THE RELATIONSHIP BETWEEN MANAGER'S LEADERSHIP STYLE AND EMPLOYEE ENGAGEMENT IN GEOTHERMAL DEVELOPMENT COMPANY (GDC)

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DECLARATION

I, the undersigned, declare that this project is my original work and that it has not been presented in any other university or institution for academic credit.

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DEDICATION

This project is dedicated to my parents Rose and Julius for their words of wisdom encouragement and support in all my undertakings throughout my life. In the same way you inspire me and support me, this milestone, masters in the discipline of strategic management is as a result of your confidence in me to achieve greater heights in life.

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ABSTRACT

Leadership style is a pattern of behavior designed to integrate organizational and personal interest in pursuit of an objective. The guidance and direction of the leaders, that is leadership style is important in ensuring that strategies are implemented successfully by an engaged work force. Employees who are engaged in their work in the organizations give companies crucial competitive advantages including higher productivity and lower employee turnover. This research investigated the relationship between managers leadership style and employee engagement in an organization. The first objective of the study was to establish the leadership styles at Geothermal Development Company. The second objective was to establish the level of employee engagement in Geothermal Development Company, the third objective was to find out the relationship between managers leadership style and employee engagement in Geothermal Development Company. This study adopted a descriptive survey design in the investigation of the objectives. Stratified sampling technique was used to select the sample after which stratified random sampling was used to select 200 respondents from the organization. The study used both primary and secondary data. The data collected was analyzed using mean, standard deviation and regression analysis. The key findings of the study were that Geothermal Development Company predominantly uses democratic leadership style, and transformational leadership style. Another key finding is that the level of employee engagement is relatively low in the organization and the last finding was that their existed a direct relationship between managers leadership style and employee engagement. The implication of the study was that leadership styles are important in influencing employee engagement. Organizations should pay attention to this and incorporate leadership styles as one of the strategies in ensuring achievement of employee engagement. The study recommends that organizations should be aware that transformational and democratic leadership styles are important and implement them. The study also recommends that organizations should use the various leadership styles characteristics to influence employee engagement with regard to goal achievement. It can be concluded that by allowing employee to make their own decisions about work, to control their work, and to achieve their goals may help employees become more engaged in their jobs. Further to this it is recommended that managers within organizations involve employees more in setting goals. Organizations also need to formulate ways of recognition of contribution by employees that would help define what determines employee engagement.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Employees are very important inputs in the production process and service delivery in any given sector. Their skills, roles and satisfaction at the place of work influence the competitive edge of the firm within the industry. For employees to play their part effectively, it is important that they are satisfied, motivated and managed in a way that enhances their level of engagement with the employer. Firms need to create conducive working environment and institute policies which support employee engagement. The extent to which members of the organization contribute in harnessing the resources of an organization equally depends on how well the managers or leaders of the organization understand and adopt appropriate leadership style in performing their roles as managers and leaders. Thus efficiency in resource mobilization, allocation, utilization and enhancement of organizational productivity depends, to a large extent, on leadership styles among other factors Chuang (2005)

Employees who feel engaged experience high levels of involvement and enjoyment (Schaufeli, Taris & Rhenen, 2008). The positive state of mind is not the only reason for modern organizations to attempt to improve employee engagement. High levels of employee engagement will have a positive effect on business outcomes, like customer satisfaction, productivity and profitability (Harter, Schmidt & Hayes, 2002). Organizational leaders can boost work engagement (Chughtai & Buckley, 2008). First-line supervisors are believed to be important for building employee engagement (Saks,

2006). Papalexandris and Galanaki (2008) found that some leadership behaviors have a strong positive effect on employee engagement while other behaviors have no significant effect.

Geothermal Development Company forms part of Kenya vision 2030 with a target of 5,000 MW of installed capacity by 2030, the GDC's mandate will be to mitigate financial risks in the early stages of geothermal development exploration, appraisal and production drilling, This requires highly engaged work force and proper leadership to provide geothermal steam to power generators, ensuring electricity becomes available faster and more cost effectively

1.1.1 Leadership Styles

Mazzarella and Smith (1989) describe leadership style as the manner a leader leads, which is reflected in some of the things managers do which include: how they communicate leadership, exercise power and authority and the effect these have on staff. Based on the above definition, leadership style may be described as the way a leader influences his/her followers either by commanding or motivating them to achieve the set goals. Owens (1991) opines that leadership style is determined by what the manager does to motivate his/her subordinates to put in their best to accomplish the set mission and vision.

Various leadership styles as described by different authors, Laissez-faire Style is an avoidant leader, may either not intervene in the work affairs of subordinates or may completely avoid responsibilities as a superior and is unlikely to put in effort to build a relationship with them. Laissez-faire style is associated with dissatisfaction,

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unproductiveness and ineffectiveness (Deluga, 1992). Transactional Style: Transactional leaders focus mainly on the physical and the security needs of subordinates. The relationship that evolves between the leader and the follower is based on bargaining exchange or reward systems (Bass, 1985; Bass and Avolio, 1993). Transformational Style: Transformational leaders encourage subordinates to put in extra effort and to go beyond what they (subordinates) expected before (Burns, 1978). The subordinates of transformational leaders feel trust, admiration, loyalty, and respect toward leaders and are motivated to perform extra-role behaviors (Bass, 1985; Katz and Kahn, 1978).

1.1.2 Employee Engagement

Armstrong (2006) defines engagement as a positive two way relationship between an employee and their organization. Both parties are aware of their own and the other's needs, and the way they support each other to fulfill those needs. He adds that engaged employees and organizations will go the extra mile for each other because they see the mutual benefit of investing in their relationship. Weatherly (2003) argues that engagement of talent is based on the development and communication of an employee value proposition (EVP) that at least partly articulates the psychological contract, the value exchange, or the deal between the employer and employee. The EVP also forms the basis for an employer brand that the organization can use to market itself to potential employees. An EVP needs to address four areas which include great company, great leaders, great job and attractive compensation.

Sanchez and Mccauley (2006) state that employee engagement model consists of satisfaction, motivation, commitment and advocacy. Satisfied employees enjoy doing

their jobs and are not dissatisfied with the terms and conditions of employment. Generally, they are content to work alone, reliably, without requiring a great deal of management oversight. At the same time, they are not necessarily team players, and tend not to go above and beyond in their efforts. Purely satisfied employees are often externally focused on family life, or on their goals outside the workplace rather than focused on doing all they can to help drive positive business results (Sanchez and Mccauley, 2006) Motivated employees occupy the next stage of the employee engagement continuum. In addition to sharing the attributes of satisfied employees, motivated workers contribute energetically, and are highly focused individual contributors to the enterprise. Mainly, though, they are striving to achieve individual goals more than team or organizational goals. Employee commitment at the Committed stage, employees have thoroughly internalized the values and behaviors represented above but have also forged a strong identification with the organization (Sanchez and Mccauley, 2006). Advocate employees at the Advocate stage of the engagement model evidence a level of engagement that is indicative of a positive link between employee performance and business results. Advocate stage employees have a vested interest in the organization's success.

1.1.3 Geothermal Development Company

The Geothermal Development Company (GDC) is a 100% state-owned company, formed by the Government of Kenya as a Special Purpose Vehicle to fast track the development of geothermal resources in the country. The Vision of GDC is to be a world leader in the development of geothermal resources with a mission to develop 5000MWe from geothermal resources by 2030 .The Core Values of GDC is integrity and professionalism.

Geothermal energy is an indigenous, abundant, reliable and environmentally friendly source of electricity. The creation of GDC was based on the government's policy on energy - Sessional paper No. 4 of 2004, and the energy Act No.12 of 2006 - which un-bundled the key players in the electricity sector to ensure efficiency. Kenya's GDP is expected to grow by at least 10% from 2012. In Vision 2030, Kenya aspires to become a mid-income economy. To attain Vision 2030, the government's forecast is to generate 15,000 MW, 5000MW will come from geothermal. Today, the total effective installed capacity in Kenya stands at 1533 MW.

GDC has a staff capacity of 800 staff and a Policy which stipulates that the success of the company essentially depends on the quality of work by staff. GDC aims at developing the skills of all its employees to create high level of motivation, satisfaction to boast performance to allow them to reach full potential. The company has highly qualified management that aims to ensure the various skills by the employees are fully utilized. At the top is the Managing director deputized by General Manager with 5 chief managers in charge of the various divisions and 18 managers in charge of departments within various divisions. The functions of GDC are Geothermal drilling, well testing and logging, geothermal reservoir assessment and management, geothermal resource exploration, provision of steam for electricity generation, promotion of alternative uses of geothermal energy other than electricity generation and consultancy on geothermal development.

1.2 Research Problem

Implementation of adequate employee engagement and effective leadership offers competitive advantage in an organization. Engaged employees usually act in the interests

of their organization they tend to generate high business outcomes as measured by increased sales, improved productivity, and profitability and enhanced employee retention (Romzek, 1990). If employees are not engaged in an organization, there must be a negative impact on innovation consistency in providing service, and major delays in the delivery of services to customers may occur. Lack of employee engagement threatens the survival of the organization because a loss of a competent employee time is a loss of competitive advantage for the organization. It does not take many unengaged employees to prevent an organization from prospering and ceding competitive advantage to competitors. Swanepoel, Erasmus, VanWyk and Scheck (2000) emphasized that the ability of an organization, to successfully implement business strategies, to gain a competitive advantage and optimize human capital, largely depends on the leadership styles that encourage employee engagement. Thus, the ability of Geothermal Development Company management to retain competent employees is critical to its survival. Despite the low numbers of engaged employees, organizational leaders rate employee engagement among the top priorities of their organizations (The Ken Blanchard Companies, 2008; Ketter, 2008).

Geothermal Development Company began its operations officially in 2009 with a handful of employees. The company has since witnessed growth in staff population and is still growing. Geothermal energy exploitation requires specialized skills and knowledge. To achieve this mandate, Geothermal Development Company management needs to realize the importance of having a highly engaged workforce as well as quality leadership. The employees' knowledge, experience, skills and expertise will collectively innovate and assist in decision making processes which is key to the survival of GDC, However,

various staff in GDC are currently not engaged and spend most of the company time doing their personal work, and on social media. These results in interruptions in normal operations, loss of efficiency, overworking the committed employees, increased replacement and recruitment cost, project delays, increased customer dissatisfaction and scheduling difficulties. These challenges are leading to a slow pace in the achieving of the company's vision and mission.

Local studies have been carried out on the relationship between manager's leadership style and employee engagement for instance Mutunga (2009) in her study on the level of employee engagement in telecommunication industry in Kenya found that pay and benefits are not by themselves effective drivers of employee engagement. She therefore concluded that corporate leadership contributes to employee engagement. Mwangi (2011) in her study on utilization of transformational leadership style for employee engagement in public universities in Kenya found out that transformational leadership style have high effect on employee engagement through the element of idealized influence, inspirational motivation, intellectual stimulation and individual consideration. Mbwiria (2010) in his study on influence of principles leadership style on teacher's career engagement in secondary schools in Imenti south found that career engagement has a strong correlation with turnover. The study established that leadership of secondary school principals highly influences career engagement of teachers. Based on this review, it is clear that the relationship between managers leadership style and engagement has not been fully studied as such, this study attempt to fill the research gap by examining, the relationship between managers leadership style and employee engagement. . Based on the above

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review, the following research question will be addressed; the relationship between managers leadership style and employee engagement?

1.3 Research Objective

The objectives of the study were:

1. To establish the leadership styles at Geothermal Development Company.

2. To establish the level of employee engagement in Geothermal Development Company.

3. To establish the relationship between manager's leadership styles and employee engagement in Geothermal Development Company

1.4 Value of the Study

The results of the study will help the management of Geothermal Development Company to practice leadership behaviors that encourage employee engagement in the organization.

This study will be useful to scholars, students and other researchers upon in their future studies, researches will have information from this study to refer to in their work. They will also be informed on what was researched on and further to this they will avoid duplication of the same study unless they want to replicate the research. The study may also highlight other relationships between strategic planning practices and organizational performance which may not have been known previously.

This study will be useful to policy makers in government who will get to know the relationship between a particular leadership style exhibited by various leaders and the extent to which its affect employee engagement. This could be a confirmation that it

affects performance or it does not. With such information, the policy makers will formulate policies that are informed and inclined towards improving engagement in organizations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Literature review chapter will summarize the background and context for the research problem. Works and results from other researchers who have carried out their research in the same field of study.

2.2 Theoretical Framework

This study was based on three theories; the social exchange theory that tries to explain the social exchange relationship between leaders and their subordinates, the great man and trait theories that explain the evolvement of leadership and the situation contingency theory that explains the causes of various leadership styles.

2.2.1 Social Exchange Theory (SET)

Social Exchange Theory (SET) which was initiated by Hormans in 1958 (Devan, 2006), implies that social behavior is the result of an exchange process. The main reason of this exchange is to maximize benefits and minimize costs. In accordance with this theory, people measure the potential benefits and risks of social relationships. People will tend to terminate or disregard the relationship when the risks outbalance the rewards (Cherry, 2010). Theorists have also proposed that SET is likely capable of providing insight regarding how leaders influence organizational outcomes. SET suggests that employees

reciprocate leaders' behavior towards them with their own matched behaviors on a pro quo (mutual reciprocity) basis as part of a social exchange relationship development process.

Social exchange relationships between leaders and their subordinates develop from interactions between these parties and are motivated by the mutual benefits derived from the exchange (Hansen, 2010).The main and general assumption of Leadership Theories is that the top management by exercising their power, charismatic style, credibility or authority can either easily instruct or inspire the skillful workers to increase the organizational performance. When dealing with the effects of leaders on their workers, most of the researchers have the inclination focusing on the leaders' attitudes and their common behaviors.

 The study will also assume that the followers have the same perceptions towards the leaders and behave in quite the same pattern when they are requested to complete some tasks. On the other hand, the leaders also enacted similarly towards the workers or the workers were administered the same approaches in order to achieve the mission of the organizations (Ilies, Nahrgang and Morgeson, 2007). The theory was formulated to elucidate the methods that will used by the leaders to advocate and support the subordinates in accomplishing the mission of the organization which they have agreed upon in consideration of creating the smooth and clear direction without any obstacles in attaining the goal of the organization. In most of the time, leaders will facilitate their workers by eliminating any obstacles such as conflict, nihilism and hindrance, from other party which prevent them from expediting the process of actualizing the visions of top

management with significant increment of monetary or non-monetary incentives occasionally.

2.2.2 Great Man and Trait Theories

The great man theory is based on the idea that leaders are born with innate, unexplainable leadership skills, which cause other people to see them as heroes. It is based on the opinion that leaders are right and leadership is rooted in the authority of their leaders are elevated by their followers on the ground of their unique qualities that others do not have. As a result, followers do not doubt their leader's judgment. Sashkin (2003)

Trait theories are based on great man theories. Trait approach to the understanding of leadership perceives leadership as the core of organization effectiveness, performance and engagement. Like the great man theories, trait perspective assumes that great leaders are born with distinguished traits/characteristics that make them different from other people. Sashkin and Sashkin (2003) state that researchers like Ralph Stogdill, in his quest for the secret of great leaders, review many research reports on leadership, based on the assumption that great leaders are born. Ralph Stogdill, according to Sashkin and Sashkin (2003), found that leaders were a bit more intelligent, outgoing, creative, assertive, responsible, taller and heavier than average people. However, these differences in traits could not provide a solution to the search, as the list was found to be statistically insignificant. Thus, Ralph Stogdill (in Sashkin and Sashkin 2003) concluded that a person does not become a leader because of a combination of traits since the impact of traits differs according to situation. Therefore, the characteristics of the situation should be considered before ascribing greatness to an individual as a leader.

2.2.3 Situational/Contingency Theories

According to Hoy and Miskel (2001), this approach proposes two basic hypotheses: leadership traits and characteristics of the situation combine to produce leader behavior and effectiveness; situational factors have direct effect on effectiveness. Referring to the organization situation, these scholars explain further that the level of motivation and ability of both managers and employees are related to the goal attainment of the organization. Also, the socio economic status of employees in an organization relates to the employee' achievement on set goals. Hoy and Miskel (2001) uphold the fact that it is likely that the situational characteristics of an organization have greater influence than a leader's behavior on leadership effectiveness. Thus, it is concluded that it is possible for one type of leader to be effective in one set of circumstances and under another set of circumstances; a different type of leader is effective. There are diverse, complex situations in organizations. The manager is required to size up the situation and choose the appropriate leadership style that will be effective for a situation rather than try to manipulate situations to fit a particular leadership style

Dunklee (2004) claims that leadership in organization is a situational phenomenon as it is based on the collective perception of people working in the organization, linked to the norms and is affected by the rate of interaction among members of the organization. The essence of a contingency approach is that leaders are most effective when they make their behaviour contingent upon situational forces, including group member characteristics. In other words, the type of group and some other factors determine the behaviour of the leader. Thus, situational/contingency theory emphasizes the importance of situational

factors, such as the nature of the task and the characteristics of subordinates. This means that the best style of leadership is determined by the situation in which the leader works

2.3 Model on Employee Engagement

The International Survey Research (2003) formally defines employee engagement as a process by which an organization increases commitment and contribution of its employees to achieve superior business results. They conclude that employee engagement is a combination of an employee's cognitive, affective and behavioral commitment to a company. Brown (2005), views engagement as a progressive combination of satisfaction, motivation, commitment and advocacy resulting from employees' movement up the engagement pyramid (see figure 2.1).
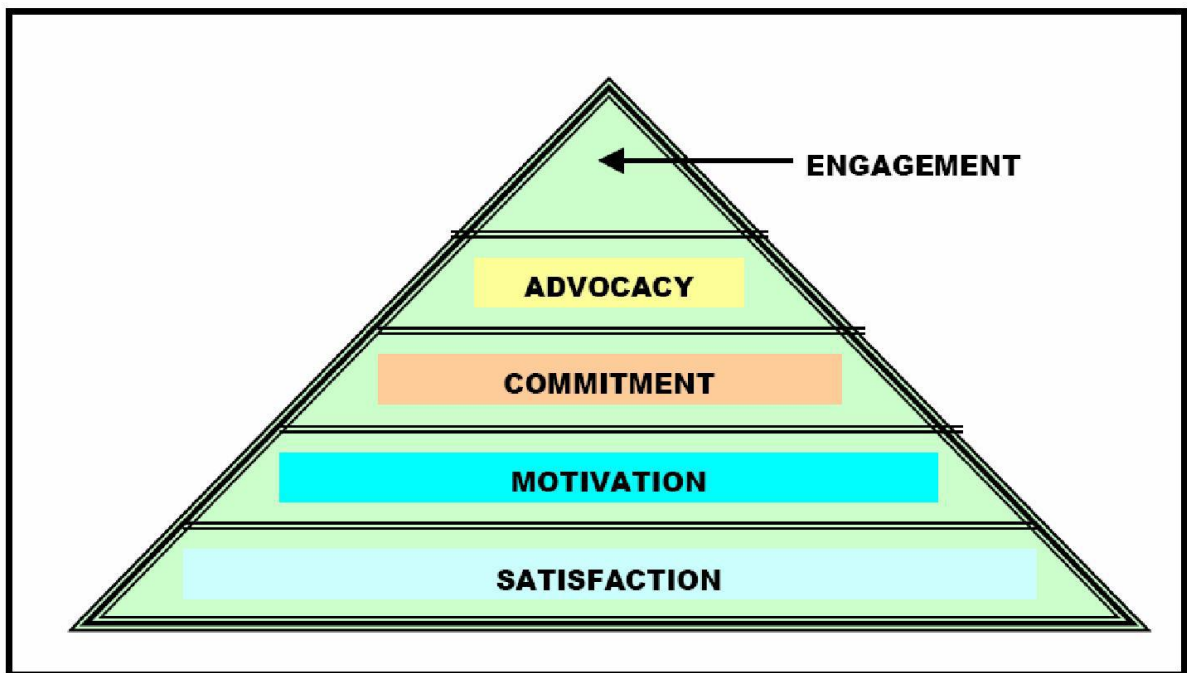
Figure 2.1 Engagement pyramid

Source: Brown, S.P (1996) A Meta-analysis and review of organizational research on job involvement. (Psychological *Bulletin*, 120: 234-255)

Satisfaction is the most passive of measures; satisfaction is what gets employees to just show up for work. It is the base level of employee contentment, whether or not they can do their job, how happy they are with their pay, how well they like their working environment. They have no real desire to go the extra mile. Motivation is how the employees feel about their work and a desire to excel in it. A motivated worker will want to go the extra mile in the performance of their work. Commitment, whereas motivation works at an individual level, commitment is about feeling part of the wider company. Committed workers become positive ambassadors for their companies.

Advocacy is the real measure in this instance is how proactive employees are in speaking about the company they work for as well as the products/services they offer. If a company achieves advocacy, they will reap the rewards in both sales and recruitment. It is free advertising and from the most credible of sources. Engagement is a combination of all the preceding factors. An engaged worker is satisfied, motivated, committed and is an advocate for the company and what it does.

2.3.1 Levels of Employee Engagement

Employee engagement, as a work-related state of mind, can be characterized by vigor, dedication and absorption. Vigor means high levels of energy and mental resilience on the job, persistence in the face of difficulties and a willingness to invest effort in one's work. Dedication refers to a sense of inspiration, pride, significance, enthusiasm and challenge at work. Absorption is being happy, fully concentrated and deeply engrossed in one's work so that time passes quickly, with difficulty detaching from work (Corporate Leadership Council, 2004). Certain levers drive employee engagement and reflect factors

that promote vigor, dedication and absorption. Engagement is also strongly influenced by organizational characteristics, such as a reputation for integrity, good internal communication and a culture of innovation (Corporate Leadership Council, 2004).

The employee's commitment to the job and company is a key lever for engagement. Literally, the degree and quality of performance depend on heart over mind. The level of commitment the extent to which the employee derives enjoyment, meaning, pride or inspiration from something or someone in the organization is a significant variable in engagement and thus in performance. Commitment to the job, organization, team and manager has been found to determine stronger performance than rational commitment (the extent to which an employee feels that someone or something within the company provides developmental, financial or professional rewards in employee's best interests) (Corporate Leadership Council, 2004).

Organizations that believe in increasing employee engagement levels concentrate on different levels. Firstly, culture which consists of a foundation of leadership, vision, values, effective communication, a strategic plan and HR policies that are focused on the employee. Commitment - It is the foundation of engagement. Employees with high level of organizational commitment are willing to exert considerable effort for the organization and make discretionary contributions. Secondly, Cooperation encompasses positive relationship among employees within a group. It is the inherent willingness of individuals working in a team to pull in the same direction and achieve organizational goals (McKay, Avery, and Morris, 2008).

Lastly, taking responsibility by taking initiative and responsibility to become a part of the solutions is an important ingredient of engagement. For an employee to display loyalty towards his organization, the first thing he needs to do is to take responsibility. "Taking responsibility" refer to feeling empowered. Employees who feel empowered have a sense of belonging and excitement about their jobs, they feel engaged at an emotional level and are willing to give their best all the time (McKay, Avery, and Morris, 2008).

2.3.2   Employee Engagement Drivers.

Career development influences engagement for employees and retaining the most talented employees and providing opportunities for personal development. Employees need to feel that the core values for which their companies stand are unambiguous and clear. Upward mobility of staff can be enhanced through training of staff. There are two widely expressed, but wholly opposed, perspectives on the link between training interventions and employee turnover (Torrington et al., 2005). On the one hand is the argument that training opportunities enhance commitment to an employer on the part of individual employees, making them less likely to leave voluntarily than they would if no training were offered. The alternative view holds that training makes people more employable and hence more likely to leave in order to develop their careers elsewhere.

The importance of the company designing and communicating its engagement strategy is of essence to the success of this key intervention. Engagement strategy would define the company's business rationale and what it hopes to achieve. Melcrum (2005) states that to fully embed employee engagement as a real business issue, requires commitment to building an integrated, multi-faceted strategy. In addition, a company built employee

engagement strategy which takes into consideration company culture, leadership and other company facets improves the likelihood of success as opposed to off-the-shelf products or copying from other companies.

Masarech (2004) states that employee engagement requires more than committed employees doing the work they like to do, satisfying their personal motivators at work, and enjoying their colleagues' company. If the workforce is disconnected from the organization's strategy, not feeling part of a whole and not seeing how their day-to-day tasks drive the company forward, employee engagement will be almost impossible to sustain. Employees need clarity of discretion so that they can best apply their unique talents to drive business priorities.

Employee clarity of job expectations which state that if expectations are not clear and basic materials and equipment are not provided, negative emotions such as boredom or resentment may result, and the employee may then become focused on surviving more than thinking about how he can help the organization succeed (Konrad, 2006). As regards career advancement/improvement opportunities, plant supervisors and managers indicated that many plant improvements were being made outside the suggestion system, where employees initiated changes in order to reap the bonuses generated by the subsequent cost savings (Hulme, 2006).

2.4 Approaches to Leadership Styles

An autocratic manager retains most authority and power for himself/herself and makes decision with the mind that the staff will implement it. He/she is not bothered about attitudes of the staff toward a decision; he/she is rather concerned about getting the task

done. He/she tells the staff what to do and how to do it asserts himself/herself and serves as an example for the staff. He/she does not consult staff, nor allow them to give any input. Rely on threat and punishment to influence staff. He/she puts aside structured sets of rewards and punishment. This style is viewed as task-oriented (Dubrin 1998).

Democratic leadership is viewed as an important aspect of empowerment, teamwork and collaboration. The manager has complete confidence and trusts in the employees. Thus, the workers are involved in the management of the organization. The workers are highly motivated by their involvement in the setting of goals, improving methods and appraising progress toward goals. There is good employee-management relationship and the workers see themselves as part of the organization by exhibiting a high degree of responsibility and commitment (Hersey, Blanchard & Johnson 1996). The employees work together as a team. This is because the manager creates a situation where everybody participates fully in the activities of the organization. Encourages staff to grow on the job and get promoted. Everybody strives to make the organization a better place to work. Communication flows to and from the hierarchy, and also among colleagues. This is because the subordinates are well involved in decision-making.

Laissez-faire Style is an avoidant leader who may either not intervene in the work affairs of subordinates or may completely avoid responsibilities as a superior and is unlikely to put in effort to build a relationship with them. He/she gives all rights and powers to make decision to employees. He/she provides very minimal guidance and supervision. Laissez-faire style is associated with dissatisfaction, unproductiveness and ineffectiveness (Deluga, 1992). Leaders who manage by exception intervene only when procedures and

standards for accomplishing tasks are not met. It can therefore be concluded that by 'laissez-faire', it is meant that the leader is not sufficiently motivated or adequately skilled to perform supervisory duties.

Hellriegel & Slocum (1996) maintain that many now believe that the type of leadership needed by top managers for tomorrow's organizations is what has been labeled transformational. Transformational leadership is leading by motivating; transformational leaders provide extraordinary motivation to followers' ideals and moral values and inspiring them to think about problems in new ways. Transformational leadership influence rests on their ability to aspire others through their words, visions, and actions. In essence, transformational leaders make tomorrows dreams a reality for their followers. According to a web article by (Evans, 2005), to understand transformational leadership, we must differentiate it from transactional leadership.

Transactional leaders focus mainly on the physical and the security needs of subordinates. The relationship that evolves between the leader and the follower is based on bargaining exchange or reward systems (Bass, 1985; Bass and Avolio, 1993). There are three components in transactional leadership – Contingent reward, whereby subordinates performance is associated with contingent rewards or exchange relationship; Active Management by exception, whereby leaders monitor follower performance and take corrective action if deviations occur to ensure outcomes achieved; Passive Management by exception, whereby leaders fail to intervene until problems become serious (Bass, 1997). The concept of transformational leadership gradually became an issue as managers were expected to bring visionary leadership to the organization.

2.5 The Relationship between Managers Leadership Style and Employee Engagement

Welbourne (2003) states that it is in this role that managers have to take the initiative of engagement. Welbourne is further of the opinion that the people in charge of organizations, the leadership and management teams, have a direct impact on the engagement exhibited by their subordinate teams. Greenberg and Arakawa (2006), refer to the current research interest in the effects of leadership style on employees. Findings on leadership research point to a correlation between organizations, which become draw-cards for strong talented employees and organizations that boast good leadership at all levels.

Nowack (2006) found out that organizations find that engaging their workforce is a challenge not easy to overcome. During the twentieth century, more and more studies focused on management as a behavioral science and, as a result, better workplace environments gradually evolved. The key to successful engagement was found to rest with the playmakers of an organization. Leadership is such a fundamental factor that support the association between employee satisfaction and job performance, this suggest that the single most important contributor to employee engagement, namely empowerment and satisfaction, is based on the relationship employees have with the leaders of their organizations.

According to Nowack (2006) effective leadership among other organizational factors, are required for employees to realize their full potential and value. Managers who are able to build an all-around engaging work climate have an invaluable effect on an employee's

commitment to a company and on the productivity a group of employees can generate. Managers are also a vital component in delivering intangible rewards like flexible work hours, career growth, recognition, leadership and job enablement (Amble, 2006).

Buckingham and Coffman (2005) of the Gallup organization argue that the number one reason why people thrive in an organization is their immediate supervisor, but these managers are also the number one reason why employees quit. The absence of engagement can be traced to an uninspiring, disinterested and/or ineffective manager. According to Buckingham and Coffman it has become clear that the manager act as a catalyst for employee engagement. Managers are viewed as the medium through which an employee's unique talents are realized and transformed into performance. Buckingham and Coffman (2005) make it clear that no matter how sophisticated a company's systems or how inspirational its leaders; if the managers are unable to fulfill these roles the company will not be successful. For a company to be healthy, a strong bond has to develop between each manager and each employee. The crucial relationship is the one on one link, individual manager to individual employee. Buckingham and Coffman emphasizes the view that great managers look inward into the company, focusing on each individual's style, goals, needs and motivations.

Greenberg and Arakawa (2006), hypothesized that self-engaged managers embody a positive leadership approach, in which they are more than likely to employ a strength-based approach to managing employees, communicate clear goals and objectives, set performance expectations, instill personal accountability and provide frequent recognition for employee accomplishments. De Jong and Den Hartog (2007), points out

that leader, in order to ensure and maintain employee engagement, must be conscious of the factors that influence an employee's sense of involvement, motivation and commitment to their job and to the organization in general. Managers should make sure of the engagement factors on which to focus in order to warrant that employees would perform to their full potential. All of the above issues serve to emphasize the extent of the research problem to be researched within the ambit of this dissertation, and which reads

Harris (2007) showed that the effectiveness of leaders' communication had a significantly strong relationship to employee's engagement and intent to stay. More specifically, their research found that each level of leadership and message communicated by that level revealed a correlation to employee engagement and intent to stay. Additionally, the study examined the relationship between employee engagement and intent to stay with several significant leadership styles. More direct one-on-one communication aimed at specifically linking employee roles and behaviors to larger organizational goals.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter is concerned with the various steps that facilitated execution of the study to satisfy the study objectives. These steps include: research design, population of study, sampling design, data collection and data analysis.

3.2 Research Design

According to Mugenda and Mugenda (2003), descriptive survey is used to obtain information concerning the current status of the phenomena to describe what exists with respect to variables in a situation, by asking individuals about their perceptions, attitudes, behavior or values. The researcher, to systematically and accurately describe the relationship between managers' leadership styles and employee engagement in Geothermal Development Company will use a descriptive approach.

3.3 Population

Target population in statistics is the specific population about which information is desired. Population studies also called census are more representative because everyone has equal chance to be included in the final sample that is drawn according to Mugenda and Mugenda (2003).The population of the study comprised of all the 800 employees of Geothermal Development Company.

3.4 Sampling Design

Mugenda and Mugenda (2003) propose that a size of 30 to 500 is appropriate for most academic researches. Stratified sampling technique will be used to select a sample of 200 using the formulae;

$n_h = (N_h / N) * n$

      Where nh is the sample size for stratum h,

      N_h is the population size for stratum h,

      N is total population size, and n is total sample size.

The population of 200 will be proportionately stratified into four strata's that is the, executive management, senior management, middle management and lower level management. From the possible 800 target population, stratified random sampling will be employed to select the sample from each of the strata in the organization.

Table 3.1: Sample Size

Population	No of employees	Sample
Executive Management	8	2
Senior Management	20	5
Middle Level Management	176	44
Lower Level Management	596	149
TOTAL	800	200

3.5 Data Collection

The study used primary data. Primary data was obtained through a semi-structured questionnaire (see appendix I). The questionnaire was administered to selected employee size on a drop and pick later method. The questionnaire was divided into three sections. Section one was concerned with the general information about the selected employees. Section two dealt with various leadership styles and section three dealt with employee engagement.

3.6 Data Analysis

Data from the completed questionnaires was summarized, coded and tabulated. Descriptive statistics such as mean, standard deviation and frequency distribution was used to analyze the data. Data presentation was be done by the use of percentages and frequency tables. Inferential statistics was used in drawing conclusions. Data in objective one of the questionnaire was analyzed using frequency distributions and percentages to determine the profile of respondents. Data in objective two and three of the questionnaire was analyzed using mean scores and standard deviations. Pearsons Product Moment Correlation statistic was used to establish the significance of the correlation between managers' leadership styles and employee engagement in Geothermal Development Company

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents a detailed discussion of the research findings in an attempt to achieve the research objectives. The objective of the study is to establish the leadership styles at Geothermal Development Company, establish the level of employee engagement in Geothermal Development Company and to establish the relationship between managers leadership style and employee engagement in Geothermal Development Company.

4.2 Response Rate

From the study population target sample of 200 respondents, 160 respondents filled and returned their questionnaires, constituting an 80.00% response rate. According to Mugenda and Mugenda (2009) a response Rate of 50% is adequate for analysis and reporting. This kind of response is good enough for such a study considering the nature of the research and the difficulties involved in making a follow up of questionnaires.

4.3 General Information

The study sought to find out the description of the respondents. It captured their general characteristics in a bid to establish if they were well suited for the study. This captured the general characteristics of the respondent's their workstation, department in which they worked,, gender, position of the respondent in the organization and the length the respondent had worked with the company.

4.3.1 Work Station of Respondent

The study sought to find out the workstation of the respondents. It captured the work station of the respondents.

Table 4.1 Work Station of the Respondent

Station	Frequency	percentage
Nairobi	60	38
Nakuru	90	56
Naivasha	10	6
Total	160	100

Source Author, 2014

From table 4.1 it's evident that most of the respondents were in Nakuru region at 56%, Nairobi at 38% and Naivasha 6% this shows that the response was a true representation of the whole company.

4.3.2 Division of the Respondents

The study sought to find out the department of the respondents. It captured the division of the respondents.

Table 4.2 Division of the Respondents

Division	Frequency	Percentage
Commercial Services	32	20
Legal Services	8	5
Technical Services	58	36
Human Resources	12	8
Systems Management	26	16
Business Development	24	15
	160	100

Table 4.2 shows that technical services has the highest percentage of 36% of the respondent , commercial services was the second highest with a percentage of 20%,system management had 16% ,business development had 15%,human resources had 8% and legal services had the lowest response of 5%.This shows the nature of the company activities. This coverage is adequate enough for the whole company and shows a proper representation.

4.3.3 Job Group of the Respondent.

The study sought to know the management level of the respondent.

Table 4.3 Job Group of the Respondent

Job Group	Frequency	Percentage
GD1-GD3 - Executive Management	2	1.25
GD4-GD6 - Senior Management	4	2.5
GD7-GD9 - Middle Level Management	40	25
GD10-GD13 - Lower Management	114	71.25
Total	160	100

From the Table 4.3 it is evident that most of the respondents held junior positions in the company.71.25% of the respondents were juniors, 25% were in the middle management, 2.5% held senior management and 1.25% of the respondents were executive management. The results show that the study was able to collect responses from junior,

middle senior and executive management in the organization. This is expected given that juniors are usually more than executives in all companies.

4.3.4 Gender of the Respondents

The study sought to find out the gender of the respondents. It captured the gender of the respondents.

Table 4.4 Gender of the Respondents

Gender of the Respondent	Frequency	Percentage
Male	82	51
Female	78	49
Total	160	100

Source Author, 2014

Table 4.4 show that 51% of the respondents were male with 49% the respondents being female. These findings indicate that there were slightly more male respondents as compared to the females. This figure indicates that there is no significant variation of responses and that Geothermal Development Company is an equal opportunity employer.

4.3.5 Length of Service

The study sought to find out how long the respondent had worked with the company which is captured in table 4.5.

Table 4.5 Length of Service

	Frequency	Percentage
1-2 years	36	22.5
2-4 Years	64	40

Above 4 years	60	37.5
	160	100

Source Author, 2014

From the Table 4.5 it is evident that most of the respondents had worked at the company for 2 to 4 years. 22.5% of the respondents had worked for the company for 1 to 2 years, 40% had worked for the company for 2-4 years and above 4 years, 37.5%. The respondent's working duration at the company confirms that the respondents are knowledgeable with the company's operations and as such will give responses relevant to the study.

4.4 Leadership Styles at Geothermal Development Company

The first objective of the study was to establish the leadership styles at Geothermal Development Company. This section therefore deals with the various parameters that reflect the various leadership styles l. The respondents were asked to rate the factors on a scale of 1 to 5; (1: Strongly Disagree 2. Disagree, 3: Neutral e, 4: Agree, 5: Strongly Agree) to show the extent to which the employees agreed to the various leadership styles portrayed by the managers in the organization. Means for the factors were established in order to provide a generalized feeling of all the respondents. Means greater than 1 and less than 1.5 implied that the employees strongly disagreed with the leadership approach means greater than 1.5 and less than 2.5 implied that the employees disagreed with the leadership approach Means greater than 2.5 and less than 3.5 implied that the leadership approach was neutral. Means greater than 3.5 and less than 4.5 implied that the employees agreed with the leadership approach while means greater than 4.5 implied that the employees strongly agreed to the leadership approach.

The standard deviation on the other hand describes the distribution of the responses in relation to the mean. It provides an indication of how far the individual responses to each factor vary from the mean. A standard deviation of more than 1 indicates that there is no consensus, greater than 0.5 and less than 1, indicates that the responses are moderately distributed, while less than 0.5 indicates that they are concentrated around the mean. A standard deviation of more than 1 indicates that there is no consensus on the responses obtained. The results are indicated in the tables below.

Table 4.6 Autocratic Leadership Styles.

Parameters	Mean	Standard Deviation
Managers retain as much power and decision making authority as possible	2.37	1.333
Employees are expected to obey orders without receiving any explanation	2.11	1.373
Managers do not trust staff, rely on threats and punishment to influence staff and do not allow employee input	2.62	1.445
Managers do not consult staff	2.62	1.504
Mean	**2.43**	**1.414**

Source Author, 2014

The findings on autocratic leadership style revealed from table 4.6 above show that the employees' response was neutral on the extent to which managers had no trust on staff and relied on threats and punishment to influence staff and did not allow employee input

(M= 2.62 S=1.445) Additionally the employees were neutral on the way managers did not consult them (M=2.62 S=1.504) In addition the employees disagreed with the way managers retained as much power and decision making authority as possible (M=2.37 S=1.33) and lastly the employees disagreed with the way they were expected to obey orders without receiving any explanations (M=2.11 S=1.373). The average mean of 2.43 shows that the employees disagreed with the leadership approach and the average standard deviation of 1.414 shows there was no consensus. From the above analysis therefore the organization leadership is not autocratic especially on the extent of giving orders and retaining powers; however there is some degree of lack of trusts and consultation.

Table 4.7 Democratic Leadership Styles

Parameters	Mean	Standard Deviation
Managers encourage staff to be part of the decision making	4.33	0.741
Managers keep staff informed about everything that affects their work and shares decision making and problem solving responsibilities	4.00	1.039
Manager encourage employees to grow on the job and be promoted	3.99	1.096
Managers recognizes and encourages achievement and allow staff to establish goals	4.18	0.919
Mean	**4.13**	**0.95**

Source Author, 2014

The findings from democratic leadership style from table 4.7 above revealed that employees agreed with the way managers encouraged staff to be part of the decision

making (M=4.33 S=0.741) additionally the employees agreed that managers recognized and encouraged achievement and allowed staff to establish goals (M=4.18, S=0.919) In addition the employees agreed that managers kept staff informed about everything that affects their work and share decision making and problem solving responsibilities (M=4.00 S=1.039) and lastly the employees agreed that ,managers encouraged them to grow on the job and be promoted M=3.99, S=1.096) The average mean of 4.13 shows that the employees agreed with the leadership approach and standard deviation of 0.95 showed that the responses were moderately distributed. From the above analysis therefore the organization leadership style is democratic especially on the extent of employees being encouraged to be part of the decision making, being recognized and encouraged to establish goals, being kept informed and being encouraged to grow on the job and get promoted.

Table 4.8Laissez Faire Leadership Styles

Parameters	Mean	Standard Deviation
Managers give all rights and powers to make decision are given to employees	2.09	1.309
Managers provide little or no direction and gives employees as much freedom as possible	1.83	1.128
Managers provide minimal guidance and supervision.	2.26	1.217
The manager intervenes only when the procedures and standards for accomplishing tasks are not met.	2.38	1.298
Mean	**2.14**	**1.238**

Source Author, 2014

The findings from laissez faire leadership style as shown in table 4.8 above reveals that employees disagreed with the way managers intervened only when the procedures and standards for accomplishing tasks were met (M=2.38,S1.298) additionally employees disagreed with the minimal guidance and supervision that managers provided (M=2.26 ,S=1.217) also the employees disagreed with how managers gave all rights and powers to make decision to employees.(M=2.09 ,S=1.309) and lastly the employees disagreed with how managers provided little or no direction and gave employees as much freedom as possible.(M=1.83 ,S=1.128).The average mean of 2.14 shows that the employees disagreed with the leadership approach and the average standard deviation of1.238 shows there was no consensus on the responses. From the above analysis therefore the organization leadership is not laissez faire especially on how managers provided little or no direction and gave all rights and powers to make decision, however there is some degree of guidance and supervision and managers intervened only when the procedures and standards for accomplishing tasks were met.

Table 4.9 Transformational Leadership Styles

Parameters	Mean	Standard Deviation
Managers facilitate multiple levels of transformation and align them with core values	3.84	1.206
Managers create and sustain a context that maximizes human and organization capability	4.16	1.095
Managers provide extra ordinally motivation to followers	4.21	1.131

ideas and moral values and inspiring them to think about problems in new ways.		
Managers align the employees with the core values of the organization for a unified purpose	4.02	1.103
Mean	**4.06**	**0.89**

Source Author, 2014

The findings from transformational leadership style as shown in table 4.9 above revealed that employees agreed with how managers provided extra ordinally motivation to followers ideas and moral values and inspiring them to think about problems in new ways.(M=4.21 ,S= 1.131) In addition employees agreed that managers created and sustained a context that maximizes human and organization capability(M=4.16 ,S=1.095) additionally employees agreed that managers aligned them with the core values of the organization for a unified purpose (M=4.02 ,S=1.103) and lastly the employees agreed that managers facilitated multiple levels of transformation and aligned them with core values.(M=3.84 ,S=1.206) The average mean of 4.06 shows that the employees agreed with the leadership approach and average standard deviation of 0.89 shows that the responses are moderately distributed. From the analysis the organization leadership is transformational especially on the extent to which managers provided extra ordinally motivation to followers ideas, created and sustained a context that maximizes human and organization capability, aligned employees with the core values of the organization for a unified purpose and facilitated multiple levels of transformation and aligned them with core values.

Table 4.10 Transactional Leadership Styles

Parameters	Mean	Standard Deviation
The manager emphasize getting things done with the umbrella of the status quo	2.27	1.333
Managers focus mainly on physical and security needs of employees	2.12	1.107
The relationship that exists is based on the bargaining exchange of reward system	1.79	1.182
The manager insists on employees to work within the rules.	2.23	1.318
Mean	**2.10**	**1.235**

Source Author, 2014

The findings from transactional leadership style as shown in table 4.10 above revealed that employees disagreed with the managers emphasizes of getting things done with the umbrella of the status quo (M=2.27, S=1.33)in addition the employees disagreed with the way managers insisted on employees to work within the rules (M=2.23, S=1.318) additionally the employees disagreed with the managers focus mainly on physical and security needs of employees (M=2.12, S=1.107) and lastly the employees disagreed that the relationship that existed was based on the bargaining exchange of reward system (M=1.79 , S=1.182).The average mean of 2.10 shows that the employees disagreed with the leadership approach and the average standard deviation of 1.235 shows there was no consensus on the respondents. From the above analysis therefore the organization leadership style is not transactional especially on the extent of managers emphasizing on

getting things done with the status quo, insisting on employees to work within rules and focus on physical and security needs of employees.

4.5 Level of Employee Engagement

The second objective of the study was to establish the level of employee engagement in Geothermal Development Company. This section therefore deals with the various parameters that reflect the level of engagement. The respondents were asked to rate the factors on a scale of 1 to 5; (1: To no extent 2. To a little extent, 3: To a moderate extent, 4: To a great extent, 5: To a very great extent) the extent to which the organization had engaged and emphasized activities relating to employee engagement. Means for the factors were established in order to provide a generalized feeling of all the respondents. Means greater than 1 and less than 1.5 implied that the factor influenced employee engagement to no extent. Means greater than 1.5 and less than 2.5 implied that the activity influenced employee engagement to a little extent. Means greater than 2.5 and less than 3.5 implied that the activity influenced employee engagement to a moderate extent. Means greater than 3.5 and less than 4.5 implied that the activity influenced employee engagement to a great extent while means greater than 4.5 implied that the activity influenced employee engagement to a very great extent.

The standard deviation on the other hand describes the distribution of the responses in relation to the mean. It provides an indication of how far the individual responses to each factor vary from the mean. A standard deviation of more than 1 indicates that there is no consensus, greater than 0.5 and less than 1 , indicates that the responses are moderately distributed, while less than 0.5 indicates that they are concentrated around the mean. A

standard deviation of more than 1 indicates that there is no consensus on the responses obtained. The results are indicated in the table 4.11 below.

Table 4.11: Level of Employee Engagement

Parameters	Mean	Standard Deviation
The organization culture puts emphasis on staff engagement	3.03	1.430
Management influence what I do on a daily basis	3.09	1.406
I am committed to my job and the organization	2.85	1.361
I seek opportunities to utilize my skills and experience	2.68	1.145
I know what is expected of me at work	1.59	1.076
The organization encourages the sharing of information knowledge and resources	2.83	1.409
I am fully occupied throught the day	1.48	0.859
Management encourages employees engagement	2.98	1.370
Strategic HR policies and initiatives promote employee engagement at all levels	1.94	1.201
In the past year have I had opportunity to learn and grow at work	1.66	1.136
Am i motivated to do my work	2.85	1.481
Management encourage career development	2.77	1.435
Am I highly involved in routine decision making at GDC	2.07	1.366
Leadership and management enjoy a high level of trust from employees.	2.98	1.343
	1.93	**1.287**

 Source Author, 2014

The responses from the level of employee engagement as shown in table 4.6 revealed that most of the respondent feel that management influenced what they do on a daily basis to a moderate extent (M=3.09 SD=1.406) additionally the organization culture puts

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emphasis on staff engagement to a moderate extent (M=3.03, S=1.430) additionally Leadership and management enjoy a high level of trust from employees to a moderate extent (M=2.98 SD=1.343) and employees feel management encourages employees engagement to a moderate extent respectively (M=2.98 SD=1.370) also the employees felt that they were committed to their job and the organization to a moderate extent (M=2.85 ,SD=1.361)in addition the employees were motivated to do their work (M=2.85 , SD=1.481) to a moderate extent respectively. In addition the employees felt that the organization encouraged the sharing of information, knowledge and resources to a moderate extent (M=2.83, SD=1.409) also the employees felt the management encouraged career development to a moderate extent (M=2.77, SD=1.435) additionally the employs felt that whenever the sough opportunity to utilize their skills and experience they were given a chance to a moderate extent (M=2.68, SD=1.145).

The employees were highly involved in the routine decision making to a little extent (M=2.07 ,SD=1.366) also the study reveals the little extent the employees strategic human resource policies and initiatives promoted employee engagement at all levels (M=1.94 SD=1.201) in addition the employees had a little extent to grow and learn in the past one year.(M=1.66 ,SD=1.136) in addition the employees knew what was expected of them at work to a little extent (M=1.59 ,SD=1.076) The employees felt that they are fully occupied throughout the day to no extent.(M=148 SD=0.859)

From the above analysis the employee engagement is to a moderate extent especially on the extent of the organization culture putting emphasis on employee engagement, managers influencing what the employs do on a daily basis, employees being motivated

to do their work, management supporting engagement and sharing of information, knowledge and resources however the above analysis also shows the employee engagement is to a little extent especially on employees being involved in routine decision making, the human resource policies and initiatives promoting engagement, growing and learning in the past one year, knowing what was expected of them in the work place, however there is some degree of lack of employees being occupied throught the day.

In conclusion the above analysis shows the level of engagement in Geothermal Development Company is low, this is especially shown by the occupation throught the organization ,employees not knowing what is expected of them at work, having opportunity to grow and learn, getting involved in decision making and the organization having policies and initiatives to promote employee engagement. The average mean of 1.93 shows that the level of engagement is to a little extent and the average standard deviation of 1.287 show no consensus on the responses.

The other factors that affected employee engagement from the respondent were job commitment, employee clarity of job expectation, communication, satisfaction, motivation and career development

4.6 Relationship between Manager's Leadership Style and Employee Engagement

Table 4.12 Correlations

		Managers leadership style	Employee engagement (Score out of 160)
Managers leadership style	Pearson Correlation Sig. (2-tailed) N	1 20	0.822 0.001
Employee engagement (Score out of 160)	Pearson Correlation Sig. (2-tailed) N	0.822 0.01	1 20

Source Author, 2014

From the Correlations table, it can be seen that the correlation coefficient (r) equals 0.882, indicating a strong relationship, as concluded earlier. $p < 0.001$ and indicates that the coefficient is significantly different from 0. It can be concluded that there is evidence that employee engagement has a direct relationship with leadership styles($r = 0.88$, $p < 0.001$).

4.7 Discussion of Findings

The respondent of this study were made up of 80% of respondent, comprising of the executive management, senior management, middle management and lower level management this shows a representation of the whole company.51% of the respondent were male with 49% being female shows that the company is an equal opportunity

employer. Technical service department had the highest number of responses this is expected from the company technical operations and the departmental responses indicate that the whole company was represented. Majority of the respondent held junior in the organization this is expected as majority of employees hold junior positions. Most of the respondent had worked at the organization for above 4 years this shows that they had good knowledge of the organization operations.

The study also sought to establish the various leadership styles in Geothermal development Company .The results obtained showed that the leadership styles used at Geothermal development Company were transformational leadership styles and democratic leadership styles. These results are consistent with prior literature where Hellriegel &Slocum (1996) maintain that many now believe that the type of leadership needed by top managers for tomorrow's organization is what has been labeled transformational .The results are also consistent with the findings of (Hersey, Blanchard & Johnson 1996) who identified democratic leadership as one of the leadership styles used by managers in strategy implementation.

The level of engagement in Geothermal Development Company is low, this is especially shown by the occupation throught the day in the organization, employees not knowing what is expected of them at work, having opportunity to grow and learn, getting involved in decision making and the organization having policies and initiatives to promote employee engagement. The result are in consistent with the findings of (McKay Avery and Morris 2008) which found out that organizations that believe in increasing engagement levels concentrate on different levels. Culture which consist of foundation of

leadership ,vision ,values ,effective communication, a strategic plan and human resource factors that focus on engagement.

The results indicate a direct relationship exists between leadership styles and employee engagement From the Correlations table. The findings do share some common themes with the literature review on the relationship between managers leadership style and employee engagement. (Harris 2007) showed that the effectiveness of leaders had a significant direct relationship to employee engagement. Each level of leadership and message communicated by that level revealed a correlation to employee engagement.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of the findings as explained in the data analysis for this study and the interpretation of their relevance in the making if the right decision in this study. The Summary and the findings will also answer the research questions and assess the objectives of this research study

5.2 Summary of Findings

There are so many studies that have been done on leadership styles but not so many of them have been conducted in Kenya in relation to engagement .This study therefore bridges the gap by examining the relationship between managers leadership style and employee engagement.

The respondent of this study were made up of 80% of respondent, comprising of the executive management, senior management, middle management and lower level management this shows a representation of the whole company.51% of the respondent were male with 49% being female shows that the company is an equal opportunity employer. Technical service department had the highest number of responses this is expected from the company technical operations and the departmental responses indicate that the whole company was represented. Majority of the respondent held junior in the organization this is expected as majority of employees hold junior positions. Most of the respondent had worked at the organization for above 4 years this shows that they had good knowledge of the organization operations.

The results obtained showed that the leadership styles at Geothermal Development Company were transformational leadership styles and democratic leadership styles. The benefits of this leadership are that managers encouraged employees to be part of the decision making; they kept the employees informed about everything that affects their work and share problem solving responsibilities. The managers encourage the employees to grow on the job and get promoted; Transformational leadership is leading by motivating; transformational leaders provide extraordinary motivation to followers' ideals and moral values and inspiring them to think about problems in new ways. Transformational leadership influence rests on their ability to aspire others through their words, visions, and actions.

It is as a result of leadership that the level of engagement in Geothermal Development Company is low, this is especially shown by the occupation throught the organization, employees not knowing what is expected of them at work, having opportunity to grow and learn, getting involved in decision making and the organization not having policies and initiatives to promote employee engagement. Reward, adequate remuneration by the employer and recognition would work towards building of trust between employees and management.

The results indicate a direct relationship exists between leadership styles and employee engagement From the Correlations table, it can be seen that the correlation coefficient (r) equals 0.882, indicating a strong relationship. $p < 0.001$. The relationship between manager's leadership styles and employee engagement established through job satisfaction and career growth which are achieved through proper leadership. This

confirms that engaged employees with high levels of job satisfaction may attribute those enjoyable, fulfilling feelings to the support they receive from the organization, developing a feeling of both appreciation and obligation towards the organization for its support and benefits.

5.3 Conclusions

It can be concluded that Geothermal Development Company has adopted transformational and democratic leadership styles which is a good competitive strategy that has enabled the organization to achieve sustainable competitive advantage. The company has been able to improve its performance year after year due to its good leadership

Based on the results form data analysis and findings of the research, it can be concluded that the level of employee engagement is low. The organization should encourage career growth, having policies and initiatives to promote employee engagement, sharing of information, knowledge and resources. The organization should ensure that the employees know what is expected of them and management ensuring they are fully occupied throughout the day.

It can also be concluded that allowing people to make their own decisions about work, to control their work, and to achieve their goals may help employees become more engaged in their jobs. Empowerment however, may not be effective if not aligned with proper rewards and feedback for employee engagement. It can be concluded that there is evidence that leadership style has a direct relationship with employee engagement in Geothermal Development Company.

5.4 Recommendations for Policy and Practice

Geothermal Development Company should focus on implementing leadership skills practices to areas where engagement is low. This will affect quality of work, efficiency in operations, retention of employees, customer satisfaction and to increase competitive edge. These are the areas the study has found are affected by engagement. This study also recommends that Geothermal should practice the use of the various leadership styles characteristics of democratic and transformational leadership. These characteristics are, among others, establishing direction, developing a culture that encourages excellent performance and providing forums for employee engagement. This will in turn greatly influence the strategy implementation process of the organization with regard with achieving its set goals.

The policy makers need to include employees in the goal-setting process. This helps to ensure that workers understand the goals, and promotes acceptance of challenging objectives that they help define. In addition, the policy makers need to consider how to recognize and encourage contributions that exceed expectations. Leaders need to use routine discussions about performance and feedback sessions to learn which aspects of the job hold the most interest for each employee and which tasks are most challenging. During such discussions, leaders can define what "going above and beyond the call of duty" looks like and generate ideas for rewarding such contributions. In order to increase engagement, the leaders need to enable employees to experience success over the long term. It should facilitate congruence between employee engagement in all the organization and other life commitments. The leaders should also value the expertise of experienced employees.

5.5 Recommendations for Further Research

There is a growing amount of research and interest in understanding how leaders can motivate employees to feel engaged in the work they do, take psychological ownership and stay committed at work. While more research is needed, this study aims at advancing the current state of knowledge of leadership styles and employee engagement in the workplace. Based on theoretical literature and results from this study, it is theorized that leadership can significantly impact the level of engagement of employees in organizations and thus a recommendation to study how leaders can motivate employees to feel engaged.

5.6 Limitations of the Study

A key challenge while undertaking this study was the wide spread branch network distribution which required extensive travel and other related expenses. This was however managed through proper planning and coordination with the various respondents hence ensuring limited time was lost in the process.

The study largely depended on the willingness of the respondents to fill in the questionnaires. It was very hard to convince people to avail company information for research especially because in some organizations any company information to external users has to be approved by the managing director before it is released.

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APPENDICES

Appendix I: Questionnaire

SECTION 1: GENERAL INFORMATION

1. Station: Nairobi ☐   Nakuru ☐   Naivasha ☐

2. Department_____

3. Job Group: **GD1-GD3** ☐   **GD4-GD6** ☐   **GD7-GD9** ☐ **GD10-GD13**   ☐
4. Gender: Male ☐   Female ☐

5. Years worked at GDC……………………

SECTION 2: LEADERSHIP STYLES

Kindly rate the parameters in a scale of 1 - 5 where (1: Strongly Disagree 2. Disagree, 3: Neutral, 4: Agree, 5: Strongly Agree)

Parameters	1	2	3	4	5
Autocratic leadership style					
Managers retain as much power and decision making authority as possible					
Employees are expected to obey orders without receiving any explanation					
Managers do not trust staff, rely on threats and punishment to influence staff and do not allow employee input					
Managers do not consult staff					
Democratic leadership style					
Managers encourage staff to be part of the decision making					
Managers keep staff informed about everything that affects their work and shares decision making and problem solving responsibilities					
Manager encourage employees to grow on the job and be promoted					
Managers recognizes and encourages achievement and allow staff to establish goals					
Laissez Faire leadership style					
Managers give all rights and powers to make decision are given to employees					
Managers provide little or no direction and gives					

employees as much freedom as possible					
Managers provide minimal guidance and supervision.					
The manager intervenes only when the procedures and standards for accomplishing tasks are not met.					
Transformational leadership style					
Managers facilitate multiple levels of transformation and align them with core values					
Managers create and sustain a context that maximizes human and organization capability					
Managers provide extra ordinally motivation to followers ideas and moral values and inspiring them to think about problems in new ways.					
Managers align the employees with the core values of the organization for a unified purpose					
Transactional leadership style					
The manager emphasize getting things done with the umbrella of the status quo					
Managers focus mainly on physical and security needs of employees					
The relationship that exists is based on the bargaining exchange of reward system					
The manager insists on employees to work within the rules.					

SECTION 3: EMPLOYEE ENGAGEMENT

Kindly rate the parameters in a scale of 1 - 5 where (1: To no extent 2. To a little extent, 3: To a moderate extent, 4: To a great extent, 5: To a very great extent)

Parameters	1	2	3	4	5
The organization culture puts emphasis on staff engagement					
Management influence what I do on a daily basis					
I am committed to my job and the organization					
I seek opportunities to utilize my skills and experience					
I know what is expected of me at work					
The organization encourages the sharing of information knowledge and resources					
I am fully occupied throughout the day					
Management encourages employees engagement					
Strategic HR policies and initiatives promote employee engagement at all levels					
In the past year have I had opportunity to learn and grow					

at work					
Am i motivated to do my work					
Management encourage career development					
Am I highly involved in routine decision making at GDC					

In your own opinion what factors could drive or promote employee engagement within your organization

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Appendix II: Approval to Collect Data.

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

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P.O. Box 30197
Nairobi, Kenya

DATE 5|9|2014

TO WHOM IT MAY CONCERN

The bearer of this letter ...... MARETE   FRIDAH   GIATWIRI

Registration No........ D61 | 75891| 2012

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS