**Employee Commitment, Engagement and Leadership, a panacea to organizational success at Geothermal Development Company-GDC, Kenya.**

Samuel, ODUOR

1Kabarak University, 13 P.O. Box Private Bag, Kabarak, 20157, Kenya

Tel: +254 0722 555 999, Email: soduor@kabarak.ac.ke

2Geothermal Development Company, 100746, Nairobi, 00101, Kenya

Tel: + 254 719 06000, + 254 724812553, Email: soduor@gdc.co.ke,

samuel.oduor58@gmail.com

**Abstract**:

 This study brings to a sharp focus the role of employee commitment, engagement and leadership on organizational success in the energy industry in Kenya. The study was carried out with an aim of optimizing employee involvement in the industry as a means of gaining competitive edge that enhances the optimal work output to achieve organization higher performance leading to its success as a panacea to achieving its desired results. The objective of the study was thus to investigate the effects of employee commitment, engagement and leadership for organizational success in the energy industry in Kenya singling out Geothermal Development Company Ltd. This is Government of Kenya state owned institution mandated with exploration, development and exploitation of all geothermal resources in the Republic of Kenya. The study targeted the geothermal development company given that the industry is new in Kenya. The study used a descriptive cross sectional survey design which gives the quantitative relationship between employee commitment, engagement and leadership practices employed and organizational success at a particular point in time to be used for generalization for other times in future. The survey was conducted in the Company’s three satellite branches namely Nairobi, Nakuru and Baringo. The study used primary data collected using structured questionnaires administered using the drop and pick method. The collected data was then sort for validity and reliability and coded then quantitatively analysed using mean and standard deviation. This was done independently for each of the independent variables. This was then followed by a correlation analysis. The study findings will be used to draw recommendations on the combination of various strategies that optimize organizational success. The emphasis would be on the proportion to which each strategy is to be used as well as a study to explore the modalities of applying sound management that will enhance satisfaction and thus productivity at Geothermal Development Company.

**Keywords: *Geothermal, Commitment,Engagement,leadership Service Delivery, Human Resource Management, Ministry of Energy****,* ***Republic of Kenya,***

1. **Introduction**

### **Concept of Commitment**

Organizational commitment has been a popular research topic during the past two decades, in part because of the powerful motivational implications of commitment (Allen & Meyer, 1990; Becker, 1992, Mowday, Porter, & Steers, 1982). Despite progress in understanding the concept, theoretical disputes persist as to the nature of the concept and how it should be applied in an organizational context (Hunt & Morgan, 1994; Mathieu & Zajac, 1990; Morrow, 1983; Reichers, 1986). The purpose of the paper is: (1) to examine and clarify differences in current descriptions of organizational commitment, (2) to reverse the multidimensional trend of defining multiple "types" of commitment, and (3) to offer an approach to understanding and measuring organizational commitment that is grounded in the basic meaning of the word "commitment".

In commitment research, two common distinctions have been that between an "attitudinal" and a "behavioral" approach to commitment, and that between an "affective" and a "continuance" (or "calculative") commitment concept (Meyer & Allen, 1984; Mowday et al., 1982; Stevens, Beyer, & Trice, 1978). The former distinction pertains primarily to the process of commitment development but has implications for how the concept is described and operationalized.

According to the attitudinal approach, commitment develops as a result of some combination of work experiences, perceptions of the organization, and personal characteristics, which lead to positive feelings about an organization which in turn becomes commitment (Mowday et al., 1982). Further explanation is offered under the guise of exchange theory in which persons with positive attitudes are pre-disposed to offer commitment in exchange for anticipated future rewards (Angle & Perry, 1983).

In the behavioral approach, a person attains a state or position of commitment as a result of engaging in committing behaviors - behaviors that, in effect, make it costly to subsequently reverse a position or disengage from some line of activity (Salancik 1977). Committing acts could include: a non-transferable retirement program, accrual of vacation time, academic tenure, or statements in support of some issue or objective.

### **Concept of Engagement**

In recent years, even decades, new technologies have led to the expansion and internal multiplication of the space of the life-world, so that the virtual becomes the ever-important co-scene of life practice, which, in addition, causes both – multiplication and atomization of forms of engagement. An individual could emerge as an engaged agent in many different roles, which do not necessarily have to converge towards the regulatory criterion of achieving the unity of the overall individual’s practice. In each of these roles – as professionally, economically, politically, friendly, emotionally, scientifically ... engaged – it is possible to undertake a variety of micro-engagements, i.e. separate actions or to experience short-lived sequences, also in the virtual sphere. The recent experience confirms that this area is not just another field of engagement, but a sphere that also mediates and, more or less, changes all known, “traditional” (i.e. technologically non-virtualized) forms of engagement. This type of experience, in addition to the easy and simplified possibility of “acting”, is – in comparison with the “real” world – distinguished by the atypical looseness of the linkage between acting, its effects, and consequences. While in the non-virtual sphere, the agent almost immediately feels the consequences and the factual weight of what he has done, which constantly reminds him of his responsibility for it, this feeling is fairly relativized in the virtual realm. However, the virtuality contains one important moment similar to the pre-virtual reality: it is not only a field of heightened, excessive freedom but also an area where also new type realities and their respective relationships could emerge. The growth and hypertrophy of the mechanisms of technological mediation of the whole, both non-virtual and virtual reality are followed by an increase of different types of relationships and the degree of mutual dependence and co-referentiality of the agents while enhancing the number and types of roles in which an individual emerges in everyday life. For example, a man from the time before the invention of motor vehicles could simply move through settlements, without being obliged to carry institutionally recognized, i.e. imposed role of “traffic participant”, be it driver or pedestrian. Being a priori attributed with this possibility [Können – Adolf Reinach] means to be included in the corresponding circuits, ie. he is engaged as a traffic participant, and therefore has a duty to take note of it and to act in accordance with the respective, positive rules.

* 1. **Concept of Leadership**

Leadership has been a subject of numerous studies. Ancient literature, be it Egyptian, Chinese, Indian and many others, highlight the importance of leadership and the role of the leader. Indian classics like Mahabharata, and Ramayana are replete with leadership illustrations. This interest has continued in the modern times as well. Over time, many theories on Leadership have emerged as a result of empirical and conceptual contributions. King (1990) opined that Leadership is one of the most intricate and multifaceted occurrences that has been the focus of organizational and psychological studies. King (1990) presented an overview of various leadership eras in his review. This review indicated that each leadership era symbolized a higher state of development in leadership thought compared to the earlier era. He also noted disenchantment at the end of each leadership era leading to search for an alternative model.

## **Statement of the Problem**

From the foregoing, the role of commitment, engagement and leadership reward on employee success is mixed. The importance of success is heightened by its important role in enhancing employee success. As a result a special area of concern for Human resource managers has been on employees commitment to work, their engagement an leadership with special emphasis to its effect on organisational success, (King (1990) ). Therefore the challenge facing many organizations is the need to have some sort of structure and guidelines in which an organization can offer leadership that do not just attract the high success but also motivate the average performer to put in their best at all levels. Furthermore while most of these studies have been conducted in the Western world, few have been done at the regional or national level. However, these studies suffer many shortcomings.

 Again, while GDC has been engaged, committed, and good leadership exercised to for the last 11 years, there has not been any systematic study to assess the effects of this on employee organisational success. Available casual empirical evidence based on the Company’s M&E framework appears inconclusive. Some positive, some negative. The focus of this study therefore is on assessing the role of employee commitment, engagement on leadership in GDC.

## **General Objective**

To investigate the role of employee commitment, engagement and leadership on organisational success at Geothermal Development.

### **Specific Objectives**

1. To establish role of employee commitment on organizational success at Geothermal Development Company
2. To assess the role of employee engagement on organizational success at Geothermal Development Company
3. To determine the role of leadership in supporting the success of Geothermal Development Company

## **Significance of the Study**

The study will be significant to GDC management because they will be able to understand the effects of reward management on service delivery and seek ways to handle them. This will not only add to employee self-satisfaction but also productivity in achieving it needed goals that will translate to main mandate the company was formed to serve.

The study will provide the background information to research organizations and scholars who will want to carry out further research in this area. The study will also facilitate individual researchers to identify gaps in the current research in those areas and find more sound insights, learning and growth and provide challenges that might have been over sighted and thereby culminating to more robust findings benefiting future researchers and academicians.

The study will be significant to the GDC shareholders because they will be able to understand the effect of reward management on service delivery in GDC. Shareholders being the owners of the company will ripe the benefit of high productivity emanating from a satisfied workforce whose end result will yield to achievement of high results thereby translating to high return that will impact positively even to the national gains.

## **Scope and Delimitations of the Study**

The study will be limited to understanding the effects of employee commitment, engagement and leadership with specific reference to GDC. This will involve Institutional scope and delimitation on who and what will be studied and its rationale. It will also consider Geographic scope and delimitation of the study for the regional focus and why to put focus on those regions. Also to be considered is the Time scope and delimitation and reason over what period of time is study relevant and why i.e. from the time of inception of GDC. Lastly, content/subject scope and delimitation of independent, dependent and intervening variables rationale for these variables in the literature.

## **Conceptual framework**

A conceptual framework is described as a diagrammatic representation that depicts how the variables (constructs) of a given study interact. Figure 1 shows the conceptual framework for this study. As shown, there are two sets of study variables. These are independent and dependent variables. Independent variables include employee commitment, employee engagement and leadership. Organisational Success is the dependent variable. Each of these variables is operationalized by specific indicators. It was hypothesized that similar organizations can get prudent success from either of the stated sources.

 Organisational Success

* Employee Commitment
* Employee Engagement
* Leadership

|  |  |
| --- | --- |
| Independent variables |  Dependent variables  |

Figure 1: Conceptual Framework

Whereas employee commitment, Employee engagement and leadership systems have proven to have a direct impact on organisational success, some intervening variables suggest to influence the same. Gender has been hypothesized to moderate the impact of culture-based biases. It had been showed that customer evaluations of service encounters might indeed be culture bound. Age is also a factor to consider based on experiential level of a person. Young people tend to have rational and flexible mind set than older people who have a more principled stand. The level of education also impact on employee decision making. Informed employees have rational thinking that will give more accurate results which will enhance organizational pursuit to sound decision making.

# LITERATURE REVIEW

## **Theoretical Review**

Various theories explain the impact employee commitment, engagement and leadership have on organisational success.

### **2.2.1. Human capital theory**

A worker has a set of skills developed by education and training which generates a stock of productive capital. Employees and employers each derive benefits from investment in creating human capital. The level of pay should supply both parties with a reasonable return on that investment. (Reinhold, Karl Leohard, Theory of human capacity, 2006)

An organization's valued human assets cannot be copied. As one executive put it; “machines do not make things, people do”. Rapidly advancing technology makes human resources even more critical to organizational success. Similarly, the general manager of Boise Cascade observed; "capital and machinery make it possible, people make it happen”.

### **2.2.2. Agency theory**

The owners of a firm (the principals) are separate from the employees (the agents). This difference can create ‘agency costs’ because the agents may not be as productive as the principals. The latter therefore have to devise ways of motivating and controlling the efforts of the former by having a system of incentives to motivate and reward acceptable behaviour. This process of ‘incentive alignment’ consists of paying for measurable results that are deemed to be in the best interests of the owners, (Bamberg et al, 1987).

Individuals want to feel that they are being treated fairly and thus would like to be paid according to their own valuation of their worth-based on comparisons with the marketing rates for similar jobs elsewhere with the pay received by other staff in the organization. Empirical Review

### **2.3.1. Effects of Employee Commitment on Organizational Success**

Presently, no organization can perform at peak levels unless each employee is committed to the organizations objectives. Hence, it is important to understand the concept of commitment and its feasible outcome. The employees in sugar industry play decisive role in transferring the theory to practical in order to enhance development of industry. The objective of this study was to determine the effects of employee commitment on performance of organization based on a case study of Arjo Didessa Sugar Factory. To attain this, the study determined factors that affect employee commitment in the study area and also attempted to identify the relationship and their effect between employees’ commitment, and factors affecting employee’s commitment, as well as the relationship and their effect between employees’ commitment models and organizational performance at Arjo Didessa Sugar Factory. The research is a cross-sectional study. 261 employees and four management members were selected as sample of the study. Standardized questionnaires were distributed, filled, and collected. Statistical package for social sciences (SPSS) was used to process and analyze the data collected from the respondents through correlation; and regression analyses were performed to determine the association between dependent and independent variables. Additionally, employees’ commitments were found to have effects on the organizational performance in the study area. Based on the regression results, employees’ commitments models have effects on performances for the organization at Arjo Didessa Sugar Factory. Thus, recommendations have been provided to increase commitment by designing motivational package, and establishing sustainable regular training program in the company.

### 2.3.2. Effects of employee engagement on organisational success

Employee engagement has emerged as a popular organizational concept in recent years. It is the level of commitment and involvement an employee has towards their organization and its values and beliefs. An engaged employee is aware of business context, and works with colleagues to improve performance within the job for the benefit of the organization. Employee engagement initiative has a direct impact on the organization's productivity. All organizations want their employees to be engaged in their work. Employee engagement is linked to customer satisfaction which is linked to an organization's financial success. Engagement comes about when enough people care about doing a good job and care about what the organisation is trying to achieve and how it goes about doing it. This caring attitude and behaviour only comes about when people get satisfaction from the jobs they do believe that the organisation supports them and work with an effective HR manager. In this paper a literature review from various research findings and corporate practices are employed using a descriptive study technique. It projects the impact of employee engagement on organization's productivity. It also presents the factors influencing the employee engagement and organizational outcomes.

### **2.3.3. Effect of Leadership on organizational success**

Leadership is conceived as a process where one or more persons influence a group of person to move in a certain direction. The word leadership has been used in various aspects of human endeavor such as politics, business, academics and social works. Messick and Krammer (2004) argue that the degree to which the individual exhibits leadership traits depends not only on his characteristics and personal abilities, but also on the characteristics of the situation and environment in which he finds himself.

Therefore, an individual will support the organization if he believes that through it his personal objective and goals could be met, if not, the person’s interest will decline. Leadership occurs when one group member modifies the motivation or competence of others in the group. Nongo (2009) states that leadership entails an unequal distribution of power between leaders and group members. Group members have power, but leaders usually have more powers. According to Rachin (2001) leadership is directly connected to the practice to which people are dedicate and this leads to organizational success.

# RESEARCH METHODOLOGY

## **Introduction**

This section outlines the methodology that was used in gathering data, analysing and reporting the results. It comprises of research design, population, sampling technique, research tools, pilot testing, data collection method, and data analysis. Lastly, it states how the results of the analyses were presented.

## **Research Design**

Research design is the blue print of the research used in data collection, analysis, interpretation and presentation. This study used descriptive research design. Descriptive studies are those that are used to describe phenomena associated with a subject population or to estimate proportions of the population that have certain characteristics Cooper and Schindler (2003).

It was used to obtain information concerning the current status of the group and to survey what exits with respect to the conditions in a situation. The methods involved will consist of secondary data and primary data collected from a certain grade of employees in the Geothermal Development Company.

## **Target Population**

The projected population is the group of individuals the researcher wanted to generalize the results. They are the people the researcher was interested in describing, comparing and predicting. The large set is the population while the smaller set is the sample. The target population comprised of all staff working with the GDC in Kenya. The study population, on the other hand is a subset of the target population subjects that the researcher was able to access. The researcher used random sampling as a method to conduct research since the method gave a sample which could be generalized to the whole population. In this regard, therefore, the study population constituted all the 924 staff working with the GDC in Nairobi, Nakuru and Baringo branches. Confidence interval which is a range in a sample distribution between which it is expected that the true population value will lie given the particular degree of confidence (typically 95% or 99%) was pre-determined as at 96% since most of the employees in the population sample were experiencing nearly equal environment.

## **Sample Size**

Sample size or project sample is part of the population the researcher selected to produce the results. The population typically was everyone of interest and the sample was a subset of the population. In this respect, the three units which are Nakuru, Baringo and Nairobi had a population of 924 workers in different regions and departments. I did research with 30% which gave me the total figure of 924 as shown in Table 1.

Table 1: Sampling Frame

|  |  |  |  |
| --- | --- | --- | --- |
| Town | Total Employees | Sample asked | Percentage |
| Nakuru |  600 | 180 | 15 |
| Nairobi | 301 | 90 | 62 |
| Baringo |  23  | 6 | 23 |
| Total | 924 | 276 | 100 |

The researcher used the formula of taking the total number of employees in the three towns and then gave out questionnaires to 30% of the total which would help one to get the required sample for a research of such kind. The percentage obtained showed that Nakuru branch had the highest number of employees followed by Nairobi and then Baringo. The employees were drawn from different departments such as corporate planning and strategy, project management, finance, ICT and Supply Chain Management. The total number was then divided into five departments in each plant and gave 924 that were taken as the sample size

Using the Cohan method outlined in Bartlett, Kotrlik, (2001) the following equation was applied to get the maximum estimated sample size

 Y = Yt X Yp (1 – Y)

 Yd

 Where

* + - * Y is the minimum estimated sample size
			* t is the value of the t-distribution corresponding to the chosen alpha level – for 0.05 this is 1.96
			* p is the estimate of population proportion\*
			* d is the margin of error – Bartlett et al recommend using 5%

\*when p is unknown, generally it is best to set it at 0.5

## **Sampling Technique**

Stratified random sampling method was used to obtain the 76 sampled respondents from the study population of 924 employees. Stratification is the process of dividing members of the population into homogeneous subgroups before sampling (Mugenda & Mugenda, 1999). This method was chosen because it ensured that there was fair and equitable distribution of respondents across the 5 departments of the GDC as shown in Table 2.

**Table 2: Sample Distribution**

|  |  |  |  |
| --- | --- | --- | --- |
| Department | N | Proportion (%) | n |
| Corporate Planning & Strategy | 30 | 16.1 | 11 |
| Project Management | 13 | 6.9 | 10 |
| Finance | 50 | 26.8 | 35 |
| ICT | 41 | 22.0 | 10 |
| Supply Chain | 52 | 27.9 | 10 |
| Total | 186 | 100 | 76 |

## **Research Instrument**

The study employed a structured questionnaire as its research instrument in the collection of primary data. The reason for structured questionnaire was because the researcher did not have sufficient time to meet all the respondents to conduct interview. The time was limited and as such the best way was to use that research instrument. To measure the variables under study, the questionnaire was designed with a Likert scale of 5 points.

## **Pilot Testing**

A pilot study is an activity that is done before the actual data collection is done. The researcher randomly issued 10 questionnaires to employees of Geothermal Development Company. This helped to check whether the instrument measured what was intended to measure if it was appropriate for the study. The participant in this study was excluded from taking part in the main study. The bottom line of carrying the pilot study was in order to investigate both the validity and reliability of the data collection tool.

## **Validity Testing**

According to Kimberlin and Winterstein (2008), validity test is a measure of the extent to which a given data collection instrument measures what it purports to. In the context of the present study, the researcher determined the content validity of the instrument by conducting pilot testing. There were no alterations or adjustments made on the research instrument after the pilot testing. The research content validity was direct questions which aimed at justifying the research topic of the role of reward management on employee service delivery. The internal validity was done by testing the sample questions on those who were to be asked the questions.

## **Reliability Testing**

Reliability test is a measure of internal consistency which is within the control of the researcher. Granted that the research instrument contained items on a Likert scale, the Cronbach alpha coefficient was employed to test the reliability. Moreover, Kimberlin and Winterstein (2008) aver that this is the most widely employed and recommended test for reliability. The results of the reliability test are as shown in Table 3.

Table 3: Results for Reliability Test

|  |  |  |
| --- | --- | --- |
| Study Variable | Items Tested | Test Results (α) (%) |
| Employee Commitment | 5 | 0.70 |
| Employee Engagement | 6 | 0.78 |
| Leadership | 6 | 0.81 |
| Success of GDC | 5 | 0.76 |

As shown in Table 3, the data collection instrument was found to be reliable in that all the three study variables namely Employee commitment, employee engagement, Leadership of GDC returned alpha values greater that the threshold of 0.7.

## **Data Collection Procedure**

The researcher used both the primary and secondary data collection methods. The primary data was collected through a semi structured close and open ended questionnaires; the secondary data of the study was collected from GDC documents. Each instrument was employed based on the objectives that the researcher wanted to achieve, therefore the researcher used appropriate data collection instrument so as to achieve identified research objective and therefore get answers to the questions asked.

## **Data Processing Techniques**

The data collected were analysed using Statistical Package for Social Sciences (SPSS) version 24 tool. The analysis took the form of both descriptive statistics and inferential statistics. Descriptive statistics were in form of frequencies, percentages, means, and standard deviation while correlation and multiple regression analyses were the inferential statistics. The results of the analyses were presented in form of tables. The following regression model was adopted

Y=β0+β1X1+β2X2+ β3X3ε

Where Y represented growth of GDC

X1 represented Employee Commitment

X2 represented Employee engagement

X3 represent Leadership

β1, β2, β2 represented parameter estimates for independent variables

β0 represented constant

ε represented error term for the regression model

# 4. PRESENTATION, ANALYSIS, AND INTERPRETATION OF EMPIRICAL FINDINGS.

**4.1 Introduction**

This chapter covers the response rate, descriptive findings and discussions for reward management, descriptive findings and discussions for organizational leadership, descriptive findings and discussions for organizational growth, diagnostic analysis, hypothesis testing and regression analysis.

## **Response Rate**

It is stated that the percentage of people who respond to a given survey is referred to as the response rate. The response rate facilitates to determine the representativeness of the target population. The optimum or acceptable response rate varies depending on mode of administration of the research instrument. According to Hamilton (2003), the acceptable response rate for online survey is an average of 30% while in face-to-face surveys, 75% to 85% is considered good (Punch, 2003). In the present study, a total of 76 questionnaires were issued and the ones returned having successfully been filled totalled 56. This translated to 73.68%.

According to Punch, the foregoing response rate was good and as such, acceptable.

## **Descriptive Findings**

The study evaluated the opinions of the employees working with the Geothermal Development Company in Nairobi, Naivasha and Nakuru work stations on issues of reward management, organizational leadership, and service delivery enhancement mechanisms.

## **Descriptive Findings and Discussions for Commitments**

The study has put into perspective the views of the GDC employees regarding employee commitment. Therefore stated views are summarized in Table 4.

Table 4: Descriptive Statistics for Long Term Loans

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | n | Min | Max | % |
| Geothermal development engages in sound leadership | 56 | 1 | 5 | 50 |
| Engagement of employees for GDC Success | 56 | 1 | 5 | 60 |
| Employee commitment is very key | 56 | 1 | 5 | 70 |
| Gender is a consideration in performance | 56 | 1 | 5 | 80 |
| Age influences on service delivery at a workplace | 56 | 1 | 5 | 60 |
| Level of education directly and indirectly impact on service delivery | 56 | 1 | 5 | 80 |

The study noted that the GDC employees were in strong agreement that geothermal development was a capital intensive project. It was further agreed that long-term debt was necessary for GDC growth; the Government of Kenya was involved when borrowing money; and that financial institutions helped in bridging the financing gap thus leading to the growth of GDC. In the same vein, it was revealed that the respondents held the view that the GDC adhered to the funding conditions; and that cost of capital was considered when borrowing money.

## **Descriptive Findings and Discussions for organizational leadership**

The study analysed the views of the GDC employees in respect to grant financing in their firm. The descriptive results outlining these views are presented in Table 5.

Table 5: Descriptive Statistics for organizational leadership

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | n | Min | Max | % |
| GDC has benefited from organizational leadership | 56 | 1 | 5 | 60 |
| GDC prepares and submits policies on reward management | 56 | 1 | 5 | 70 |
| Reward management helps in productivity | 56 | 2 | 5 | 80 |
| Rewards reduce high risk of turn-over  | 56 | 2 | 5 | 85 |
| GDC prepares compliance reports on the use of rewards | 56 | 1 | 5 | 65 |
| Reward application is a competitive process | 56 | 1 | 5 | 75 |
| Reward support is very limited | 56 | 1 | 5 | 65 |

The study further revealed that rewards reduce high risk of turn-over, GDC prepared compliance reports on the use rewards Reward application is a competitive process mean and also that reward support was very limited.

## **Descriptive Findings and Discussions for Organizational Growth**

The study further sought the views of the employees working with the GDC in respect to the growth of their organization. The results to this effect are as presented in Table 6.

Table 6: Descriptive Statistics for Organizational Growth

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | n | Min | Max | % |
| Revenue of GDC has been rising over the years. | 56 | 4 | 5 | 70 |
| The scope of activities and mandate of GDC has increased over time | 56 | 4 | 5 | 85 |
| The amount of geothermal power generated by the firm has increased significantly | 56 | 4 | 5 | 65 |
| The number of employees working with GDC is on the rise | 56 | 4 | 5 | 80 |
| GDC has opened new power generation sites in the recent past | 56 | 2 | 5 | 70 |

Additional findings as shown in Table 6, revealed that the sampled employees held the view that the number of employees working with GDC was on the rise; and also that the firm had opened new power generation sites in the recent past. In general, it was noted that GDC had recorded growth in various spheres.

## **Diagnostic Analysis**

The study further examined various issues on the research as normality test and unionity test of the research and found out the following:

4.6.1 **Normality test**

Normality test indicated that the research was conducted and revealed that reward management was proportional to service delivery and had a great effect. When an organization gives better rewards to its employees then they will deliver better service.

4.6.2 **Unionity test**

Unionity test revealed that there was a great effect on the employee service delivery in relation to performance, motivation and reward management. The better rewards given to an employee then better service will be delivered.

**4.7 Hypothesis**

After conducting the research the following were noted as the results which led to the conclusion and the recommendation.

**4.7.1 Effect of Engagement on Employee Organisational Success**

As shown from the research when an employee is rewarded well then the performance of the employee will improve. The results were obtained by taking the formula of those who said yes out of the total number of questionnaires multiply with one hundred. The conclusion was revealed from the table below

Table 7 Effect of Engagement on Employee Service Delivery

|  |  |  |
| --- | --- | --- |
| Department | Yes | No |
| Corporate Planning & Strategy | 20 | 10 |
| Project Management | 10 | 3 |
| Finance | 40 | 10 |
| ICT | 30 | 11 |
| Supply Chain | 40 | 12 |
| Total | 140 | 46 |

**4.7.2 Effect of Commitment on Employee Organisational Success**

Motivation is a driving force that makes an employee to put in the job more effort in order to accomplish the task given. When the employer such as GDC motivates the employees well as shown from the research conducted they will offer better services to the employer. Table 8 justifies since the percentage per study area reveals that each department had a score above 50%.

Table 8 Effect of Employee motivation on Employee Service Delivery

|  |  |  |
| --- | --- | --- |
| Department | Yes | No |
| Corporate Planning & Strategy | 22 | 8 |
| Project Management | 10 | 3 |
| Finance | 42 | 8 |
| ICT | 28 | 12 |
| Supply Chain | 40 | 12 |
| Total | 142 | 43 |

**4.7.3 Effect of Employee Leadership on Employee Service Delivery**

Employee reward is any item that is given by the employer to the staff in order to improve the employee performance. After conducting the research it reveals that rewards had a positive effect on the delivery of service in the organization. Table 8 illustrates

Table 9 Effect of Employee Reward on Employee Service Delivery

|  |  |  |
| --- | --- | --- |
| Department | Yes | No |
| Corporate Planning & Strategy | 25 | 5 |
| Project Management | 8 | 5 |
| Finance | 40 | 10 |
| ICT | 31 | 10 |
| Suply Chain | 42 | 10 |
| Total | 146 | 40 |

## **Regression Analysis**

This section outlines the results of combined correlation (R) between all factors studied under engagement, commitments, leadershipship and organizational growth of the GDC. It also shows the results of the coefficient of determination (R2) which illustrates the extent to which the studied elements of rewards contributed towards the success of the GDC. In this section the influence of engagement, commitment and leadership on organizational success is also examined. Moreover, the results of the test statistics that enable addressing the null hypotheses are presented in this section.

Table 11: Model Summary

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .636a | .405 | .358 | .33828 |

Predictors: (Constant), Commitment,Engagement,Leadership

 Dependent Variable: Organisational Success

The study as shown in Table 9 observed that the relationship between the three studied elements of commitment, engagement and leadership and organizational success was positive and strong (R = 0.636). The results meant the more the GDC encouraged and embraced the facilitation rendered by the independent variables, the more it was likely to record success. According to the results of the coefficient of determination (R2 = 0.405), shown in Table 9, the mentioned factors (engagement, commitment and organizational leadership) could explain 40.5% of success of the GDC. The results indicated in Table 10, show the significance of the combined factors and organizational success.

Table 12: Analysis of Variance

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Model | Sum of Squares | df | Mean Square | F | Sig. |
| Regression | 3.969 | 4 | .992 | 8.671 | .000a |
| Residual | 5.836 | 51 | .114 |  |  |
| Total | 9.805 | 55 |  |  |  |

Table 13: Regression Coefficients and T-test Results

|  |  |
| --- | --- |
| UnstandardizedCoefficients | StandardizedCoefficients |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Model | B | Std. Error | Beta | t | Sig. |
| (Constant) | 2.095 | .393 |  | 5.336 | .000 |
| Employee Leadership | .009 | .089 | .015 | .096 | .924 |
| Organizational Success | .231 | .103 | .305 | 2.242 | .029 |

Dependent Variable: Organizational Success

The regression results shown in Table 11 were interpreted using the following regression model:

The findings implied that a change of success of the GDC by a single unit was subject to 0.09 unit change in commitment, engagement and leadership, and 0.231 unit changes in organizational leadership. At the same time, other factors represented by 2.095 were supposed to be held constant in order for the foregoing model to hold. These findings further showed that among the studied contributions of independent variables, organization leadership was the most crucial. At the same time, engagement were the least important in enhancing the success of the GDC. On this premise, therefore, it was imperative for the management of the GDC to source for greater financing through leadership while paying less attention to engagement. Unlike engagement which attract interest, leadership are interest free and are more often than not large in successful operations of the firm. The results of the t-test statistics shown in Table 11 were employed to test the null hypotheses. The first null hypothesis (H01) stated that there was no significant role of commitment, engagement and leadership by its growth of Geothermal Development Company. To this effect, the results of the t-test statistics (t = 0.096; p > 0.05) led to failure to reject the stated null hypothesis. The second null hypothesis (H02) stated that there was no significant role of leadership on growth of GDC. However, the results of the t-test statistics (t= 2.242; <0.05) led to the rejection of the stated null hypothesis.

# SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

## **Summary of the findings**

The research study found out that the leadership are substantially related to turnover as employees who are satisfied with organizational leadership will believe losing such a competitive factor to be costly and would not find such valuable leadership input elsewhere, and therefore choose to stay. Although others argue that organizational commitment, engagement and leadership reflect appreciation and recognition of individual’s performance. As pay increases with tenure, skills and work experiences, satisfaction with leadership implies both willingness of both parties to invest time and effort in the continuation of the employment relationship.

The study noted that employees react in a number of ways, and this impacts on whether they want to learn more, are committed to the organization and are satisfied with their jobs. This, in turn, strongly influences how well they do their jobs, whether they’re prepared to contribute discretionary effort – going the extra mile – for example, coming to work rather than taking ‘sickies’ and staying with the organization rather than leaving.

The study further revealed that employees wish to receive what they feel is fair and competitive financial compensation for their effort. Employees’ want to feel that they are being recognized and would thus like to be paid according to their own valuation of their worth based on comparisons with the market rates for similar jobs elsewhere and with the pay received by other staff in the organization. Also, they will want their salaries to keep in pace with inflation and general increase in salary level. This has the effect of ensuring that employees concentrate on delivering services in such a way to meet the organization objectives.

The research study found out that better attention needs to be paid to understanding the link between business strategy and reward, securing high-level understanding of the process of decision-making, where possible, using a process of involving stakeholders in design choice, following assessment of stakeholder needs, not preceding it, leaving lots of time for implementation, including training, communication and guidance, monitoring and evaluating the outcome and learning from the results.

## **CONCLUSIONS**

The study made several deductions pertinent to objectives of the study. The conclusions were drawn from the findings of the study. It was concluded that geothermal development was a capital intensive project. It was inferred that employees needed to be committed, engaged and with sound leadership was necessary for GDC success. This was based on the assertion that the company was involved in sound leadership policies. The study also concluded that the government was involved in promoting of leadership policies by the GDC, largely due to the fact that the company is a State corporation largely funded and managed by the government through the ministry of energy. The study further concluded that reward management was important in enhancing the growth of the energy company.. The study also deduced that organizational leadership helped in bridging the performance gap in the firm. It was further concluded to have helped the GDC in carrying out high production. Moreover, it was concluded that the GDC filed compliant report on how the rewards policies were employed. Organizational leadership was deduced to facilitate the growth of the company.

## **RECOMMENDATIONS**

The study recommended that the Geothermal Development Company (GDC) should seek sound leadership tacts for success while both short-term and medium-term policies on reward should be limited to leadership of the firm. The rewards, regardless of the efforts put, should be evaluated in respect to the organizational productivity. The commitment, employee engagement, leadership thus taken by the firm should make positive sense in the general positive outcome of the company whose leadership is being sought. When dispensing leadership, it was also advisable for the firm to ensure that all concerned stakeholders were fully involved.

In respect to leadership, the study advised that the GDC should have a competent and committed team mandated with drafting proposals for leadership policies from leading energy institutions particularly those with global presence. The management of the GDC is advised to ensure that all the policies sourced from energy institutions are accounted for and reports to this effect duly compiled and submitted to those institutions in order to facilitated future policy making.

# REFERENCES

Armstrong, M. and Brown, D. (2006).Strategic Reward: making it happen, Kegan page publishers, Great Britain.

Bamberg, Ginter and Klaus Sperman,eds.(1987)Agency Theory, Information and Incentices Berlin: Springer verlag,

Lawler, S. E. 1995. The new pay: A strategic approach, Compensation and Benefits Review, July-August: 14.

Reinhold, Karl Leohard, Theory of human capacity, 2006

Armstrong, Michael. (2007) Employee Reward. 3rd edn. London: Chartered Institute of Personnel Development.

Armstrong, M. and Taylor, S. (2014) Armstrong’s Handbook Of Human Resource Management Practice. 13th edn. London: Kogan Page.

Bratton, J. and Gold, J. (2012) Human Resource Management: Theory and Practice. 5th edn. New York: Palgrave Macmillan.

Azzone, G. and Tommaso, P. (2011) ‘Adapting performance appraisal and reward systems’, Journal of Organisational Change Management, 24(1), pp. 90-111. Academic Search Complete, EBSCOhost [Online]. (Accessed: 09 March 2015).

Bart, E., Bratsberg, B., Haegeland, T. and Raaum, O. (2008) ‘Who pays for performance?’, International Journal of Manpower, 29(1), pp. 8-29. Academic Search Complete, EBSCOhost [Online]. (Accessed: 16 February 2014).

Bhakta, M. and Nagy, M.S. (2005) ‘Are Higher Pay Increases Necessarily Better’, Applied HRM Research, 10(1), pp. 1-12. Academic Search Complete, EBSCOhost [Online]. (Accessed: 16 February 2014).

Born, L. and Molleman, E. (1996) ‘Empowerment and rewards: a case study’, Empowerment in Organisations, 4(3), pp. 30-33. Academic Search Complete, EBSCOhost [Online]. (Accessed: 16 February 2014).

Cacioppe, R. (1999) ‘Using team, individual reward and recognition strategies to drive organisational success’, Leadership &Organisational Journal, 20(6), pp. 322-331. Academic Search Complete, EBSCOhost [Online]. (Accessed: 16 February 2014).

Druker, J. and White, G. (1997) ‘Constructing a new reward strategy’, Employee Relations, 19(2), pp. 128-146. Academic Search Complete, EBSCOhost [Online]. (Accessed: 16 February 2014).

Heneman, R.L. and Von Hippel, C. (1995) ‘Balancing group and individual rewards: rewarding individual contributions to the team, Compensation and benefits review, 27(4), pp.63-8. Academic Search Complete, EBSCOhost [Online].(Accessed: 16 Febuary 2014).