acknowledges all surrounding factors

present when the development of a technological innovation is happening (Lester & Piore, 2004). ANT posits that networks are made up of actors, which can be human or non-human. They can be anything from people, organizations, and technologies to animals, landscapes, and even ideas. Actors are not seen as fixed entities, but rather as constantly evolving and changing, as they interact with other actors in the network (Orlikowski & Iacono, 2015).

The central concept of ANT is the idea of a network, which is a complex and dynamic set of relationships between actors. Networks are not seen as hierarchies, but rather as constantly evolving and changing entities. The power relations between actors are not fixed, but rather are constantly shifting depending on the relationships between the actors in the network. According to ANT, the relationships between actors are mediated by intermediaries, which are the tools, technologies, and other objects that enable communication and interaction between actors. Intermediaries are seen as playing a critical role in shaping the relationships between actors in a network. They can act as mediators, enabling actors to communicate and interact with each other, or as intermediaries, shaping the nature of the relationship between actors in the network (Hiroyuki, 2010).

One of the key contributions of ANT has been to challenge the traditional view of technological innovations as being driven solely by scientific advances or market forces. Instead, ANT emphasizes the role of networks, actors, and intermediaries in shaping technological innovations and the social processes that surround them. One of the criticisms of ANT is that it can be overly focused on the micro-level of social interaction and may not adequately account for broader social structures and institutions. Additionally, some have argued that ANT is too focused on the agency of non-human actors, at the expense of human agency and free will (Orlikowski & Iacono, 2015).

Actor Network Theory offers insights into the complex relationships and interactions between actors and non-human elements within a network. When applied to customer service management strategy, ANT emphasizes the importance of understanding how various actors, including customers, employees, and technological systems, interact to shape service delivery. By recognizing the networked nature of service provision,

organizations can design strategies that accommodate diverse actors' needs and preferences, optimize communication channels, and adapt service processes to enhance customer satisfaction and loyalty. Thus, integrating ANT into customer service management strategy enables organizations to create more responsive and effective service systems that adapt to evolving customer demands and technological advancements. The theory is of importance to the researcher on selection of indicators for the customer service management strategy thus informing the second objective of the study.

#### **2.2.4 Diffusion of Innovation Theory**

This theory was hypothesized by Rogers (1995). Dissemination happens continuously inside a market (an arrangement of clients) when data and assessments about another technology are shared among potential clients through different correspondence channels. Along these lines, clients secure individual information on upcoming technology (Rogers, 1995). Learning is the initial step of Rogers' five-organize procedure of reception. The other stages are: influence, choice (to embrace or to dismiss new technology), usage and affirmation. Tolerating this structure, non-appropriation can be clarified as the ultimate result of a personal procedure of selection that fizzled (Rogers, 2011). Rogers contends that an incredible number of conditions (for example individual restrictions of the potential client) as well as outside deterrents (for example incapable correspondence channels) may repress the achievement of the reception procedure (MacVaugh & Schiavone, 2010).

As per this theory, the pace of dispersion is influenced by a development's relative favorable position, multifaceted nature, similarity, trialability and perceptibility (Agarawal & Prasad 2013). Rogers (2011) characterizes relative bit of leeway as 'how much an advancement is seen as being better than its ancestor'. Intricacy, which is similar to technology acknowledgment model's (TAM) saw convenience develop, is 'how much an advancement is viewed by the probable adopter as being moderately hard to use and have it'. Similarity refers to 'how much an advancement allegedly is good with prevailing qualities, convictions, encounters and requirements of adopters'. Trialability is 'how much a thought can be probed a constrained premise'. Discernibleness is 'how much the aftereffects of an advancement are noticeable' (Rogers, 2011).

In an authoritative setting, when thinking about appropriation and dissemination of technology, two ideas are noteworthy: the profundity of the development and its disruptiveness. Fundamentalism is for the most part viewed as the degree to which an advancement includes new technology that contrasts based on what is existing (Dewar & Dutton 2014): disruptiveness of developments alludes to the degree that a client portion (not standard) values the development with the end goal that it disturbs standard markets. As far as advancement, fundamentalism identifies with a technology measurement: disruptiveness to a market measurement (Govindarajan & Kopalle, 2016). If an individual perceives that a technology is easy to use, they are more likely to adopt it.

Diffusion of Innovation Theory examines the adoption and spread of new ideas or technologies within a social system. When applied to ICT strategy, DOI underscores the importance of understanding how innovations are introduced, accepted, and integrated into organizational practices. By leveraging DOI principles, organizations can develop ICT strategies that facilitate the effective adoption and implementation of new technologies, enhance communication and collaboration, and drive organizational change. DOI informs ICT strategy by providing insights into the factors influencing technology adoption, such as perceived benefits, compatibility with existing practices, and social influence, thereby enabling organizations to design strategies that foster successful ICT implementation and maximize the benefits of technological innovation. The theory helps in explaining the role of ICT on the effective service delivery thus informing the fourth objective of the study.

### **2.2.5 Service Quality Model**

This model was pioneered by Parasuraman, Zeithaml and Berry, in 1988. This model offers a framework for assessing the gap between expectations of customers and perceived service performance. The SERVQUAL model consists of reliability, responsiveness, assurance, empathy, and tangibles. By prioritizing customer expectations and feedback, service providers can build a culture of continuous improvement and deliver high-quality services that meet the evolving customers' requirements (Mok, Sparks & Kadampull, 2009).

Reliability is the capability of those providing services to do the service in an accurate and consistent manner over time. Customers expect reliable services, and failure to deliver on this expectation can significantly impact their perceptions of the service quality. Service providers can measure reliability by analyzing the frequency and severity of service failures, such as delays, cancellations, or equipment malfunctions. To improve reliability, service providers need to examine the root causes of service failures and implement corrective activities (Brent, 1989).

Responsiveness is the readiness of those providing services to address customers' needs and concerns promptly and effectively (Khan & Fasih, 2014). This dimension is critical in situations where customers require urgent assistance or have time-sensitive needs. To measure responsiveness, service providers can track the time taken to respond to customer inquiries or complaints (Abd-El-Salam, 2013). To improve responsiveness, service providers should train their employees to respond quickly to customer requests and provide timely updates on the status of the service request (Kaura, 2012)

Assurance is the confidence and trust that customers have in those providing services' capability to deliver the service effectively and consistently (Khan & Fasih, 2014). This dimension is particularly important in services where the customer relies on the expertise of the service provider, such as healthcare or financial services. To measure assurance, service providers can assess the trust and confidence level customers are having in their employees. To improve assurance, service providers should invest in employee training and development to enhance their knowledge, skills, and communication abilities (Naidoo, 2014).

Empathy is the extent to which the service provider understands and addresses customers' emotional needs and concerns (Kaura, 2012). This dimension is particularly relevant in services where the customer has a personal connection to the service provider, such as healthcare or hospitality. To measure empathy, service providers can assess the level of personalization and attention that customers receive from their employees. To improve empathy, service providers should encourage their employees to listen actively to customers, show empathy, and provide personalized service (Khan & Fasih, 2014)



Tangibles are the physical evidence of the service like the appearance of the facilities, equipment and people (Naidoo, 2014). This dimension is relevant in services where the customer interacts directly with the physical environment, such as retail or hospitality. To measure tangibles, service providers can assess the cleanliness, appearance, and functionality of their facilities and equipment. To improve tangibles, service providers should invest in maintaining their facilities and equipment to ensure they are always clean, modern, and in good condition.

The SERVQUAL model also highlights the importance of understanding customer expectations (Kaura, 2012). Service providers need to identify and prioritize the facets of the services that are most crucial to customers and focus their efforts on meeting or exceeding these expectations. They should also solicit feedback from customers regularly to identify areas for improvement and track progress over time. The Servqual model helps in discussing the service delivery in Selected Water Companies of Nakuru County, Kenya and thus linked to the dependent variable.

### **2.3 Empirical Review on the Study**

This section critically assesses previous research pertinent to the study's topic. Synthesizing findings from existing literature, it identifies gaps and inconsistencies, informing the current investigation's direction and methodology.

#### **2.3.1 Human Resource Management Strategy and Service Delivery**

Muraga (2016) did a research on human resource management strategy and performance of Kenyan parastatals. The study used both the descriptive and explanatory research design. All the 185 parastatals were targeted. Questionnaires were used in collecting data. A significant positive correlation between training, performance management, compensation and performance was found.

Chao (2016) studied the effects of HRM strategy on organizational performance at Taiwan-listed LED manufacturers. Convenience sampling was utilized while linear Structural Equation Modeling (SEM) was adopted. Implementation of HRM strategy positively and significantly influenced organizational performance. A well-implemented HRM strategy positively and significantly influenced intellectual capital;

and the accumulated intellectual capital positively and significantly influenced organizational performance. Intellectual capital had a partially mediating effect.

Sura (2016) studied the effect of HRM strategy on organizational resilience. A questionnaire was developed to collect data. 449 employees were targeted and random sampling technique was utilized. SPSS 24.0 and AMOS 22 were used in analysis. Strategic HRM practices positively impacts organizational resilience. Brito and Di Serio (2014) studied the influence of HRM strategy on performance. One thousand and two hundred (1200) firms that were operational in São Paulo, Brazil, were sampled. Multiple regression was used in analysis. There was a negative correlation with financial performance. Profitability and growth negatively impacted outsourcing. There was a weaker and negative correlation between ISO certification and growth. The impact of practices on performance is context dependent since the results were mixed.

Njoki (2017) investigated the influence of HRM strategy on performance of staff in Kenyan private hospitals. Descriptive research design was utilized. Staff of the Aga Khan University Hospital, Nairobi were targeted. Simple stratified random sampling technique was utilized to select 100 participants. Quantitative and qualitative methods were used in analysis. Training of staff and performance was strongly and positively correlated. Promotion and staff' performance was directly related.

### **2.3.2 Customer Service Management Strategy and Service Delivery**

Dafrosa (2015) studied the effects of customer service management strategy on organizational performance. Case study research design was used. Staff and customers targeted in the study forming a sample of 60 participants. Descriptive analysis was utilized in analysis and processing of the data. Customer service provision reduced public relations costs after the introduction of customer complaint register (written complaints) where customers tabled their complaint whenever services offered turned out to be dubious.

Rajagopal (2018) studied the effects of customer service management strategy and market effectiveness on dealer performance. Results revealed that customers professed higher quality of the correlation in an offered frame of roles that are done efficiently by the dealer which lowers the degree of challenges. When there is high conformance in

the quality of services given by the dealers and worth added customer correlation, there is high customer satisfaction given which leads to development of life time customer worth and strengthens the correlation between the customers and the dealers.

Abora (2016) determined the influence of customer service management strategy on the performance of banks in Kumasi Metropolis. Desk and primary research were used in data collection while analysis was through using SPSS. Results revealed that customers defined quality in regard to traits of services which have the capability to fulfil sated and implied requirements. Quality service is a key source of differentiation in the banking industry. Quality customer service is a prerequisite to satisfied customers and their retention which affect profitability of organizations.

### **2.3.3 Financial Management Strategy and Service Delivery**

Thabet (2017) studied the influence of financial management strategy on organizational performance. Case study design was utilized through secondary data collection from journal articles and other media publications. Findings revealed that all the approaches are of significance for the growth of any business. Nevertheless, there is a lot of weight placed by managers on assessing financial performance.

Kashif-Ur-Rehman (2014) investigate the impacts of financial management strategy on organizational performance. Forty companies that were operational in Pakistan, linked to varying industries and listed at Karachi Stock Exchange were sampled. The financial executives and analysts were targeted where they filled the questionnaires through company profiles and references. Results revealed that financial management practices were positively and significantly related to organizational performance.

Shina (2017) did a review research of financial management strategy from the viewpoint of performance of the organizations. Secondary data was obtained from several secondary sources such as libraries, thesis, Google scholar and other open sources. Results showed that the accruals impacted the financial statement. Non-discretionary accruals were suggested to be more impactful.

Mohamud and Mohamed (2016) did a research on the correlation between financial management strategies and performance in Mogadishu-Somalia. Descriptive and correlation research design were utilized. Spearman correlation statistical tool was

utilized for analysis. Strategic management and performance were positively and significantly correlated. Strategic management and organizational performance were also moderately and positively significant.

Ngugi (2014) did a research on financial management strategies and the performance of Kenyan micro and small enterprises. The effects of financial inventions, investing actions, risk management practices and working capital management on the performance was determined. 95 respondents were sampled. Questionnaires were used in collecting data. Financial innovations influenced the performance.

#### **2.3.4 Information Communication Technology Strategy and Service Delivery**

ICT strategy implementation and performance of Kenyan insurance industry was investigated by Malit (2017). Descriptive cross-sectional survey was used. 50 insurance firms in Kenya were targeted. Census survey was utilized. Results revealed that investment cost in ICT affected the performance of Kenyan insurance industry. Further, investment cost in ICT were comparatively high but improved organization performance while ICT investment does not always translate into monetary rewards in insurance industry.

Kathurima (2015) sought to find out the impact of ICT strategy on performance focusing on Nairobi bottlers logistics operations. Seventy six (76) employees were sampled. Questionnaires were used. Information technology applications and competitiveness impacted enterprise resource planning system to a moderate extent and had assisted the organization to incorporate all its business to improve effectiveness.

Peñalba, Guzmán and Mojica (2015) studied the effect of ICT strategy and level of innovation in panama MSMES. The prevailing effects between information and communication technologies in the level of innovation in SMES were analyzed using a sample of 615 MSMES. Results showed that information and communication technologies significantly and positively affected innovation activities of MSMES.

Muthui (2013) studied the impacts of ICT strategy in selected savings and credit cooperative societies in Nyeri County. Purposive sampling was used. Questionnaires were used. Embracing information communication technology enabled the cooperatives to expedite delivery of services and products to their clients. It was

discovered that the effects of ICT was highly affecting corporate strategies in the cooperatives.

## 2.4 Summary of Empirical Literature Review

**Table 2. 1: Summary of Empirical Review**

<b>Author(S)</b>	<b>Findings of the Study</b>	<b>Research Gaps</b>	<b>How to address the Gap</b>
Muraga, (2016) researched strategic HRM practices and performance of Parastatals in Kenya.	There was a significant positive correlation between training, performance management, compensation and Kenyan parastatals performance.	However, the study only focused on HRM strategy specifically on training, management and compensation as the HR strategies.	The current study identified other types of strategy like Financial Management Strategy, ICT Strategy and HRM Strategy.
Chao (2016) Impacts of HRM system on organizational performance at Taiwan-listed LED manufacturers	A well-implemented HRM strategy positively and significantly influenced intellectual capital; and the accumulated intellectual capital positively and significantly influenced organizational performance. Intellectual capital had a partially mediating effect	The study focused on the HRM strategy among the manufacturing firms	Since Chao (2016) study focused only on human resource management strategy, the present study determined the, customer service management strategy, financial management strategy, information communication strategy and human resource management strategy.
Sura (2016) studied the impact of strategic	Strategic HRM practices positively impacts organizational resilience.	Nonetheless, the study only focused on the human resource strategies like human resource	The present study addressed the gaps by focusing on the HRM

HRM on organizational resilience		analytics, and high performance work practices.	strategies which influence high quality service delivery.
Njoki (2017). Effect of HR strategy on performance of staff in private hospitals in Kenya	Training of staff and performance were strongly and positively correlated. Promotion and staff' performance was directly related.	The study was conducted only in private organization	The study was done in the water sector which are public entities which are none profit based organization
Dafrosa (2015) investigated the influence of customer service on performance of organizations	Customer service provision reduced public relations costs after the introduction of customer complaint register	However, the study focused on the customers service management strategy leaving out other functional strategies like financial management, human resource management and ICT management strategy	The current study addressed the gaps by utilizing A descriptive explanatory research design and focused on the human resource management strategy, service strategy, financial management strategy and ICT strategy.
Rajagopal (2018) studied the effects of customer services efficiency and market effectiveness on dealer performance.	Customers professed improved quality of the correlation in an offered frame of roles that are done efficiently by the dealer which lowers the degree of challenges	However, the study focused on customers' service strategy leaving out other functional strategies like the HR management strategy, the financial management strategy and adoption of ICT	However, the study focused on customers' service strategy leaving out other functional strategies like the HR management strategy, the financial management strategy and adoption of ICT
Thabet (2017) sought to find out the effects of financial management practices and their	Findings revealed that all the approaches are of significance for the growth of any business.	The financial management strategies and the quality service delivery will be determined.	Functional strategies and quality service delivery were focused. The functional strategies included the financial management strategy, the

influence on performance.			service management strategy human resource management strategy and the ICT on the quality service delivery among the Water and sanitation companies within Nakuru county.
Mohamud and Mohamed (2016). Relationship between financial management strategies and performance in Mogadishu-Somalia	Strategic management and organizational performance were positively and significantly correlated.	The depend variable of the study was not specific on the type of performance	Level of service delivery was determined

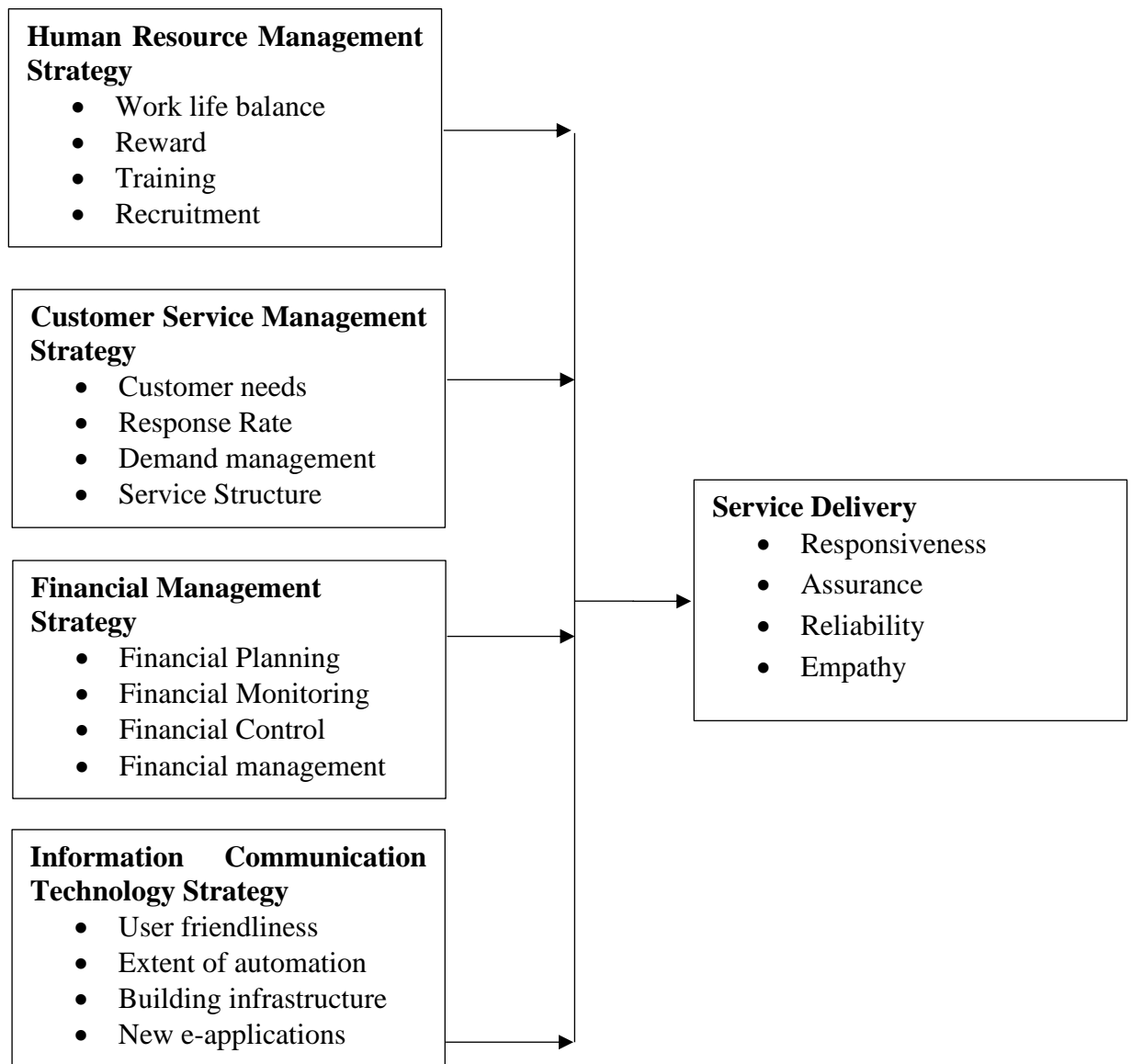


## **2.5 Conceptual Framework**

This is a theoretical or conceptual model that provides a structure or framework for organizing ideas, concepts, and data in a research study. It is a visual or written representation of the researcher's ideas and hypotheses about the relationships between variables or concepts. The independent variables are functional strategies used by the water companies. These are human resource management strategy, service management strategy, financial management strategy and information communication technology strategy. The dependent variable is service delivery.

**Independents Variable**

**Dependent Variable**



**Figure 2. 1: Conceptual Framework**

**Source: Researcher (2021)**

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

Research methodology is the overall approach and process used to conduct research. It encompasses the theoretical and philosophical framework underlying the research, as well as the specific methods, techniques, and tools used to gather and analyze data.

#### 3.2 Research Design

Research design is the plan or blueprint for conducting research. It outlines the overall strategy for gathering and analyzing data, and serves as a guide for the research process (Cooper & Schindler, 2014). The study adopted descriptive and explanatory research designs. Descriptive research design aims to offer a clear and accurate description of a situation. Descriptive research can be done through observational studies, surveys, or case studies. Explanatory research design explains the causes and linkages between variables. This research design is used to answer questions such as “why is this happening?” and “what is causing this phenomenon?” (Grey, 2014). Explanatory research can be done through experimental studies, correlational studies, or quasi-experimental studies. The design enabled the researcher to utilize descriptive data to describe the effect of functional strategies on service delivery in Selected Water Companies, Nakuru County.

#### 3.3 Population of the Study

Population is the larger entity from which a sample is drawn for the aim of conducting a study (Kombo & Tromp, 2011). It is the group that the researcher wants to make inferences about based on the data collected (Cooper & Schindler, 2011; Kothari, 2011). The population for the study were respondents drawn from the following departments; Customer service, finance, administration, procurement, information technology and human resource departments in three water service provider companies; Nawassco, Naivawassco, Naruwassco as indicated in Table 3.1. In this study, the unit of analysis were the public water service provider in Nakuru County while the unit of observation included various stakeholders involved in or affected by water service delivery, that is customers (residents) and employees of the water service providers.

**Table 3. 1: Target Population**

<b>DEPARTMENT</b>	<b>NAWASSCO</b>	<b>NAIVAWASSCO</b>	<b>NARUWASSCO</b>	<b>Total</b>
Customer Service	11	9	7	27
Finance	9	7	5	21
Administration	2	1	3	6
Procurement	12	10	7	29
Information Technology	3	1	2	6
Human Resource	9	7	12	28
<b>Total</b>	<b>46</b>	<b>35</b>	<b>36</b>	<b>117</b>

**Source: County Government of Nakuru (2021)**

### **3.4 Sample and Sampling Design**

A sample is a smaller group of individuals, objects, or events that is representative of the larger population, and from which the researcher collects data (Hyndman, 2008). The process of selecting a sample is known as sampling. It is process where selection of a subset of individuals, objects, or events takes place so as to conduct a study (Kothari, 2011). Since the study population was manageable, a census method was used and thus 117 respondents were sampled.

### **3.5 Data Collection Instrument**

Semi-structured questionnaires were used. Questionnaires are used to gather information and consists of a set of structured questions designed to elicit specific data from the participants (Kombo & Tromp, 2013). A semi-structured questionnaire is a type of questionnaire that combines elements of both structured and unstructured (open-ended) questions. It includes a set of pre-determined questions, but also allows for some flexibility and variation in the wording and sequencing of the questions (Kothari, 2008).

### **3.6 Data Collection Procedure**

Data collection involves the systematic collection and recording of information from various sources, such as surveys, interviews, observation, or experimentation. The available resources determine the method of data collection tool used. The researcher

administered questionnaires to the participants. The drop and pick later method was used in data collection where the participants were given the questionnaire to complete and then return it at a later time. It provided participants with more time to think about their responses and complete the survey at their convenience, and reducing the potential for interviewer bias (Mugenda, 2013). The participants were given two weeks to fill the questionnaires which was considered sufficient time to capitalize on effective responses.

### **3.6 Pilot Study**

This is a small-scale preliminary study done prior to a larger research study or experiment (Saunders *et al.*, 2013). A pilot study is done to test the feasibility and effectiveness of the research design and techniques, and to identify any potential problems that may require to be tackled before the main study is conducted. In this study, piloting was done in NYAHUWASCO, the water service provider company in Nyahururu town the neighboring town to Nakuru. Piloting used 10% of the sample size (11 respondents) as guided by Mugenda and Mugenda (2012).

#### **3.6.1 Validity of Research Instrument**

This is the extent to which it accurately measures what it is supposed to measure (Mugenda & Mugenda, 2003). It connotes whether the research instrument is measuring what it should measure and whether it is doing so in a reliable and consistent way. There are several types of validity that are commonly assessed in research instruments. Content validity is if the instrument sufficiently covers all aspects of the topic being studied. Criterion validity is whether the instrument is able to accurately predict or correlate with other measures of the same construct. Construct validity is whether the instrument is measuring the underlying construct that it should measure, while face validity is to whether the instrument appears to measure what it should to measure. Content and construct validity were used. For content validity, expert review involving the supervisor examined the instrument and provided feedback on its content and structure. For construct validity, short, straight forward and close ended questions were used. Items found to be ambiguous, irrelevant or confusing were removed or reconstructed to convey the intended meaning (Kumar, 2019).

### 3.6.2 Reliability of Research Instrument

This is consistency or stability over time of a research instrument, across different situations or among different researchers (Cooper & Schindler, 2003). It is the extent to which a research instrument consistently and accurately measures the same construct or phenomenon each time it is used (Malhotara, 2004). Cronbach's alpha is a commonly used reliability coefficient that ranges from 0 to 1 (Ehlers, 2000; Sekaran, 2003). Cronbach's alpha is based on the correlation between all pairs of items within the instrument. This study adopted a reliability cut-off point of 0.7.

**Table 3.1: Reliability Statistics**

Item	Cronbach's Alpha	No of items
HRM strategy	0.722	6
Customer service management strategy	0.702	7
Financial management strategy	0.705	9
ICT strategy	0.754	7
Service delivery	0.757	4

**Source; Survey data (2023)**

As shown in Table 3.1, HRM strategy had a coefficient of 0.722, customer service management strategy, 0.702, financial management strategy, 0.705, ICT strategy, 0.754 and service delivery, a coefficient of 0.757. The coefficients ranged from 0.702 to 0.757 and thus the constructs that captured the variables were deemed reliable. The research instrument was therefore termed reliable.

### 3.7 Data Analysis and Presentation

Data analysis and presentation involve examining collected data to identify patterns, trends, and relationships, using statistical techniques or qualitative methods (Cooper & Schindler, 2003). Results are then synthesized and visually communicated through tables, charts, or graphs to facilitate understanding and interpretation, aiding in drawing conclusions and making informed decisions. Data preparation involves cleaning, transforming, and organizing the data to make sure that it is set for analysis (Saunders et al., 2007). This was followed by data coding to assign particular responses numbers. Both descriptive and inferential statistics were conducted. Descriptive statistics such as

aggregate scores such as mean and standard deviations were computed. Results were presented in tables and graphs. Multiple linear regression was also conducted.

The regression model is:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$$

Where:

Y= Service Delivery

$\beta_0$  = constant

$\beta_i$  = the coefficient

$X_1$  = Human Resource Management Strategy

$X_2$  = Customer Service Management Strategy

$X_3$  = Financial Management Strategy

$X_4$  = Information Communication Technology Strategy

$\epsilon$  = Error Term

### **3.8 Ethical Consideration**

Research ethics is a set of moral principles and values that guide researchers in their interactions with participants and in the design, implementation, and dissemination of research studies (Kothari, 2011). A research permit was gotten from the National Commission for Science and Technology (NACOSTI). Authorizations from Kenyatta University was also sought. Participants were taken through an introductory letter for their consent to answer the questions in the questionnaire while respecting their willingness to participate. Consent from the administration of each Water Company was sought before giving out the questionnaires. All the responses were confidential and can't be used anywhere else other than for the research purpose. Journals and text books cited from other authors were acknowledged.

## CHAPTER FOUR

### RESULTS, INTERPRETATION AND DISCUSSION

#### 4.1 Introduction

This chapter is the analysis of data that was collected for the study. Data interpretation and discussion is also provided. The findings are presented using frequency tables and figures. Both descriptive and inferential findings are presented.

#### 4.2 Response Rate

The study targeted respondents in the customer service, finance, administration, procurement, information technology and human resource departments in three public water service providers totaling up to 117 respondents in Nakuru County. With the targeted sample size of 117, 94 provided their responses which translated to 80.3%

**Table 4.1: Response Rate**

Questionnaires	Frequency	Percent
Questionnaires returned	94	80.3
Questionnaires not returned	23	19.7
<b>Questionnaires sent out</b>	<b>117</b>	<b>100</b>

**Source: Survey data (2023)**

Table 4.1 shows 94 questionnaires were well filled which gave a response rate of 80.3%. Babbie (2012) argued that response rates are termed acceptable, good and very good if 50%, 60% and 70% respectively are achieved and thus accepted for publication. High response rate that was obtained in this study is attributable to self-administration of the questionnaires.

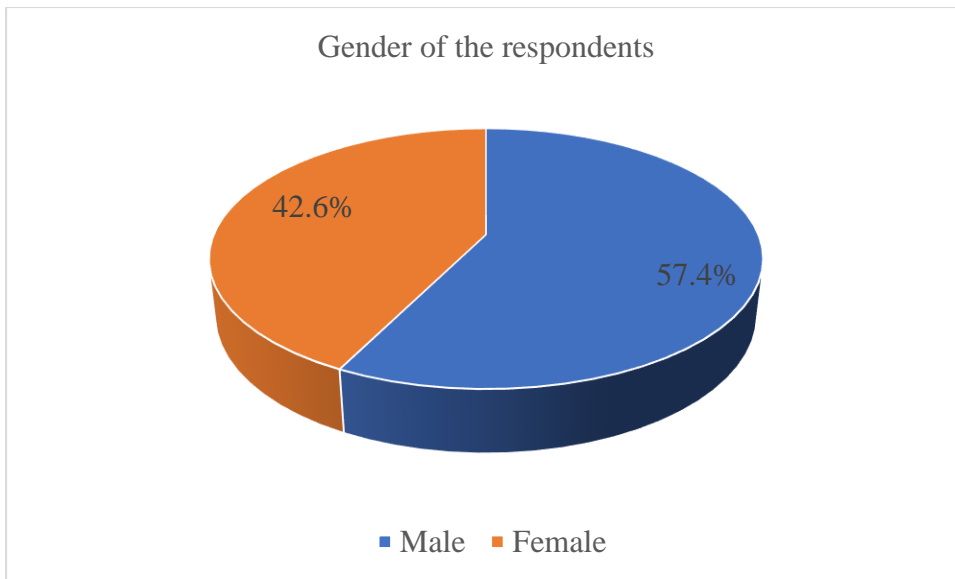
#### 4.3 Demographics characteristics

The demographics included gender, age, education level and the number of years they had worked for the public water service providers. The results are shown in the sections that follow.

##### 4.3.1 Gender of the Respondents

The gender of the respondents was evaluated. The figure 4.1 shown is the gender distribution of the respondents.





**Figure 4.1: Gender of the Respondents**

**Source: Survey data (2023)**

Figure 4.1 showed that 57.4% were male while 42.6% were female. This shows that public water service providers in Nakuru County have employed more male staff compared to the female staff. The results further indicate that gender balance is not an issue of concern in the water service providers' companies since the representation of women among the employees in Nakuru County is high. The 2010 constitution of Kenya advocates for one-third gender rule which essentially means that at least one-third of the seats or positions in public offices should be reserved for either gender to avoid significant gender imbalances. The rule is intended to address historical gender disparities and increase female representation in political and public spheres. The findings of this study show that the public water service providers have observed the one third gender rule clearly shown with 42.6% of women employees who participated in this study.

#### **4.3.2 Age of the Respondents**

The age of the respondents was evaluated and the responses shown in Table 4.2 are the ages of the respondents.

**Table 4.2: Age of the Respondents**

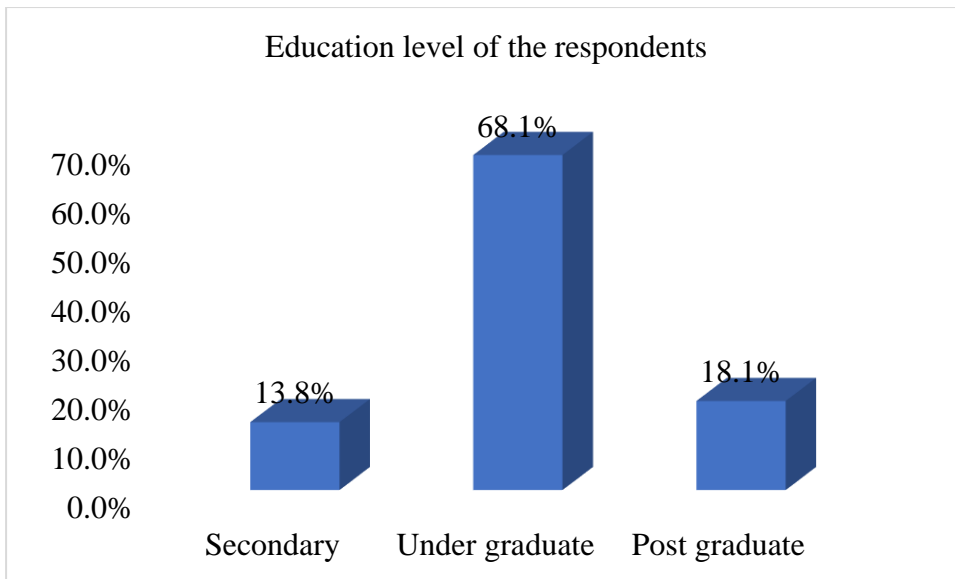
<b>Age category</b>	<b>Frequency</b>	<b>Percent</b>
18-30 years	9	9.6
31-40 years	24	25.5
41-50 years	42	44.7
50 years and above	19	20.2
<b>Total</b>	<b>94</b>	<b>100.0</b>

**Source; Survey data (2023)**

Results showed that the age category of 41-50 years had 44.7% of the respondents being the highest number. This was followed by 31-40 years with 25.5% respondents while respondents aged above 50 years were 20.2%. Age category of below 18-30 years was 9.6%. Nearly 80% of the respondents in the public water service providers were aged below 50 years. Vandenberghe and Waltenberg, (2010) stated that there is improved performance and productivity of the employees when they are below the age of 50 years. This showed that there is a likelihood of high performance of the employees since most of the employees are within the productivity age bracket. Younger employees tend to be more open to new ideas and innovations and can bring creative solutions to challenges and help the organization stay current with the latest trends and technologies. Further, they have a natural affinity for technology. They can quickly grasp and utilize digital tools, which can enhance the organization's efficiency and effectiveness (Kathurima, 2015).

**4.3.3 Education Level of the Respondents**

The study evaluated the education level of the respondents. Responses in Figure 4.2 are the level of education of the respondents.



**Figure 4.2: Education Level of the Respondents**

**Source; Survey data (2023)**

Results showed that 68.1% were bachelor’s holders while 18.1% were post graduate holders. Further, 13.8% had secondary level of education. When the average education level of the employees is advanced by one year, their net worth to the organization is advanced by 14% which directly translates to improved performance (Soderbom & Teal, 2000). Higher levels of education often provide individuals with more extensive knowledge, technical skills, and problem-solving abilities. Employees with advanced education might be better equipped to handle complex tasks and adapt to changing work environments (Hirsch & Emerick, 2007). High education level for most employees in the public water service providers in Nakuru County shows there is a likelihood of high performance.

#### **4.3.4 Length of Time Working for the Institution**

The study evaluated the length of time the respondents had worked for the public water service providers’ companies. The results are shown in Table 4.3.

**Table 4.3: Length of time working for the company**

<b>Position</b>	<b>Frequency</b>	<b>Percent</b>
Less than 1 years	11	11.7
1-5 years	22	23.4
6-10 years	47	50.0
More than 10 years	14	14.9
Total	94	100.0

**Source: Survey data (2023)**

Results showed in Table 4.3 indicate that 50.0% of the respondents had worked for the water service providers' companies for 6-10 years, 23.4% for 1-5 years while 14.9% of the respondents had worked for the public water service providers for more than 10 years. Results further showed that 11.7% of the respondents had worked for the public water service providers for less than 1 year. This shows that the public water service providers had more employees who have worked for more than 6 years. This implies that majority of the respondents had worked for the public water service providers for a long time, thus there is a likelihood that they were conversant with the issues that needed to be addressed in this study. Long-term employees develop a deep understanding of the organization's culture, processes, and systems. They accumulate valuable knowledge, expertise, and experience over the years, becoming subject matter experts in their respective roles (Soderbom & Teal, 2000).

#### **4.4 Descriptive Statistics**

Respondents were to show their agreement level on different aspects of HRM strategy, customer service management strategy, financial management strategy, ICT strategy and service delivery as 1 (strongly disagree), 2 (disagree), 3 (neither disagree nor agree), 4 (agree) and 5 (strongly agree). Descriptive statistics were used in analysis.

##### **4.4.1 Human Resource Management strategy**

The study sought to establish the effect of HRM strategy on service delivery in public water service providers of Nakuru County, Kenya. HRM strategy was conceptualized to constitute work life balance, reward, training and recruitment.

**Table 4.4: HRM Strategy**

HRM strategy statements	Means	Standard deviations
Good work life balance leads to more committed and positive attitude in your staff	4.32	0.78
Ensuring there is work life balance improved employee morale and reduce staff turnover	4.38	0.70
Rewarding hard working employee generates loyalty help employees feel engaged and give them a sense of belonging thus employee retention	4.26	0.95
Training enhance creativity among employees	3.81	0.85
Training improves employee's knowledge and skills relevant to their job.	3.82	0.92
Transparency in the recruitment process attract talent	4.40	0.63
<b>Aggregate mean</b>	<b>4.17</b>	

**Source: Survey data (2023)**

Results shown in Table 4.4 are mean summaries which showed that transparency in the recruitment process attract talent had the highest mean of 4.40. There was low variation (standard deviation (SD) of 0.63). Ensuring there is work life balance improved employee morale and reduce staff turnover had a mean of 4.38. There was a low variation (SD of 0.70). Good work life balance lead to more committed and positive attitude in your staff had a mean of 4.32. There was low variation (standard deviation (SD) of 0.78). Rewarding hard working employee generates loyalty help employees feel engaged and give them a sense of belonging thus employee retention had a mean of 4.26. There was low variation (standard deviation (SD) of 0.95). Training improves employee's knowledge and skills relevant to their job had a mean of 3.82. There was a low variation (SD of 0.92) while training enhance creativity among employees had a mean of 3.81 and an SD of 0.85 thus a low variation. Results showed that the respondents agreed that HRM strategy has an effect on service delivery of service water providers' companies in Nakuru since the indicators had an aggregate mean of 4.17.

Results showed that transparency in the recruitment process attract talent had the highest mean since when conducting recruitment, having transparent recruitment processes help attract highly skilled and qualified candidates (Abbasi et al., 2020). When applicants have a clear understanding of the job expectations, qualifications, and

selection criteria, they can make informed decisions about whether to apply. Transparency allows candidates to assess their suitability and ensures that only those who meet the requirements and are genuinely interested in the position apply (Ekwoaba, Ikeije & Ndubuisi, 2015).

Transparent recruitment processes not only help in attracting talent but also contribute to talent retention and development. When candidates have a clear understanding of the expectations and requirements of the role, they can make informed decisions about their fit with the organization (Sekreter, 2013). This clarity reduces the likelihood of mismatched expectations and increases the chances of long-term employee satisfaction. Additionally, providing feedback to candidates, even if they were not selected, can help them understand areas for improvement, fostering their professional growth and encouraging them to consider future opportunities with the organization (Mustapha, 2022). Openness and transparency in the recruitment process help build trust and engagement between the employer and the candidates. Candidates appreciate being treated fairly and having access to relevant information throughout the process. When candidates feel valued and respected, they are more likely to engage positively with the organization, regardless of the final outcome. This engagement can lead to a positive candidate experience and potentially attract candidates to future opportunities within the organization (Ekwoaba *et al.*, 2015) which supports the findings of this study.

#### **4.4.2 Customer Service Management Strategy**

The means and standard deviations on the effect of customer service management strategy on service delivery in public water service providers of Nakuru County, Kenya was determined. Customer service management strategy was conceptualized to constitute customer needs, response rate, demand management and service structure.

**Table 4.4: Customer service management strategy**

Customer service management strategy statements	Means	Standard deviations
The organization is able to meet all its customer needs on time	4.07	1.05
The priority of the organization are based on the customer needs	3.98	0.79
The organization respond to customer on time	4.32	0.82
The organization has a system to determine customer demand	4.52	0.74
The organization allocate its resource depending on customer demand	4.24	0.99
The organization has a well-defined service structure	4.52	0.67
The service structure help the organization to served it customer effectively	4.61	0.69
<b>Aggregate mean</b>	<b>4.32</b>	

**Source: Survey data (2023)**

Results shown in Table 4.5 are mean summaries which showed that the service structure help the organization to serve it customer effectively had the highest mean of 4.61. There was low variation (standard deviation (SD) of 0.69). The organization has a well-defined service structure had a mean of 4.52. There was a low variation (SD of 0.67). The organization has a system to determine customer demand had a mean of 4.52. There was low variation (standard deviation (SD) of 0.74). The organization respond to customer on time had a mean of 4.32. There was low variation (standard deviation (SD) of 0.82). The organization allocate its resource depending on customer demand had a mean of 4.24. There was a low variation (SD of 0.99) while the organization is able to meet all its customer needs on time had a mean of 4.01 and an SD of 1.05 thus a high variation. The priority of the organization is based on the customer needs had a mean of 3.98 and an SD of 0.79 thus a low variation. Results showed that the respondents agreed that customer service management strategy has an effect on service delivery of service water providers' companies in Nakuru since the indicators had an aggregate mean of 4.32.

Results of the study showed that the service structure help the organization to serve its customers effectively had the highest mean and a well-defined service structure ensures consistency in the delivery of customer service enhancing the effectiveness (Zhanhe &

Liao, 2010). Further, George (2016) connotes that a well-defined service structure establishes standardized processes, protocols and guidelines that enable customer service representatives to handle customer interactions consistently and efficiently. Consistency builds trust, reinforces the organization's brand image, and fosters positive customer experiences. When customers consistently receive prompt, accurate, and personalized support, they are more likely to have positive experiences and develop trust in the organization. Satisfied customers are more likely to become loyal, repeat customers and may even advocate for the brand, leading to increased customer retention and positive word-of-mouth (Govindarajo, Kumar, Ramalu, 2014) which supports the results of this study.

The priority of the organization is based on the customer needs had the lowest mean contradicting the findings of Ajike et al. (2016) who indicated that prioritizing customer needs is a fundamental principle for many successful organizations. By placing the customer at the center of their operations, these organizations aim to deliver value, satisfaction, and a positive experience to their customers. To effectively prioritize customer needs, organizations need to listen to customer feedback, conduct market research, and continuously adapt their strategies based on changing customer preferences and demands (Ibok & John, 2013).

#### **4.4.3 Financial Management Strategy**

The means and standard deviations on the effect of financial management strategy on service delivery in public water service providers of Nakuru County, Kenya was determined. Financial management strategy was conceptualized to constitute financial planning, financial monitoring, financial control and financial management.



**Table 4.6: Financial management strategy**

Financial management strategy statements	Means	Standard deviations
Financial planning provides the organization with a clear picture of how much money is needed to cover expenses	4.43	0.80
Financial planning helps the organization to make good investment decisions	4.03	0.90
Financial planning helps the organization to keep track of the expenses which enhance accountability	4.27	0.95
Financial monitoring creates certainty and confidence in making both short- and long-term decisions	4.40	0.71
Financial monitoring enhance transparency in the utilization of funds	4.09	0.92
Financial control ensures proper financial discipline in the organization	4.29	0.92
Accurate financial reporting help in determining the financial position of the organization	4.24	0.90
Financial reporting helps the organization to balance liabilities and assets	4.28	0.81
Financial management helps the organizations to effectively utilize and allocating funds in the various department	4.49	0.67
<b>Aggregate mean</b>	<b>4.28</b>	

**Source: Survey data (2023)**

Results shown in Table 4.5 are mean summaries which showed that the financial management helps the organizations to effectively utilize and allocating funds in the various department had a mean of 4.49. There was a low variation (SD of 0.67). Financial planning provides the organization with a clear picture of how much money is needed to cover expenses had a mean of 4.43. There was a low variation (SD of 0.80). Financial monitoring creates certainty and confidence in making both short- and long-term decisions had a mean of 4.40. There was low variation (standard deviation (SD) of 0.71). Financial control ensures proper financial discipline in the organization had a mean of 4.29. There was low variation (standard deviation (SD) of 0.92). Financial reporting helps the organization to balance liabilities and assets had the highest mean of 4.28. There was low variation (standard deviation (SD) of 0.81) while financial planning helps the organization to keep track of the expenses which enhance accountability had a mean of 4.27 and an SD of 0.95 thus a low variation. Financial

planning helps the organization to make good investment decisions had a mean of 4.03 and an SD of 0.90 thus a low variation. Results showed that the respondents agreed that financial management strategy has an effect on service delivery of service water providers' companies in Nakuru since the indicators had an aggregate mean of 4.28.

The findings of this study are supported by Nguyen (2014) who denoted that financial management helps in allocating financial resources efficiently and effectively. It involves assessing the organization's financial needs, budgeting, and allocating funds to different areas such as operations, marketing, research and development, and investments. Further, Nyabwanga *et al.* (2014) argued that effective financial management is crucial for managing the organization's capital structure. It involves determining the optimal mix of debt and equity financing, evaluating the cost of capital, and managing working capital to ensure adequate liquidity. By maintaining an optimal capital structure, organizations can optimize their cost of capital, improve financial stability, and enhance their ability to fund growth and investment opportunities.

Financial planning helps the organization to make good investment decisions had the lowest mean which contradicts the findings by Mironiuc, Carp and Chersan (2015) who indicated that financial planning provides a systematic and disciplined approach to investment decisions, ensuring that organizations make choices that are in line with their financial goals, risk profile, and long-term sustainability. Further, Mihyo and Mukuna (2018) who suggested that financial management helps organizations optimize their financial resources and make informed investment decisions that contribute to their growth and success.

#### **4.4.4 ICT strategy**

The study sought to determine the effect of information communication technology strategy on service delivery in public water service providers of Nakuru County, Kenya. ICT strategy was conceptualized to constitute user friendliness, extent of automation, building infrastructure and new e-applications.

**Table 4.7: ICT Strategy**

ICT strategy statements	Means	Standard deviations
The use of user-friendly platforms such as mobile platform has enhanced service delivery	3.70	0.95
Information technology create a user-friendly platform for the interaction between the customer and the organization staff	3.96	0.98
Automation of customer record improves customer complaint response rate	4.27	0.59
The organization usually has a fund for the automation of services	4.23	0.93
Adoption of technology enhance efficient customer data management which enhance service delivery	3.99	1.04
Adoption of technology reduce the time taken in service delivery	4.25	0.63
The organization has an active website	4.19	0.55
<b>Aggregate mean</b>	<b>4.08</b>	

**Source: Survey data (2023)**

Results shown in Table 4.7 are mean summaries which showed that automation of customer record improves customer complaint response rate delivery had the highest mean of 4.27. There was low variation (standard deviation (SD) of 0.59). Adoption of technology reduce the time taken in service delivery had the highest mean of 4.25. There was low variation (standard deviation (SD) of 0.63). The organization usually has a fund for the automation of services had a mean of 4.23. There was a low variation (SD of 0.93). The organization has an active website had a mean of 4.19. There was a low variation (SD of 0.55). Adoption of technology enhance efficient customer data management which enhance service delivery had a mean of 3.99. There was high variation (standard deviation (SD) of 1.04). Information technology create a user-friendly platform for the interaction between the customer and the organization staff had a mean of 3.96. There was low variation (standard deviation (SD) of 0.98). The use of user-friendly platforms such as mobile platform has enhanced service delivery had a mean of 3.70. There was a low variation (SD of 0.95). Results showed that the respondents agreed that ICT strategy has an effect on service delivery of service water providers' companies in Nakuru since the indicators had an aggregate mean of 4.08.

The findings of this study support those of Julie, Badrinarayanan and Isaac (2019) who connoted that automation reduces manual effort and streamlines workflows, leading to increased operational efficiency. By automating repetitive and time-consuming tasks, organizations can save valuable time and resources. This allows employees to focus on more strategic and value-added activities, improving overall productivity and operational effectiveness. Additionally, Kitheka and Ondiek (2014) indicated that automation helps eliminate human errors that can occur during manual processes. By standardizing and automating tasks, organizations can achieve higher accuracy and consistency in their operations. This leads to improved quality control, customer satisfaction, and reduced risks associated with errors or inconsistencies in service delivery. Automation enables faster response times and improves service delivery speed (Tasic *et al.*, 2018) and by automating processes, organizations can reduce turnaround times and provide faster responses to customer inquiries, requests, and transactions. This leads to improved customer satisfaction, increased customer loyalty, and a competitive advantage in the market.

#### 4.4.5 Service delivery

The respondents rated the various statements on service delivery on a scale of 1 to 5 as where 5- Strongly agree, 4- Agree, 3- Neither disagree nor agree, 2- Disagree and 1- Strongly disagree as in Table 4.8.

**Table 4.8: Service delivery**

<b>Service delivery statements</b>	<b>Mean</b>	<b>Standard deviation</b>
Responsiveness to customer needs is a priority for the water company	4.20	0.78
Service assurance is guaranteed for the customers	4.19	0.78
Reliability of services is emphasized in the water company	4.71	0.74
Care and attention are given to the customer whenever they raise a concern	4.21	0.62
<b>Aggregate Mean</b>	<b>4.33</b>	

**Source: Survey data (2023)**

Results shown in Table 4.8 are mean summaries which showed that reliability of services is emphasized in the water company had the highest mean of 4.71. There was low variation (SD) of 0.74. Care and attention is given to the customer whenever they raise a concern had a mean of 4.21. There was a low variation (SD of 0.62) Responsiveness to customer needs is a priority for the water company on budget had a mean of 4.20. There was low variation (SD of 0.78) while service assurance is guaranteed for the customers had a mean of 4.19 and an SD of 0.78 thus a low variation. Results showed that the respondents agreed on service delivery indicators in public water service providers of Nakuru County, Kenya since the indicators had an aggregate mean of 4.33.

According to Chesaina and Gitonga (2019), reliable service delivery directly contributes to customer satisfaction which supports the results of this study. When customers receive services that consistently meet their expectations, they are more likely to be satisfied with their overall experience. Further, satisfied customers are more likely to become advocates for the organization, recommend the service to others, and contribute positively to the organization's reputation (Karim & Chowdhury, 2014). Reliable service delivery helps in reducing customer churn. When customers experience reliability in the services they receive, they are less likely to switch to competitors. Reliability creates customer loyalty and reduces the likelihood of customers seeking alternative options. This leads to improved customer retention and reduced customer acquisition costs for the organization (Messay, 2012) supporting the findings of this study.

#### **4.5 Inferential Statistics**

Regression analysis was carried out to find out the effect of the study variables on the service delivery in public water service providers of Nakuru County, Kenya.

##### **4.5.1 Regression Analysis**

Regression model was used to establish the effect of HRM strategy, customer service management strategy, financial management strategy, ICT strategy on service delivery in public water service providers of Nakuru County, Kenya. The results for model summary are presented in Table 4.9.

**Table 4.9: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.653 <sup>a</sup>	.505	.469	.32779

a. Predictors: (Constant), ICT Strategy, customer service management strategy, Financial management strategy, HRM Strategies

**Source: Survey data (2023)**

According to the results in Table 4.9, functional strategies that is HRM strategy, customer service management strategy, financial management strategy, ICT strategy account for up to 46.9% of the variation in service delivery in public water service providers of Nakuru County, Kenya as indicated by a coefficient of determination (R-square) value of 0.505. This implies that the remaining 53.1% of the variation in service delivery is explained by other factors not considered in the current study. The results in Table 4.10 present the ANOVA.

**Table 4.10: ANOVA**

Mode		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.464	4	0.616	5.733	.000 <sup>b</sup>
	Residual	9.562	89	0.107		
	Total	12.027	93			

a. Dependent Variable: Service delivery

b. Predictors: (Constant), ICT Strategy, Customer service management strategy, Financial management strategy, HRM Strategies

**Source: Survey data (2023)**

The results in Table 4.10 indicate that the overall model linking service delivery in public water service providers of Nakuru County, Kenya was significant as shown by the level of significance of 0.000. This indicates that functional strategies (HRM strategy, customer service management strategy, financial management strategy, ICT strategy) had a significant effect on service delivery in public water service providers of Nakuru County, Kenya. Results presented in Table 4.11 are the model coefficients.

**Table 4.11: Model Coefficients**

	Unstandardized		Standardized		t	Sig.
	Coefficients		Coefficients			
	B	Std. Error	Beta			
(Constant)	3.418	0.664			5.149	0.000
HRM Strategies	0.078	0.105	0.077		0.737	0.463
Customer service management strategy	0.395	0.099	0.378		3.994	0.000
Financial management strategy	-0.193	0.084	-0.223		-2.285	0.025
ICT Strategy	-0.070	0.095	-0.079		-0.739	0.423

a. Dependent Variable: Service delivery

**Source: Survey data (2023)**

As per the results generated, the equation translated to;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

$$\text{Service delivery} = 3.418 + 0.078 (0.105) + 0.395 (0.099) - 0.193 (0.084) - 0.070 (0.095)$$

Where; Service delivery = Constant + HRM strategy + customer service management strategy + financial management strategy + ICT strategy

The results in Table 4.11 indicate that holding all other factors including functional strategies constant, service delivery in public water service providers of Nakuru County, Kenya is 3.418.

#### **4.5.1.1 Effect of HRM strategy on service delivery in public water service providers of Nakuru County, Kenya**

The findings in Table 4.11 indicate that HRM strategy affected service delivery in public water service providers of Nakuru County, Kenya positively as shown by the beta coefficient of 0.078. The effect is also insignificant as shown by a significance level of 0.463 which is more than 0.05 at 5% level of significance. The study findings indicate that enhancing HRM strategy leads to 0.078 increase in service delivery in public water service providers of Nakuru County, Kenya. The findings contradicts a

study by Muraga (2016) found a significant positive relationship between training, performance management, compensation and performance while Sura (2016) indicated that strategic HRM practices positively impacts organizational resilience. Further, Brito and Di Serio (2014) denoted that there was a negative and significant relationship between HRM strategies and performance.

#### **4.5.1.2 Effect of customer service management strategy on service delivery in public water service providers of Nakuru County, Kenya**

The findings in Table 4.11 indicate that customer service management strategy affected service delivery in public water service providers of Nakuru County, Kenya positively as shown by the beta coefficient of 0.395. The effect is also significant as shown by a significance level of 0.000 which is less than 0.05 at 5% level of significance. The study findings indicate that enhancing customer service management strategy leads to 0.395 increase in service delivery in public water service providers of Nakuru County, Kenya. The findings of this study supports those of Rajagopal (2018) who studied the effects of customer service management strategy and market effectiveness on dealer performance and found a positive relationship while Abora (2016) determined the influence of customer service management strategy on the performance of banks in Kumasi Metropolis and found and positive and significant relationship.

#### **4.5.1.3 Effect of financial management strategy on service delivery in public water service providers of Nakuru County, Kenya**

The findings in Table 4.11 indicate that financial management strategy affected service delivery in public water service providers of Nakuru County, Kenya negatively as shown by the beta coefficient of -0.193. The effect is also significant as shown by a significance level of 0.025 which is less than 0.05 at 5% level of significance. The study findings indicate that enhancing financial management strategy leads to 0.193 decrease in service delivery in public water service providers of Nakuru County, Kenya. The findings of this study contradicts the findings of a study by Kashif-Ur-Rehman (2014) which revealed that financial management practices were positively and significantly related to organizational performance while Mohamud and Mohamed (2016) found out



that strategic management and organizational performance were also moderately and positively significant.

#### **4.5.1.4 Effect of ICT strategy on service delivery in public water service providers of Nakuru County, Kenya**

The findings in Table 4.11 indicate that ICT strategy affected service delivery in public water service providers of Nakuru County, Kenya negatively as shown by the beta coefficient of -0.070. The effect is also insignificant as shown by a significance level of 0.423 which is more than 0.05 at 5% level of significance. The study findings indicate that enhancing ICT strategy leads to 0.070 decrease in service delivery in public water service providers of Nakuru County, Kenya. The findings of this study contradicts the findings of a study by Penalba et al. (2015) showed that information and communication technologies significantly and positively affected innovation activities of MSMES. Further, Muthui (2013) discovered that the effects of ICT were highly affecting corporate strategies in the cooperatives.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter has the summary of the research findings, conclusions and the recommendations guided by the study objectives. Suggestions for further research are also given.

#### 5.2 Summary of Findings

The main objective was to establish the effect of functional strategies on service delivery in public water service providers of Nakuru County, Kenya. There were four specific objectives which determined the effect of HRM strategy, customer service management strategy, financial management strategy and information communication technology strategy on service delivery in public water service providers of Nakuru County, Kenya. Descriptive and inferential analysis was done to meet the study objectives. This section is a presentation of the descriptive and regression results. The summary is presented as per the objectives of the study.

##### 5.2.1 HRM Strategy and Service Delivery

The study established the effect of HRM strategy on service delivery in public water service providers of Nakuru County, Kenya. The regression results showed a positive and insignificant effect of HRM strategy on service delivery in public water service providers of Nakuru County, Kenya. Transparency in the recruitment process attract talent had the highest mean while training enhance creativity among employees had the lowest mean. Results showed that the respondents agreed that HRM strategy has an effect on service delivery of service water providers' companies in Nakuru.

##### 5.2.2 Customer service management and service delivery

The study sought to find out the effect of customer service management strategy on service delivery in public water service providers of Nakuru County, Kenya. The regression results showed a positive and significant effect of customer service management strategy on service delivery in public water service in Nakuru County, Kenya. The service structure helps the organization to serve it customer effectively had the highest mean while the priority of the organization is based on the customer needs had the lowest mean. Results showed that the respondents agreed that customer service

management strategy has an effect on service delivery of service water providers' companies in Nakuru.

### **5.2.3 Financial management and service delivery**

The study determined the effect of financial management strategy on service delivery in public water service providers of Nakuru County, Kenya. The regression results showed a negative and significant effect of financial management strategy on service delivery in public water service providers in Nakuru County, Kenya. The financial management helps the organizations to effectively utilize and allocating funds in the various department had the highest mean while financial planning helps the organization to make good investment decisions had the lowest mean. Results showed that the respondents agreed that financial management strategy has an effect on service delivery of service water providers' companies in Nakuru.

### **5.2.4 ICT strategy and service delivery**

The study determined the effect of ICT strategy on service delivery in public water service providers of Nakuru County, Kenya. The regression results showed a negative and insignificant effect of ICT strategy on service delivery in public water service providers in Nakuru County, Kenya. Automation of customer record improves customer complaint response rate delivery had the highest mean while the use of user-friendly platforms such as mobile platform has enhanced service delivery had the lowest mean. Results showed that the respondents agreed that ICT strategy has an effect on service delivery of service water providers' companies in Nakuru.

## **5.3 Conclusion**

From the inferential statistics that allow making inferences to the entire population, it was established that functional strategies (HRM strategy, customer service management strategy, financial management strategy and information communication technology strategy) are significant factors of service delivery in public water service providers of Nakuru County, Kenya as they were found to affect service delivery. On HRM strategy and service delivery, the regression analysis results helped in concluding that work life balance, reward, training and recruitment influenced service delivery in public water service providers of Nakuru County, Kenya positively and insignificantly. HRM strategy in public water service providers is crucial for effective workforce planning, talent acquisition, employee engagement and retention, training and

development, health and safety compliance, succession planning, regulatory compliance, and customer service. By implementing robust HRM strategies, water service providers can optimize their workforce, deliver quality services, and meet the unique challenges of the industry.

On customer service management strategy, regression statistics informed the conclusion that customer needs, response rate, demand management and service structure influenced service delivery. Regression analysis results showed that the effect of customer service management strategy on service delivery in public water service providers of Nakuru County, Kenya was positive and significant. Customer service management strategy in public water service providers is crucial for ensuring customer satisfaction, managing reputation, maintaining service quality and reliability, efficient complaint handling, community engagement, continuous improvement, and regulatory compliance. By prioritizing customer service excellence, water service providers can build strong customer relationships, enhance operational efficiency, and contribute to the well-being of the communities they serve.

On financial management strategy and service delivery, the regression analysis results helped in making the conclusion that financial management strategy influenced service delivery in public water service providers of Nakuru County, Kenya negatively and significantly. A financial management strategy in public water service providers is crucial for cost management, capital planning, revenue generation, financial risk management, financial reporting and compliance, debt and capital structure management, and financial planning and forecasting. By implementing a robust financial management strategy, water service providers can achieve financial stability, support infrastructure development, deliver reliable services, and meet regulatory obligations while ensuring affordability for customers.

On ICT strategy, regression statistics informed the conclusion that ICT strategy influenced service delivery since the results showed that ICT strategy negatively and insignificantly influenced service delivery in public water service providers of Nakuru County, Kenya. An ICT strategy in public water service providers is crucial for infrastructure management, data management and analytics, customer engagement, remote monitoring and control, workforce productivity, cybersecurity and data protection, and integration and interoperability. By leveraging ICT solutions, water

service providers can optimize operations, enhance service delivery, improve decision-making, and ensure efficient and sustainable water management.

#### **5.4 Recommendations for Policy and Practice**

The study recommends that for public water service providers in Nakuru County, Kenya to have responsiveness, assurance, reliability and empathy, there is need to enhance the functional strategies so as to have a clear roadmap that gives the overall direction towards the achievement of their objectives. On HRM strategy, the study found out that transparency in the recruitment process attract talent and therefore recommends transparency in the recruitment processes in the public water service providers as it is vital for attracting qualified candidates, enhancing employer branding, reducing bias and discrimination, building trust and engagement, and retaining and developing talent.

On customer service management strategy, the study found out that service structure helps the organization to serve its customers effectively and therefore recommends enhancement of the service structure in the public water service providers. The service structure is crucial in customer service management strategy as it provides consistency, efficient resource allocation, streamlined operations, scalability, flexibility, enhanced customer satisfaction, and data-driven insights. By implementing an effective service structure, organizations can optimize their customer service operations, drive customer loyalty, and achieve a competitive advantage in the market.

On financial management strategy, the study found out that financial management helps the organizations to effectively utilize and allocating funds in the various departments and therefore recommends financial management be prioritized in the public water service providers. Financial management is essential in a financial management strategy as it enables optimal resource allocation, mitigates financial risks, supports financial planning and forecasting, manages capital structure, measures performance, and facilitates stakeholder management and reporting. By implementing effective financial management practices, organizations can enhance their financial stability, support growth initiatives, and make informed decisions to achieve their strategic objectives.

On ICT strategy, the study found out that automation of customer record improves customer complaint response rate delivery and therefore recommends that there is need for automation of services to enhance service delivery in the public water service providers. Automation of services in an ICT strategy brings numerous benefits, including increased operational efficiency, cost savings, improved accuracy and quality, enhanced scalability and flexibility, faster response times, data-driven decision-making, and improved integration and collaboration. By embracing automation, organizations can optimize their service delivery, stay competitive, and drive innovation in a rapidly evolving digital landscape.

### **5.5 Areas for Further Research**

The variables studied functional strategies (HRM strategy, customer service management strategy, financial management strategy and information communication technology strategy) in this research accounted for 50.5% variation of service delivery in public water service providers of Nakuru County, Kenya which means that there are other service delivery factors which need to be established. The study was carried out in public water service providers in Nakuru County, Kenya and thus another study can be done in other organizations like manufacturing firms and in other counties to investigate whether same findings would be found which will fill the contextual gap. Studies on other functional strategies can also be conducted since this study focused on HRM strategy, customer service management strategy, financial management strategy and ICT strategy to fill the conceptual gaps.

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**APPENDICES**  
**APPENDIX I: LETTER OF INTRODUCTION**



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Our Ref: D53/KU/PT/25448/2018

DATE: 13<sup>th</sup> July, 2023

Director General,  
National Commission for Science, Technology  
and Innovation  
P.O. Box 30623-00100  
NAIROBI

Dear Sir/Madam,

RE: RESEARCH AUTHORIZATION FOR KAIRU ANDREW KARIA – REG. NO. D53/KU/PT/25448/2018

I write to introduce Kairu Andrew Karia who is a Postgraduate Student of this University. The student is registered for M.B.A degree programme in the Department of Business Administration.

Kairu intends to conduct research for a M.B.A Project Proposal entitled, “Functional Strategies and Service Delivery in Public Water Service Providers in Nakuru County, Kenya.”




Any assistance given will be highly appreciated.

Yours faithfully,

  
PROF. ELISHIBA KIMANI  
EXECUTIVE DEAN, GRADUATE SCHOOL

AM/nc

## APPENDIX II: RESEARCH PERMIT

 <b>REPUBLIC OF KENYA</b>	 <b>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY &amp; INNOVATION</b>
<b>Ref No: 289362</b>	<b>Date of Issue: 31/July/2023</b>
<b>RESEARCH LICENSE</b>	
	
<b>This is to Certify that Mr. Andrew Andrew Kairu of Kenyatta University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nakuru on the topic: FUNCTIONAL STRATEGIES AND SERVICE DELIVERY IN PUBLIC WATER SERVICE PROVIDERS IN NAKURU COUNTY, KENYA for the period ending : 31/July/2024.</b>	
<b>License No: NACOSTI/P/23/28043</b>	
<b>289362</b>	
<b>Applicant Identification Number</b>	<b>Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY &amp; INNOVATION</b>
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<b>See overleaf for conditions</b>	

### APPENDIX III: RESEARCH QUESTIONNAIRE

I am student at the Kenyatta University Nakuru campus, pursuing a degree of master of business administration (strategic management). I am carrying out research on **FUNCTIONAL STRATEGIES ON SERVICE DELIVERY IN SELECTED WATER COMPANIES OF NAKURU COUNTY, KENYA**. I kindly request you to fill the following questionnaire to the best of your knowledge. This shall be used for research purposes only and therefore confidentiality is assured.

#### INSTRUCTIONS

Answer by filling provided spaces or simply **tick** where necessary.

#### Section A: Background Information

1. Gender  
Male   
Female
2. Your age bracket  
18-30 years   
31-40 years   
41-50 years   
50 Years and above
3. Indicate your highest level of education  
Secondary   
Under graduate   
Post graduate
4. How long have you worked with the current institution?  
Less than 1 year   
1 - 5 years   
6-10 years   
More than 10 years

**SECTION B: HUMAN RESOURCE MANAGEMENT STRATEGY**

5. Indicate your level of agreement on the following statements concerning the effect of human resource management strategy on service delivery (5 = Strongly Agree; 4 = Agree; 3 = Not Sure; 2 = Disagree; 1 = Strongly Disagree)

	5	4	3	2	1
Good work life balance lead to more committed and positive attitude in your staff					
Ensuring there is work life balance improved employee morale and reduce staff turnover					
Rewarding hard working employee generates loyalty					
help employees feel engaged and give them a sense of belonging. employee retention					
Training enhance creativity among employees					
Training improves employee’s knowledge and skills relevant to their job.					
Transparency in the recruitment process attract talent					

**SECTION C: SERVICE MANAGEMENT STRATEGY**

6. Indicate your level of agreement on the following statements concerning the effect of service management strategy on service delivery (5 = Strongly Agree; 4 = Agree; 3 = Not Sure; 2 = Disagree; 1 = Strongly Disagree)

	5	4	3	2	1
The organization is able to meet all its customer needs on time					
The priority of the organization are based on the customer needs					
The organization respond to customer on time					
The organization has a system to determine customer demand					
The organization allocate its resource depending on customer demand					
The organization has a well-defined service structure					
The service structure help the organization to served it customer effectively					



**SECTION D: FINANCIAL MANAGEMENT STRATEGY**

7. Indicate your level of agreement on the following statements concerning the effect of financial management strategy on service delivery. (5 = Strongly Agree; 4 = Agree; 3 = Not Sure; 2 = Disagree; 1 = Strongly Disagree)

	5	4	3	2	1
Financial planning provides the organization with a clear picture of how much money is needed to cover expenses					
Financial planning help the organization to make good investment decisions					
Financial planning help the organization to keep track of the expenses which enhance accountability					
Financial monitoring creates certainty and confidence in making both short and long term decisions					
Financial monitoring enhance transparency in the utilization of funds					
Financial control ensures proper financial discipline in the organization.					
Accurate financial reporting help in determining the financial position of the organization					
Financial reporting help the organization to balance liabilities and assets					
Financial management helps the organizations to effectively utilize and allocating funds in the various department					

**SECTION E: INFORMATION COMMUNICATION TECHNOLOGY STRATEGY**

8. Indicate your level of agreement on the following statements concerning the effect of information communication technology strategy on service delivery. (5 = Strongly Agree; 4 = Agree; 3 = Not Sure; 2 = Disagree; 1 = Strongly Disagree)

	5	4	3	2	1
The use of user friendly platforms such as mobile platform has enhanced service delivery					
Information technology create a user friendly platform for the interaction between the customer and the organization staff					
Automation of customer record improves customer complaint response rate					
The organization usually has a fund for the automation of services					
Adoption of technology enhance efficient customer data management which enhance service delivery					
Adoption of technology reduce the time taken in service delivery					
The organization has an active website					

**SECTION E: SERVICE DELIVERY**

9. Indicate your level of agreement on the following statements concerning service delivery (5 = Strongly Agree; 4 = Agree; 3 = Not Sure; 2 = Disagree; 1 = Strongly Disagree)

	5	4	3	2	1
Responsiveness to customer needs is a priority for the water company					
Service assurance is guaranteed for the customers					
Reliability of services is emphasized in the water company					
Care and attention is given to the customer whenever they raise a concern					