

**Effect of Investing Practices on Sustainability of Water and Sanitation
Companies in Kenya**

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Abstract

Sustainability of the water and sanitation companies (WASCO) is a global problem. Sustainability is complex balance between water access and quality for the country to achieve the SDG Goal 6. The problem is more pronounced on water access compared to water quality. A World Health Organisation report 2022 indicates that worldwide, 1.4 million people die annually from diseases related to poor water access, sanitation and hygiene. Kenya has an estimated population of 53million people. Statistics indicate that approximately 53% and another 77% have no access to safe water and improved sanitation respectively hence making this a national problem. The water and sanitation sector is one of the significant sectors in Kenya contributing approximately 5.78% of national employment and further supports among others agriculture, forestry and fisheries. Water access is the major single most contributor to food insecurity in Kenya. By the year 2022, Kenya ranked bottom 30 among 121 countries in terms of food security. Economic theory point that effective investing practices contributes to sustainability of an entity. Guided by the stakeholder theory this study examined the influence of investing practices on sustainability of WASCO in Kenya. The study adopted conservatism research philosophy and a descriptive design. From a population of 91 WASCOs regulated by WASREB a sample size of 46 companies was purposefully selected. Primary data was collected using a questionnaire while secondary data collected from the annual WASREB reports. A pilot study was carried out to test the reliability and validity of the data collection instrument. Cronbach's Alpha coefficient

was used to assess reliability of the instrument and Keiser-Meyer-Olkin (KMO) and Bartlett's Chi-Square test of Sphericity in the case of validity. Tests of regression assumptions of linearity, autocorrelation, homoscedasticity and normal distribution were carried out using; Pearson's correlation coefficient, Durbin-Watson (d -statistic), P-P plot and Q-Q plot respectively. Bivariate linear model was utilized for inferential analysis. The findings showed that investing practices explained approximately 75.2% of WASCO sustainability. ANOVA's F-statistics of 133.485 and associated $p=0.000$ indicating that investing practices has a statistically significant influence on sustainability of WASCO. The results for beta coefficient of 29.108 and $p=0.000$ implies that a unit change in investing practices would result to a 29.108 units change in sustainability measures. The study recommends the focused deployment and deepening of strategic investing practices since they have a strong bearing on sustainability of these firms.

Keywords: Sustainability, Expansion, Replacement, Modernization.