FACTORS INFLUENCING RETENTION OF ENGINEERS IN POWER GENERATING PROJECT: A CASE OF GEOTHERMAL POWER STATION, NAIVASHA KENYA.

BY

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A Research Project Report Submitted in Partial Fulfillment of the Requirements for the Award of Degree of Master of Arts in Project Planning and Management of the University of Nairobi

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DECLARATION

I declare that this research project is my original work and has not been presented to any other institution of higher learning for the award of Diploma or Degree.

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DEDICATION

This research report is dedicated to my wife Waithira and my two children Munene and Wamaitha who gave me a lot of financial, moral support, spiritual and encouragement while taking the course work as well as during the writing of my research project.

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TABLE OF CONTENTS

DECLARATION ..... **ii**
DEDICATION ..... **iii**
ACKNOWLEDGEMENT ..... **iv**
TABLE OF CONTENTS ..... **v**
LIST OF FIGURES ..... **viii**
LIST OF TABLES ..... **ix**
LIST OF ABBREVIATIONS AND ACRONYMS ..... **x**
ABSTRACT ..... **xi**

CHAPTER ONE:INTRODUCTION **1**
1.1 Background of the Study 1
1.2 Statement of the Problem 3
1.3 Purpose of the study 5
1.4 Objectives of the study. 5
1.5 Research Questions. 5
1.6 Significance of the study 5
1.7 Scope of the study 6
1.8 Delimitation of the study 6
1.9 Limitation of the study 6
1.10 Basic assumption of the study. 7
1.11 Definition of significant Terms used in the study. 7
1.12 Organizational of the study. 8

CHAPTER TWO:LITERATURE REVIEW **9**
2.1 Introduction 9
2.2 Employee retention in an organization 9
2.3 Career growth and its influence on Retention 10
2.4 Influence of Leadership style on Retention 11
2.5 Financial incentive influence on Retention of Engineers. 13
2.6 Organizational culture on influence on Retention of Engineers 15

2.7 Theoretical framework 17
2.7.1 Need Theory on motivation 18
2.7.2 McClelland's Need Theory 18
2.7.3 Equity Theory 18
2.7.4 The motivator-hygiene theory 19
2.8 Conceptual framework 19
2.9 Explanation of relationships of variables in the conceptual framework 20
2.10 Summary of the literature review. 21

CHAPTER THREE:RESEARCH METHODOLOGY 22
3.1 Introduction. 22
3.2 Research design. 22
3.3 Target population 22
3.4 Sampling procedures 23
3.5 Data collection instruments 23
3.5.2 Validity of the instruments. 24
3.5.3 Reliability of Research Instruments 24
3.6 Data Collection Procedures 24
3.7 Data Analysis and presentation, ... 25
3.8 Ethical Consideration 25
3.9 Operational definition of the variables 25

CHAPTER FOUR:DATA ANALYSIS, PRESENTATION AND INTERPRETATIONS 27
4.1 Introduction. 27
4.2 Questionnaire return rate 27
4.3 Demographic characteristic of the respondent. 27
4.3.1 Distribution of Respondents by Gender 27
4.3.2 Distribution of Respondents by Level of Education 28
4.3.3 Distribution of respondent by age 29
4.3.4 Introduction on profile by years of service 29
4.3.5 Introduction on profile by job levels. 30

4.4 Career growth 30
4.5 Leadership Factor influence on retention. 32
4.6 Organization culture influence on retention 33
4.7 Financial/Non-financial factors influence on retention 34
4.8 Descriptive summaries of the data collected 36

CHAPTER FIVE: SUMMARY OF THE FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS 37
5.1 Introduction 37
5.2 Summary of findings 37
5.2.1 Influence of career growth on retention. 37
5.2.2 Influence of leadership on retention. 37
5.2.3 Influence of organizational culture on retention. 38
5.2.4 Influence of financial non-financial incentives on retention. 38
5.3 Discussion 38
5.4 Conclusion 40
5.5 Recommendations for policy action 40
5.5.1 Suggestion for further studies 41

REFERENCES: 42

APPENDICES 49
Appendix I: Letter of Transmittal 49
Appendix II: Introduction Letter Respondents 50

LIST OF FIGURES

Figure 1: Conceptual Framework..... 20

LIST OF TABLES

Table 1.1: Turnover of Engineers 4
Table 3.1: Target population. 22
Table 3.2: Sample distribution 23
Table 3.3: Operationalization of Variables 26
Table 4.1: Distribution of Respondents by Gender 28
Table 4.2: Distribution of Respondents by Level of Education 28
Table 4.3: Distribution by age 29
Table 4.4: Distribution of respondent by years of service 29
Table 4.5: Distribution of respondent by job level. 30
Table 4.6: Influence of career growth on retention. 31
Table 4.7: Influence of leadership on retention. 32
Table 4.8: Organization culture influence on retention 33
Table 4.9: Influence on retention by financial non-financial factors 35

LIST OF ABBREVIATIONS AND ACRONYMS

CEO	Chief Executive officer.
GDC	Geothermal Development Company.
IPP	Independent power producers.
KENGEN	Kenya Electricity Generating Company limited.
KETRACO	Kenya Energy Transmission Company Limited.
KPA	Kenya pipeline Company.
KPLC	Kenya Power & Lighting Company limited.
PWC	PricewaterhouseCoopers.
REA	Rural Electrification Authority.
UNESCO	United Nations Educational Scientific & Cultural Organization.

ABSTRACT

The vision of KenGen is “Provision of reliable, safe, quality and competitively priced electric energy in East Africa”. Its mission is “To efficiently generate competitively priced electrical energy using state of the art technology, skilled and motivated human resources to ensure financial success”. Geothermal where this study focused is one of KenGen area that generates electricity using steam as a source of energy. The company has been losing skilled and experienced staff to other competitors in the energy sector. The purpose of this study therefore was to establish factors that influence the retention of Engineers at the Geothermal Power Project, Naivasha The objectives of this study were to establish how career growth influences retention of engineers, how leadership influences retention of engineers, how financial non-financial incentives influences retention of engineers and how organizational culture influence the retention of engineers at Geothermal Power Project Naivasha. The significance of the study was to help KenGen to come up with retention strategies so that they do not continue losing their well trained staff. Descriptive design was used to achieve the objectives of the study and questionnaires were used as instruments for data collection. The target population comprised of 80 engineers, 22 supervisor’s 4 human resource officers, 1 operation manager 1 Resource development Manager and 294 support staff all from geothermal power Project. The sample size used was 40. Data was analyzed quantitatively using statistical package for social science system. This helped in computation to facilitate description and explanation of the findings of the study. The study revealed that the factor that influence the retention of engineers most is career growth 67% followed by leadership 66%, organization culture 64.2% and finally incentives 48.6%.The study recommends radical improvement in the implementation of employee retention practices in order to motivate employees, commit them, improve performance and ultimately achieve organization goals.

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Regardless of the size of an organization and the nature of the business, retaining the right staff is a major factor in achieving business success and growth. Staff retention remains a serious challenge to many organizations because there is risk of losing the best employee who have expertise and are knowledgeable in organization operations. It also comes at a cost to hire and replace the employee (Series, 2013). The coming of Electric Power Act (1997) resulted to unbundling of the power sub-sector from a vertically integrated structure to a horizontal integration framework. This gave rise to many independent power producers who required experienced and skilled engineers in their power sections. This is therefore became and has been a challenge to organizations like KenGen where engineers run the show. Geothermal power stations generates electricity using geothermal energy as a source of power. This is a highly specialized field and capital intensive undertaking (Simiyu, 2014). In many cases, even engaged employees are sometimes dissatisfied with the outcomes of organizational performance which may lead them to look for jobs elsewhere (Aguenza, 2012).

Employee turnover has significant negative impact on business performance. It represents a significant cost in terms of recruiting, Training, socialization, disruption as well as a variety of indirect costs Philips, (2004). Not only are there direct financial costs of replacing employees but also other repercussions such as temporary replacements/overtime, potential skills, loss of knowledge and experience, recruitment/selection, induction/Training, disruptions to operations and customers, services, loss of productivity, low morally and potentially increased staff turnover (Carsen, 2005). It costs nearly three times an employee's salary to replace an employee who has separated from the organization. This is due to cost in recruitment, severance pay, productivity, lost opportunities, advertising and time spent in interviewing among many others effects (Osero, 2014).

New employees tend to demand 15% to 35 % more in pay than the employee they replace while high Tech workers such as Engineers, ICT staff, professional and managers cost twice as much as others employees to replace (Kirima, 2014). Reputable organizations such as Ernst & Young, KPMG and Puma use communication as their retention strategy which becomes the key to all work issues being resolved instantly. Nothing increases employee satisfaction and retention like the timely and fair appreciation of their efforts Ivanovna, (2013). Audit firm Plante Moran keeps convincing employees that they should work for the company even after a person has been confirmed as an employee. Staffs are continuously re-recruited, trained, appraised promoted, so that, they constantly feel important, valued, and are part of the team.

In South Africa, National departments and provincial administrations are required to develop human resource strategies, which are integrated with their strategic and operational plans, in order to ensure that future staffing needs are met. To this end, they must offer opportunities for development and advancement through improved performance and career management in order to retain employees (DPSA, 1997). Voluntary labour turnover is an issue in the Horn of Africa. Individual's personal and professional expectations are met by their employers but staff still leaves the organizations to move to new positions. Vale, (2010) in his report states that staff retention is affected by push factors such as poor experience with a line manager and pull factors such as better package and need to have new challenges. Line managers have little control over some Push factors such as the environment, job insecurity and family pressures.

Frequently saying thank you to staff, monetary rewards, bonuses and gifts makes the employee feel appreciated and contributes a lot in motivation. Having proper retention strategy is key to retaining employees (Kirima, 2014). Although there are some costs associated with staff retention, they do not need to be high and should be viewed as an investment and beneficial in comparison to staff turnover (Carsen, 2005). According to the Energy Regulatory Commission, Kenya's current installed power capacity stands at 1,700 MW. The interconnected installed capacity currently stands at 1,672

MW, including the 120 MW of the emergency capacity while the supply penetration in the country is only to 15% of the total population of 40million people (World Bank report). The current national interconnected system peak demand is 1,463 MW (The East African July 13, 2013). Hydropower currently constitutes 51% of the installed capacity while Thermal, Geothermal, wind generation account for 34%, 13%, and 2% respectively. The focus of the Kenya government currently is to obtain most of the power from the unexploited geothermal resource due to the poor hydrology that affect hydro power stations. It is also clean electricity generation.

KenGen today commands 74% of the market share which continues to decrease with the increasing market size due to the competition from the independent power producers and increased regionalization of the East African power markets. The ongoing power generation projects include 310MW Lake Turkana Wind Power project, 87MW Thika Power Limited (Thermal), 81MW Triumph Generating Company (Thermal) in Athi River zone, 280MW Olkaria Geothermal Power and 80MW Gulf Power (Thermal). The demand growth of 8-10% has continued to outstrip supply with demand forecast to grow even further in future mainly due to the strong growth in the country's economy. The projected installed capacity by 2030 is 17,764 MW when the demand for power is expected to rise to 15,026 MW. (KenGen extract" *Utilizing Geothermal Energy in Kenya, February 20th, 2013").*

With this demand the discipline of engineering at geothermal therefore is extremely important to the organization in order to meet the continued demand of Electricity in Kenya, growth and stability of KenGen. The discipline is extremely broad, and encompasses a range of more specialized fields of engineering, each with a more specific emphasis on particular areas of technology and types of application.

1.2 Statement of the Problem

Geothermal power project has been losing its skilled and experienced engineer's overtime to well established and upcoming energy, manufacturing and Transport companies such as Kenya power and lighting company, Geothermal Development Company, Tullow Power Company, Bamburi cement and Kenya airways. (Table1.1) Engineers are the employees geothermal cannot afford to lose as they are

indispensable one, hardest to replace and the most critical to the success of an organization. As Collins (2001) noted the adage that "People are the most important asset an organization can have is wrong." "The right people are the most important asset of an organization". In this case the geothermal engineers. The study therefore sought to establish key factors that influences retention of Engineers at geothermal as they are so critical to the company success. Searches on literature review has revealed that most of the studies conducted on staff retention are from other companies and countries. In addition they are based on business oriented environments, and the ones conducted in companies in Africa are addressing the issue of brain drain. Tettey (2009) recommended studies on staff retention be carried out by individual countries in order to develop effective strategies to address staff retention. The justification of the study was to fill the gaps and come up with possible explanation on factors that influence retention of Engineers at Geothermal power station. The independent variable were career growth, leadership, financial non-financial and organizational culture while the dependent variable was retention. The study will act as a guide towards developing effective employee retention strategies for Geothermal.

Table 1.1 Turnover of Engineers

Year	No of engineers	Total staff population	Percentage of total population
2008	18	1200	1.5
2009	9	1250	0.72
2010	7	1254	0.55
2011	6	1420	0.42
2012	2	1550	0.12
2013	3	1780	0.16

Source: Human Resource and Administration annual reports 2008-2014

In summary, it is worth to note that energy sector is the catalyst of development. Geothermal therefore has a significant role in providing this energy. Lack of enough job satisfaction and work motivation may result to engineers looking for alternative employment in different organizations thereby unable to generate enough power as per demand. Mannes et al (1998) emphasized that only when employee are excited and motivated by what they do, will retention and excellence be achieved

1.3 Purpose of the study

The purpose of the study was to investigate factors influencing the retention of Engineers in power generating organization, a case a of KenGen geothermal power station, Naivasha.

1.4 Objectives of the study.

The study was guided by the following research objectives:

1. To establish how career growth influences the retention at geothermal power station, Naivasha.
2. To assess how leadership styles influences the retention at geothermal power station, Naivasha.
3. To establish how financial/non-financial incentives influence the retention at geothermal power station, Naivasha.
4. To determine how organization culture influences the retention of Engineers at geothermal power station, Naivasha.

1.5 Research Questions.

The study addressed the following research questions:

1. How does career growth influence the retention of Engineers at geothermal Power station, Naivasha?
2. How does leadership styles influence the retention of Engineers at geothermal power station, Naivasha?
3. How does financial non-financial incentives influence the retention of Engineers at Geothermal power station, Naivasha?
4. How does organization culture influence the retention of Engineers at Geothermal power station, Naivasha?

1.6 Significance of the study

The study provides basic information that can be used to guide policy formulation on retention policies and strategies for all Kengen's skilled and experienced employees. The study provides further information to scholars and those interested in further research in this field of retention. The study provides valuable information for

reference material to policy makers and other profession in Kenya on factors influencing retention of employees within organizations in Kenya.

1.7 Scope of the study

The study focused on geothermal power station Naivasha employees on how career growth, leadership, financial non-financial incentives and organization culture influences engineers retention.

1.8 Delimitation of the study

The study only covered geothermal power station Naivasha in Nakuru County which is a small area of KenGen. Few employees were selected to participate in the study to represent the whole population from various sections thus the ability to generalize to the entire KenGen population was severely limited. Descriptive survey used could have included possibility of errors and subjectivity when designing the questionnaires. The questionnaires had to be worded very carefully. In descriptive surveys, respondents also choose the answer they think will make them look good instead of giving correct facts which is a major delimitation

1.9 Limitation of the study

The limitations encountered in the field during the study were that respondents were reluctant in giving the feedback because they assumed that nothing good will come out of the study. Several previous different types of surveys had been done in the area and results had not been communicated to the respondents and in other instances the recommendation or views by respondents were halfway addressed or were not addressed at all. A follow up had to be done to them to accept to fill the questionnaires which was explained that the questionnaires was for the purposes of studies only. Another limitation was that some of the respondents were reluctant giving their personal information. This information was however given by the Human resource office.

Another limitation of the study was the vast area the respondent were located. Some in drilling engineers section and civil section teams kept on moving from one place to another due to their nature of their jobs. This was achieved by locating and calling

every day to find out the work location of the respondent. There was also limited time to do the study as well as transport cost incurred to trace the respondents.

1.10 Basic assumption of the study.

It was also assumed that the data collected represented the whole population at geothermal. It was also assumed that the information given by the respondent was true and finally it was also assumed that time for collecting the data and compiling was enough.

1.11 Definition of significant Terms used in the study

Career growth: In this study, career growth meant a change from an entry level position to a higher job which has more duties, responsibilities and receives more compensation. An employee can be promoted from a clerk to an officer.

Employee retention: In the study, employee retention mean percentage of employees remaining in the organization. For example, a retention rate of 80% indicated that an organization kept 80% of its employees in a given period

Engineer: In this study, an engineer is a professional practitioner of engineering, concerned with applying knowledge, mathematics, and ingenuity to develop solutions for technical problems.

Financial/Non-Financial Incentives: In this study, the financial non-financial incentives meant monetary benefits offered to consumers, employees and organizations to encourage behavior or actions which otherwise would not take place. A financial incentive motivates actions which otherwise might not occur without the monetary benefit.

Leadership style: In this study, leadership meant a process of social influence in which one person can enlist the aid and support of others in the accomplishment of a common task. It was also somebody whom people follow, guides, organizes or directs a group of people to achieve a common goal.

Organization culture Organizational culture in this context meant shared set of beliefs, values, reinforced by an organization's symbols and structure, and manifested in the way people think and act.

1.12 Organizational of the study.

The research report is organized in five chapters: Chapter one gives the introduction of the study which includes the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, significance of the study, scope of the study, delimitation of the study, limitation of the study, basic assumptions of the study and definition of significant terms.

Chapter two presents Literature review showing the relationship between Independent and dependent variables using global, regional, national examples with an aim of trying to identify the gaps. The information is acquired from published and non-published materials. The chapter also has theoretical and conceptual framework. Chapter three explained the study methodology used, the target population, sample size and sampling procedure, data collection instruments, pilot testing, validity and reliability, data collection procedures, analysis, ethical considerations and operationalization of variables. Chapter four explained the data analysis, presentation and interpretations done. This involved explaining questionnaire return rate, demographic characteristics of the respondents, distribution in all the objectives. Chapter five explains about the findings, discussions conclusion and recommendations of the study.

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature from other researchers, books journals, reports and studies done related to factors influencing employee retention from the global, regional and local perspectives. The areas reviewed include: career growth, leadership style, and financial non-financial and organization culture on influence on employee retention. Theoretical review relating to work performance and retention as well as the conceptual framework were drawn to show the inter-relationship of the independent and dependent variables.

2.2 Employee retention in an organization

Supply of electric power to all households in Kenya is one of the vision 2030 of Kenya's government. Therefore geothermal where electricity is generated using steam as a source of energy has no choice but to generate enough supply of power as per government directive and support. The initiative is fully supported by the government and other financiers in the world such as the African Development Bank and The World Bank. Today, changes in technology, global economics and trade agreements are directly affecting employee/employer relationships thus leading to high employee turnovers thereby affecting employee retention in organizations. Retention has become one of the biggest issues for the Energy Sector in Kenya because human resource helps to generate profits and which is considered as the capital or asset of the organization. Professional employees have kept on moving from one company to another in this Sector in search of better employment terms. As such, human capital has turned out to be an important competitive tool in the energy sector which calls for proper management practices for these resources to ensure sustained competitive advantage in energy operations.

In an organization, employees form its vital resource and must be valued, nurtured and retained. They are the most valuable assets and truly the backbone of an organization as they contribute towards the success or failure of an organization. Without employees in an organization, even the most powerful machinery with the

latest technology would not function, Management study Guide (2013) it is therefore the duty of an employer to ensure that the employee's retention is achieved through various means as much as possible.

2.3 Career growth and its influence on Retention

Career growth refers to the process which helps employee integrate work and life roles in a manner to get the best out of various career opportunities and at the same time experiencing satisfaction and joy of contributing meaningfully to the society (Pande, 2011). Employers must balance company goals with employee's personal goals. It stands to reason that a happy, content employee has an equal mix of successful professional and personal lives (Pollock, 2012).

The new generation of employees enters the workforce with a lot of motivation, ready to work hard and achieve great things in a very short time (Sripada, 2011). Employees will become frustrated and may stop trying if they see no clear future for themselves in an organization Corrigan, (2014). If an employee can not foresee his path of career growth in his current organization, there are chances that he will leave the organization as soon as he gets an opportunity (Giri, 2008) Recruitment for some of the Engineers is straight from Colleges. In united kingdom employers report that recruits who have no or recent experience of work often face a quite profound shock and that some have difficulty in recognizing and then in complying with the norms of working life. Attendance, timekeeping and motivation are key problem area (Atkinson, 2003).

Atkinson, (2003) states that starting out in higher paying jobs and certain occupations is linked to higher wage growth overtime. When recruiting Engineers at KenGen, they always come with very high expectation in career growth since the company is an Engineering firm. However as Atkinson (2003) states, attendance, timekeeping and motivation become a key problem to them eventually which automatically leads to retention problems when they realize their career growth is painfully slow.

2.4 Influence of Leadership style on Retention

Retention starts at the top. Sourcing, hiring and retaining motivated employees are the responsibility of the company's governing board and Leadership Team. Getting and keeping good staff demands focused, formal and informal policies and procedures that make retention a prime management outcome. Managers need to appreciate staff every day and constantly give work to keep them on board (Pollock, 2012).

Ineffective or inappropriate leadership style can directly influence employee retention in an Organization. Where a leader leads a team, coordinates, organizes, directs, encourages, has an open door policy and clearly articulates the steps to be taken in order to achieve the organization objectives, the employee remains motivated hence easy to remain in an organization.

Different managers can stress out employees in different ways, by being too controlling, too suspicious, too pushy, too critical, but they forget that workers are not fixed assets, they are free agents. When this goes on for too long, employees always quit often over a trivial issue (Premji, 2014). Through education, training and experience, managers develop their personal leadership style (Hersey, 2001) .The leadership style is a fundamental concern for managers and researchers Woods, (1999).Subordinates work more effectively and productively when their managers adopt a specific leadership style (Mullins,1998).

Employees who are satisfied with the jobs have less absenteeism cases, stress, stays in a job for a long time and make positive contributions to organizations (Griffins, 2002) Further management sometimes is not able to provide a supportive work culture and environment in terms of personal or professional growth resulting to employee's bitterness towards management, loss of job interest, demotivation and finally leaving an organization Giri, (2008). A popular view is that people do not quit organization, they quit leaders (Leadersmills, 2007). Heightened motivation found in Transformational leaders is derived from four factors which includes charismatic, inspirational leadership, intellectual simulation and individualized consideration.

Transformational leaders are a source of inspiration to others through their commitment to those who work with them, their perseverance to a mission, willingness to take risk and their strong desire to achieve (Mills, 2007). This therefore means that transformational leaders do inspire staff hence retention. Dr. Sullivan in Drakes (2012) says that most firms have by now long forgotten any of the lessons they learned about retention during the 1990s. Many managers have grown arrogant because the last few years of high unemployment guaranteed that most employees would have to take whatever they dished out. Over 75% of firms have no distinct retention strategies and those with plans have let them fall in to neglect (Pollock, 2012).

Frank (2009) indicated that leadership capabilities are essential in order to engage and retain employees. These capabilities are building trust, esteem between members, communicating effectively providing enjoyable working climate, flexibility talent development, building high performance team (Frank, 2009). Morale is an intrinsically rewarding work experience where employees feel respected, valued and appreciated and become players. They not just hired hands and have a chance to make a difference (Pollock, 2012).

Organization face challenges of achieving their goals as also they have a task of finding people with good leadership qualities to lead the organization (Boteng, 2012). The competitive edge and success of companies no longer lies in its product, but in its people commitment through their leadership. According to Taylor (1998) employee commitment depends on how satisfied they are with leadership and this to a large extent can be attributed to the relationship between the leadership of the organization and the employees.

Premji, (2014) further says that if you're losing good people, look to their manager. They are the reason people stay and thrive in an organization. He further says that People leave managers not companies. Three Factors that determine the type of leadership are leader's characteristics, subordinates characteristics and the organization environment (Kavanaugh, 2001) Personal background of leaders such as

personality, knowledge, values and experience shape their feelings about appropriate leadership that determine their specific leadership style. However, leaders can adapt their leadership style to the perceived preferences of their subordinates (Woods, 1999).

Leadership style can be classified according to the leaders power behavior such as autocratic, democratic and Laisses-faire where each style is distinguished by the influence they have on subordinates Mullins, (1998). According to Kavanaugh (2001), an autocratic leadership style is embedded in leaders who have taken full organization power and authority, believe their word is final and are never questioned, whereas democratic leaders have a leeway for their subordinates to air their views and make decision. Finally, laissez-faire or free-rein leaders give most of the authority to their subordinates to make decisions. Leadership provides a spark that can raise morale of employees. Drucker et al (2003) noted that "leadership is a human characteristic which lifts a person's vision to highest heights, raises performance to higher standards and builds personality beyond its normal situations"

2.5 Financial incentive influence on Retention of Engineers.

Financial incentive can be defined a s a monetary transfer, either in cash to increase income or in kind such as gifts or vouchers , provided directly to an individual with an intention to induce a behavioral change (Schurer, 2008). Incentives are the main links between people and change. Successful capacity development initiatives are dependent on having the right incentives in place because positive change can only be sustained where improved performance is enabled and rewarded. Incentives are most usually considered at the individual level, defined as either financial or non-financial Thomas, (2013) financial incentives are an organization's formal system of salaries, bonuses and other financial benefits such as housing allowance or health care compensation while non-financial can be rewards, Training trips or commendation letters.

While financial incentives are important they are not the whole story and various studies have shown that the positive impact of non-financial incentives has so far been underestimated Thomas, (2013). In some cases financial incentives make no

difference at all to how people utilize their capacity to improve performance. In other cases impact is only achieved when a combination of financial and non-financial incentives are put together, (Thomas, 2013). However, Corrigan, (2014) points out that employees should be provided with financial incentives such as raises, bonuses and stock options to motivate them. In his motivation theory, Abraham Maslow outlined a hierarchy of human needs. Maslow said that the individuals need to start at the lowest level and once that level has been attained, their needs move to the next stage.

These stages are from the lowest Physiological needs (Hunger & Thirst) safety needs (Stable job, family), social needs (love, friendship), egoistic needs (A person need to be respected) and finally self-actualization (Pinnacle of the needs hierarchy (Saleemi, 1997). Tam (2014), further noted that financial incentives are vital in the trade of labour for wages.

Although money is not the solution to all problems, financial incentives have become a major competitive factor in overall retention of staff (Finkler, 2012). Proper design of retention programme requires an understanding of the causes of the turnover in the organization both voluntarily (Better pay, working conditions, career advancement) and involuntary (dismissal, lay-off, disability or death) (Finkler, 2012). In comptroller and auditor general report of the military in Great Britain, financial retention incentives involved offering a fixed sum of money to eligible personnel in return for them committing to a defined "Return of service period" This ensured the personnel cannot leave the military for a certain period of time (General, 2006).

Competitive compensation and benefit packages including salary, bonuses, stock options, and the traditional health insurance and retirement packages are tools that some companies use to help keep employees onboard (Pollock, 2012). Salary increases should be structured to stay competitive within organization market sector, geography and the position. Further, employers should distinguish between top and bottom performers by ensuring that that those individuals performing in the top quartile are paid over and above those in the bottom quartile. Further due to the

difference in cost of living in various geographic sectors, management will need to understand and apply salary inflators and deflators in the company to ensure salary equities amongst employee base.

Carefully developed bonus or profit sharing programs provide encouraging, goal-oriented initiatives for employees to aim towards achieving company goals, (Pollock, 2012). The goals for success set out by the manager and the employee are more attainable if realistic and practical incentives are firmly in place. The Tanzanian government recognizes the importance of non-financial incentives for all civil servants in order to retain them. This was done through circular No 1 of 2004 and public service Regulations of 2003.These non-financial incentives are Training, leave, recognition & respect, supervision, safe and supportive working environment (Mbilinyi, 2008).

Creative non-monetary rewards and recognition programs can be powerful tools in staff retention. Increasingly, companies are using informal methods for rewarding staff while financial compensation is becoming less the norm for recognizing employee accomplishments (Pollock 2012). Reward systems that are person-based are proving to be effective especially when recognition is linked to personal desires or needs such as Time Off Flexible work hours, Job-sharing, Office Space, Home Office, Special Projects Committee Involvement, Public Acknowledgment, Career development, training Company organized discounts such as fitness memberships, discounts on company products / services, discounts on client's products / services Community and Charity Involvement (Pollock, 2012).

2.6 Organizational culture on influence on Retention of Engineers

Organizational culture is a shared set of beliefs and values, reinforced by an organization's symbols and structure, and manifested in the way people think and act (Schein 2005). Organizations have different cultures such as competitive culture, achievement, opposition, dependent (centralized decision making) and approval culture (Conflicts avoided and interpersonal relationship emphasized). Schein, (2005)
Study by Karr, (2007) suggested that organizational values may moderate differences in the retention rates of strong and weak performers. He reported that some

organizations have cultures that emphasize value of Team work, security, and respect for individual members while others do not. These values foster loyalty and long term commitment to the organizations among employees. However he pointed out that weak performers leave the organization and the strong performers remain behind as they wait to reap the benefits of good organization performance.

This is supported by Sheridan, (2010) who says that every firm presumably hired some graduates whose personal values made them good "fits" to the firm's culture value and others who are firm's "misfit". He further reported that those who fit tended to have a higher job satisfaction and intentions to continue working in the organization than the misfit. The actual hiring technique is an important step in the process of employee retention and building relationships that encourage long-term employment relationships. According to Drakes (2012) Culture is an important factor in influencing employees' commitment to the organization and their willingness to remain and work toward organizational goals. Employees will particularly be attracted to organizations with values that are congruent with their own, or that match what they consider to be ideal organizational values.

According to Herriot, (1999) organization value system may have profound effects on work attitudes and behavior. In a six year study by Sheridan, (2010) he reported that organization cultures emphasizing on interpersonal relationships were more likely to produce lower turnover rates than other cultures. Nurturing staff as an organization culture should be an ongoing, a day-to- day activity. Clear and open communication is the best foundation for nurturing staff. Nothing brings more respect or models empowerment more than managers who actively listen to their employees. The active listener appreciates the employee's feelings, input and concerns which can be the most cost-effective way to acknowledge people (Pollock, 2012).

Nakamya, (2011) stated that the nature of organizational culture (slow decision making, hierarchical management Style emphasizing on bureaucracy) and lack of employee commitment weakens the quality of service which may explain the failure to retain skilled staff. The President of HelblingInc, (2012) notes that some

organizations understand the importance of culture and spend significant amounts of money to improve or sustain a positive culture where employees are highly engaged, challenged and motivated while other organization do nothing. According to the American Management Association, the benefits of a positive culture includes, improved performance ,increased productivity, better talent retention and great facilitation of change initiatives (HelblingInc., 2012).

Daulatram (2003) writes that investigation examining the impact of organizational culture types on job satisfaction in a survey of marketing professionals in a cross-section of firms in the United States of America indicated that job satisfaction levels varied across corporate cultural typology. Job satisfaction was positively related to clan and adhocracy cultures, and negatively related to market and hierarchy cultures (Lund, 2003).

Cohen, (2007) states that today, its commonly believed that organization culture is responsible for providing framework to implement and operationalize business strategies (Coolcan at el 2002).Therefore management needs to be aware of the culture of which they are a part and put in place strategically appropriate changes where necessary. Skitmore (2005) states that problems such as high employee turnover, poor employee job satisfaction and little or no commitment to anything linked with the organization where organization does nothing to have a retention culture.

2.7 Theoretical framework

Several theories on motivation offer an explanation on how motivation affects employee's retention and behavior within organizations. The theories also can be used to implement and develop employee retention strategies. These theories are for example need theory, equity theory, expectancy theory and job design model. Fitz-enz (1997) states that an average organization losses approximately $1 million dollar with every 10 managerial and professional employee who leave the organization. There is also significant impact with loss of knowledgeable and skilled departing employees in an organization.

2.7.1 Need Theory on motivation

Need theories attempts to pinpoint internal factors that energize behavior. Needs are physiological psychological deficiencies that arouse behavior. These needs can be strong or weak and are influenced by environmental factors. Thus human needs vary over time and place.

2.7.2 McClelland's Need Theory

This theory states that some people have a compelling drive to succeed and keep on striving for personal achievement rather than rewards of success alone. McClelland (1961) states theory of need focuses on three needs. These needs are achievement which is drive to excel or succeed, power which is need to make others behave in a certain way, coach, teach or encourage and affiliation which is desire for friendly and close interpersonal relationship. Kreitner (2001) states that effective managers must positively influence others failure to which employees are demotivated.

2.7.3 Equity Theory

Equity theory recognizes that individuals are concerned not only with absolute amount of the rewards they receive for their efforts but also with the relationship of this amount to what others receive based on one's effort, experience, education, training and competence. Based on these inputs, one expect to the outcome of better salary levels, increases, recognition, fridge benefits, supervisory treatments and better status symbol. When a person does not receive expected outcomes despite the efforts put in they perceive an imbalance in their outcome-input ratio relative to others which creates tension. This tension provides the basis for motivation in that people strive for what they perceive as equity and fairness (Robbins, 1993). The feeling of inequitable treatment tends to occur when people believe that they are not receiving fair returns for their effort and other contributions (Pinder, 1984). The challenge therefore for the organizations is to develop reward systems that are perceived to be fair and equitable and distributing the rewards in accordance with employee beliefs about their own value to the organization. Champagne (1989) states that where the employees feels unfairly treated where input and out are not balanced, they may reduce their input or quit job and seek for employment elsewhere.

2.7.4 The motivator-hygiene theory

One of the earliest researcher in the area of job redesign as it affected motivation was Fredrick Herzberg (1959). Hertzberg and his associates began their initial work intending to know factors affecting motivation. He discovered that employees tended to describe satisfying experiences in terms of factors that were intrinsic to the content of their job itself. These factors were called motivators and included variables such as achievement, recognition, the work itself, responsibility, advancement and growth. Dissatisfying experiences also known as hygiene factors resulted from extrinsic, on job related factors such as company policies, salary, co-worker relations, and supervisory styles. Herzberg argues that removing hygiene factors would not result to motivation but a neutral state or peace. He further said that satisfaction (motivation) would occur through use of motivators. The implication of this model shows employee's motivation can only be increased through basic changes in the nature of the employee's job that is through job enrichment steers (1983). The enrichment will include where the employee has the opportunity for achievement and recognition, opportunities, stimulation, responsibility, personal growth and recognition.

2.8 Conceptual framework

The relationship between independent and dependent variable are shown in in Figure 1. The independent variable in this study are career growth, leadership style, financial/Non incentives and organization culture while the dependent variable is retention. The moderating variables will be the size of the organization and organization culture while the intervening variables will be the company policies. The variables determine the retention of Engineers at Geothermal power project as it is presented in figure 2.1.

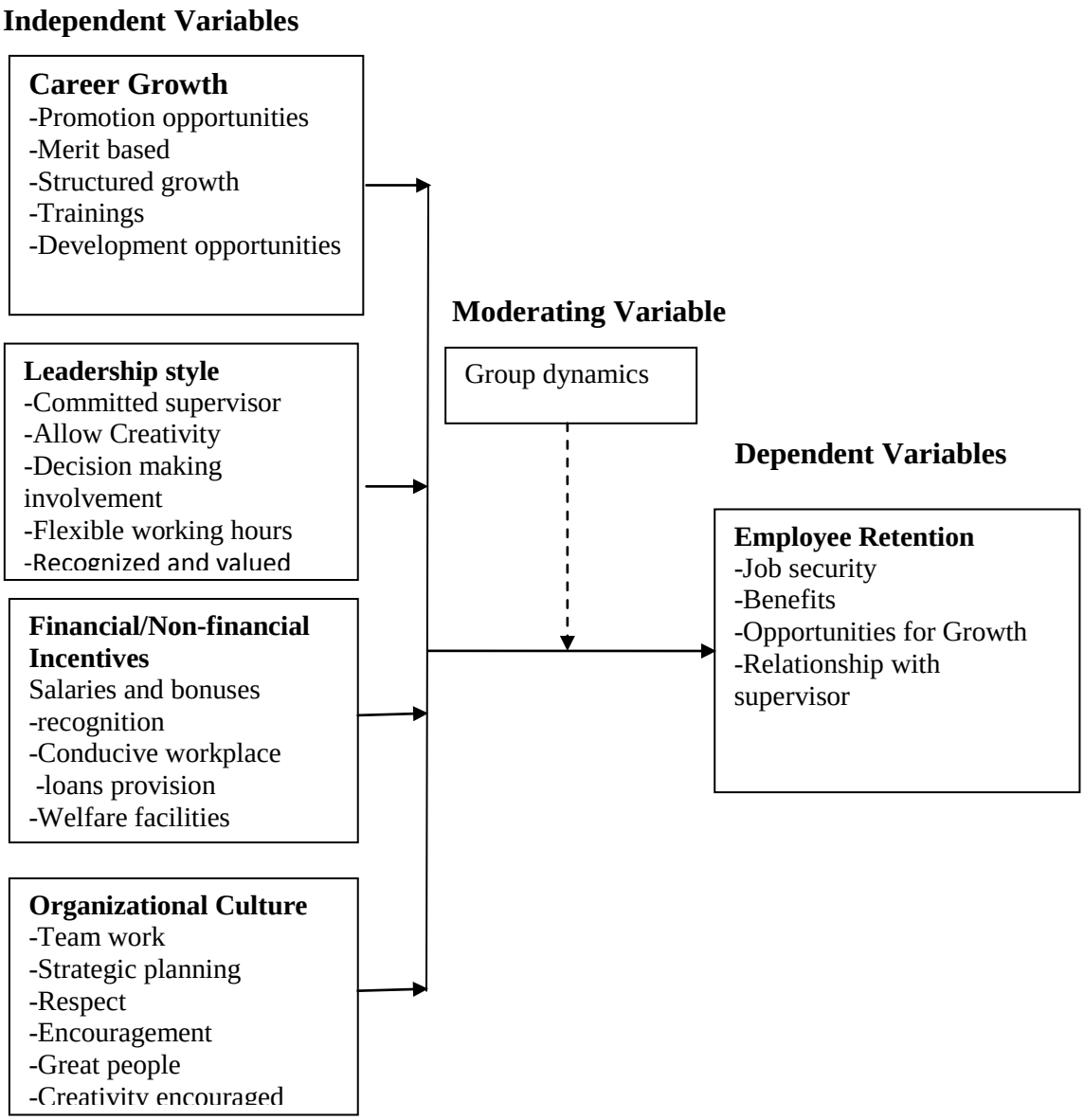

Figure 2.1: Conceptual Framework

2.9 Explanation of relationships of variables in the conceptual framework

In this study, career growth is the process by which an employee moves vertically the organization ladder from time to time. This is dependent on performance and applicable policies and procedures of the organization. It is achieved in organizations that have opportunities for promotion, development, Training opportunities and are merit based. This contributes to job satisfaction and joy of contributing meaningfully to the organization resulting to high influence on retention of employees.

Sourcing, hiring and retaining motivated employees are the responsibility of the company's governing board and Leadership Team. From the conceptual framework, it's clear that the level of Level of staff involvement and level of delegation of authority results to employee retention.

From the conceptual framework, financial incentives are the organization's formal system of salaries, bonuses and other non-financial benefits such as housing allowance or health care compensation while non-financial can be rewards, Training trips or commendation letters. They show that if employees get them, they result to their retention in an organization.

Organizations cultures that emphasize value of team work, Strategic planning, innovativeness retention strategies, good Job design, security, and respect foster loyalty and long term commitment to the organizations among employees. These values lead to influencing the employee retention.

2.10 Summary of the literature review

This chapter reviewed literature from other researchers, students, report, journals and what has been written in relation to factors influencing employee retention from the global, regional and local perspectives. The areas reviewed include: career development, leadership style, and financial non-financial and organization culture on influence on employee retention. Theoretical reviews relating to work performance as well as the conceptual framework are drawn to show the inter-relationship of the variables. All the objectives mentioned in literature review that influence retention of employees in organization such as career growth, leadership, financial non-financial and organizational culture plays a significant part in retention of employees.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology that was used in this study. It details the research design, population of the study, sampling techniques, sample size, research instruments, validity and reliability of the instruments. The chapter also explains data collection techniques, data analysis and presents the approach and tools that were used to conduct the study.

3.2 Research design

The study adopted descriptive survey design which is the process in which data is collected to determine special characteristics of the respondents. The method was adopted for this study as it was more precise and accurate and involved descriptions of events in a carefully planned way. Questions were asked directly to the respondents through questionnaires. The method was also used to find out the frequency with which an issue or a phenomenon occurred or the relationship between the independent and dependent variables.

3.3 Target population

The target population for this study comprised 22 supervisors, 4 Human resource officers, 80 engineers, 1 Resource development manager and 294 staff all drawn from geothermal power station, Naivasha. The target population was therefore 400 people distributed as presented in Table 3.1.

Table 3.1 Target population

Sections	Frequency
Power stations	100
Wellheads	60
Civil and infrastructure	60
Drilling	180
Total	400

Source: Human Resource employee status as at 2014

3.4 Sampling procedures

The different groups of the study ensured that the study population was adequately represented by the sample. The groups were divided into four groups as per their area of work. Simple random sampling was used to select the representative of the population in each group. In descriptive studies 10% of the accessible population is adequate for the study. This was achieved by using the simple random sampling thereby achieving the 40 people as the sample as presented in Table 3.2.

Table 3.2 Sample distribution

Sections	Target	Sample
Power stations	100	10
Wellheads	60	6
Civil and infrastructure	60	6
Drilling	180	18
Total	400	40

Source: Author 2014

In order to select the representative sample the researcher used a sampling frame which in this case was the list of staff at the geothermal power station. Simple random sampling was used where every sample of a given size in the accessible population had an equal chance of being selected and the findings generalized. The sampling allowed use of inferential statistics, statistical. Indices calculated on the sample was evaluated to determine the degree to which they accurately represented the population parameters.

3.5 Data collection instruments

The study used descriptive survey design with the respondents as engineers, supervisors, resource development managers, and support staff as the sample. Was the method, supervisors, Operation and Resource Development Managers at Geothermal power station. The questionnaire consisted of close ended and open ended questionnaires and used Likert scale to measure a range of opinions from “Strongly agree” to “strongly disagree”. Questionnaires were used because the study was concerned mainly with the views, perceptions and feelings of the respondents and such variables could not be observed directly. The significant agreement being tested

was determined by evaluating the mid -point value. The formula used in this study was as presented below.

$$Xi = \frac{\sum Fi\ Ri}{\sum Fi}$$

Where, Fi, is the frequency

Ri is the rank.

This meant that any results significantly different from this uncommitted or unsure value was assumed to be either positive or negative to the notion being tested. The questionnaires were the ideal tool for collecting data since most of the respondent were scattered and some were in the field.

3.5.2 Validity of the instruments.

Validity in this study was the accuracy and meaningfulness of inferences which were based on the research results and was obtained from the analysis of the data that represented the phenomenon under study. This was achieved in the study by having the correct, meaningful questionnaires and reviewing them in order for them to measure what they were expected to measure. Validity therefore was to do with how accurately the data obtained in the study represented the variables of the study. If such data is a true reflection of the variables, then inferences based on such data was accurate and meaningful.

3.5.3 Reliability of Research Instruments

Instruments reliability in the study was achieved by determining the level of internal consistency on the stability of the measuring device. To achieve reliability of the instruments, the Split half reliability method was used in this study. This was achieved by splitting the questionnaire into two parts and administering to the different group of respondents. The score of two parts were then correlated mathematically using spearman's coefficient correlation. The score achieved was 0.89 which was close to a unit thereby concluding that the instruments were valid.

3.6 Data Collection Procedures

The researcher sought appropriate approval from all supervisors of the sample population to ensure that all participate in the study without fear of victimization. The

researcher also visited the respondents in their respective areas of work and communicated to them through telephone calls and emails to sensitize them before actually distributing the questionnaires to collect data. The questionnaire is appropriate because it saved time, ensured uniformity in the questions asked and respondents are freer to answer sensitive questions when they are not required to disclose their identity (Mulusi, 2008).

3.7 Data Analysis and presentation

Data was analyzed using Statistical Package for Social Sciences (SPSS version 16). All the questionnaires received were referenced and items in the questionnaire coded to facilitate data entry. After data cleaning which entailed checking for errors in entry, descriptive statistics and frequencies were estimated for all variables and information presented in form of frequency tables. Descriptive statistics were used because they enabled the researcher to meaningfully describe distribution of scores or measurements using a few indices. Further they provided the basic features of data collected on the variable and provided the impetus for further analysis on the data.

3.8 Ethical Consideration

Due to the sensitivity of the information being collected ethical issues were strictly observed Names were not supposed to be indicated in the questionnaires. The researcher observed caution also in areas where the respondents were not comfortable. The respondents were assured of the confidentiality of the feedback they gave. Further permission to access the respondent was sought from their supervisors.

3.9 Operational definition of the variables

These are a variable that shows factors influencing the retention of Engineers in power generating projects at geothermal power station.

Table 3.3 Operationalization of Variables

Objectives	Type of Varieties	Indicators	Measurement Scale	Data Collection Method	Methods of Data analysis
To establish how career growth influences the retention of Engineers in Geothermal	**Independent** Career growth	Promotion opportunities -Merit based -Structured growth -Trainings -Development opportunities	Ordinal	Document analysis	Descriptive statistics
To determine how leadership style influences employees retention	**Independent variable** Leadership style; Authoritarian Participatory	Committed supervisor -Allow Creativity -Decision making involvement -Flexible working hours -Recognized and valued	Ordinal	Questionnaire	Descriptive statistics
To determine the influence of the financial / non-financial incentives on retention	**Independent variable** Salary Bonuses Allowances Health cover	Salaries and bonuses -recognition -Conducive workplace -loans provision -Welfare facilities -Health schemes	Ordinal	Questionnaire	Descriptive statistics
To determine the influence of organization culture on retention	**Independent variable** Shared values and believes Hierarchical management system Information flow Interpersonal relation ship Group dynamics	-Team work -Strategic planning -Respect -Encouragement -Great people -Creativity encouraged	Ordinal	Questionnaire	Descriptive statistics

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATIONS

4.1 Introduction

This chapter presents findings on the respondents and various factors that influence employee retention at geothermal power station located in Nakuru County. The chapter discuses results of the study under the following headings: questionnaire return rate, demographic characteristics of the respondents, distribution of respondents by gender age, level of education, years of service, job levels profiles. Data collected was analyzed and statistically organized to show the different response on factors that influence retention which in this study were career growth, leadership, financial non-financial and organization culture.

4.2 Questionnaire return rate

Out of 40 respondents sampled for the study, 35 returned the questionnaires reflecting 88% respondent rate which is ideal for the study. The percentage of the return rate as per the targeted sample indicates that the return rate was good.

4.3 Demographic characteristic of the respondent

The study sought to establish background information of the respondents in terms of gender, educational levels, work experience and age so as to have an idea of the content of the various characteristics from sample.

4.3.1 Distribution of Respondents by Gender

Respondents were asked to state their ages. They provided the responses as recorded in Table 4.1.

Table 4.1 Distribution of Respondents by Gender

Variable	Frequency	Percent
Male	20	57
Female	15	43
Total	**35**	**100**

Source: Author 2014

According to the response fifty seven (57%) of the respondents were males while females were 43% implying that males were more responsive than the females as per Table 4.1. An explanation which can be the reason for more male response than female response is that overall, there are fewer female engineers at geothermal power station.

4.3.2 Distribution of Respondents by Level of Education

When asked to state their level of education, respondents provided varied responses as recorded in Table 4.2.

Table 4.2: Distribution of Respondents by Level of Education

Variable	Frequency	Percent
Undergraduate degree	32	91
Post Graduate	3	9
Total	35	100

According to the response in Table 4.2, majority of the respondents (91%) had attained degree level. The rest 9% are master's degree holders as shown in Table 4.2.The valid reason why many respondents are first degree holders is that they are still young(30-35years) and have not enrolled for a master's degree. They are still building themselves up financially and family wise hence need to stabilize first. Some of them might be even be thinking of looking for greener pastures or changing careers.

4.3.3 Distribution of respondent by age

The age ranges of the respondents are recorded in Table 4.3.

Table 4.3: Distribution by age

Years	Frequency	Percent
25-30	4	11
31-35	14	40
36-40	6	17
41-50	9	26
Above 50	2	6
Total	35	100

Source: Author 2014

According to the response majority (40%) of those who took part in the survey were between the ages of 31-35 years. 26% were between 41-50 years while 17% were between 36-40 years. Only a few 6% were above 50 years. This shows age between 30-35 years were more willing to respond to the questionnaire in order to articulate their views. They were also interested to know their future and possibly not tired of filling previous surveys which the old generation above 50 were refusing to fill the questionnaire.

4.3.4 Introduction on profile by years of service

In this section of the questionnaire the respondent were asked to report on their years of service. It captured the years of service profiles of the respondents. The section shows profile of the service as per Table 4.4.

Table 4.4: Distribution of respondent by years of service

Years	Frequency	Percent
5 Years & below	12	34%
6-10 Years	5	14%
11-15 Years	12	34%
16-20 Years	4	11%
21 Years & above	2	6%
Total	35	100%

Source: Author 2014

According to table 4.4 majority (34%) of the respondents had been in service for less than 5 years and between 11- 15 years respectively. While 14% have been in service between 6-10 years, 11% have been in service between 16-20 years. However, only 6% have been in service for more than 21 years. The response still showed more young engineers were willing to participate in the survey as they were not tired of filling the previous surveys. They were also more motivated and attached to the organization as opposed to the older generation of above 50 years.

4.3.5 Introduction on profile by job levels.

In this section of the questionnaire the respondent were asked to report on their job levels. It captures the job levels of the respondents. The section shows profile of the job levels as per Table 4.5.

Table 4.5: Distribution of respondent by job level.

Level	Frequency	Percent
Level 3	5	14%
Level 4	12	34%
Level 5	17	49%
No response	1	3%
Total	35	100%

Source: Author 2014

According to the response in table 4.5 most of the respondents (49%) who took part in the survey were in Level 5 while 34% are in Level 4. The rest 14% were in level 3. However 3% refused to indicate their job level as shown below. The possible explanation was that the level 5 who had the highest response are still the young and who have not worked for long hence willing to fill the questionnaire.

4.4 Career growth

Respondents were asked to rate career growth factors on a scale of 1 to 5 where 1 means strongly disagree,2 disagree, 3 do not know, 4 agree and 5 meant strongly agree.

Table 4.6: Influence of career growth on retention.

	Strongly Disagree		Disagree		Don't know		Agree		Strongly Agree	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
I feel that my skills and experience will lead to my career growth	4	11	4	11	1	3	15	43	11	31
The company provides opportunities for my growth and development	1	3	6	17	4	11	17	49	7	20
Career growth depends on performance	4	11	9	26	4	11	12	34	6	17
Vacancies are filled on merit	1	3	12	39	3	10	12	39	3	10
Training and developmental opportunities offered in my organization will result to my career growth.	5	14	10	29	2	6	12	34	6	17

.The respondent who believed that skills and experience lead to career growth were the highest as (11%) strongly disagreed, (11%agreed, (3% do not know,(43%agreedwhile (31%) strongly agreed.

Provision of opportunities for growth and development had the second highest influence on retention of engineer. Of the 35 respondent (3%) strongly disagree (17%) disagreed, (11%) did not know, (49%) agreed while (20%) strongly agreed. Those who believed career growth depends on performance and influences retention was the third. Of the 35 respondents, (11%) strongly disagreed, (26%) disagreed, (11%) did not know, (34%) agreed while (17%) strongly agreed.

Those who believed that vacancies were filled on merit and leads to retention were the fourth. Of the 35 respondents, (3%) strongly disagreed, (39%) disagreed, (10%) did not know, (39%) agreed while (10%) strongly agreed. Those who believed that training and development opportunities provided will result to career growth were the lowest scoring. Of the respondent (14%) strongly disagreed (29%) disagreed, (6%) did not know, (34%) agreed while (17%) strongly agreed.

From the analysis on career growth influence on retention, 43% of the respondents agreed that skills and experience can lead to retention, 49% believed that there were opportunities for growth hence retention while those who believed performance could

lead to career growth were 34%.Training and development opportunities at 34% agreeing shows that the respondent believed training and development opportunities could lead to career growth hence has influence on engineers retention. However, the respondent 39% disagreed that vacancies were being filled on merit hence dissatisfaction who could result to non-retention.

4.5 Leadership Factor influence on retention.

In this section the study sought to know if retention was influenced by leadership. The overall mean score was 3.3. The analysis is shown in table 4.7.

Table 4.7 Influence of leadership on retention.

	Strongly Disagree		Disagree		Don't know		Agree		Strongly Agree	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
I have supportive/committed supervisors.	0	0	7	20	0	0	22	63	6	17
I feel recognized, valued & respected by my supervisors	2	6	9	26	4	11	15	43	5	14
My supervisor encourages creativity	5	16	7	23	2	6	11	35	6	19
My supervisors allows flexible working hours.	4	12	9	27	2	6	15	45	3	9
Am involved in making key decision at my workplace by my supervisor	7	20	7	20	4	11	12	34	5	14

The respondents believed that they had supportive supervisors. Of the respondent, (0%) strongly disagreed, (20%) disagreed, (0%) did not know, (63%) agreed while (17%) strongly agreed. The second lowest was that the respondents felt valued and respected by their supervisors. Of the respondents, (6%) strongly disagreed, (26%) disagreed, (11%) did not know, (43%) agreed while, (14%) strongly agreed.

The third rated influence on leadership was supervisors encourages creativity. Of the 35 respondents, (16%) strongly disagreed, (23%) disagreed, (6%) did not know, (35%) agreed while (19%) strongly agreed. Being allowed flexible working hours by the supervisor was fourth. Of the 35 respondents, (12%) strongly disagreed, (27%) disagreed, (6%) did not know, (45%) agreed while (9%) strongly agreed.

Engineers being involved in decision making by their supervisors was fifth. The respondent said that (20%) strongly disagreed, (20%disagreed, (11%) did not know, (34%) agreed while (14%) strongly agreed.

From the analysis the respondents felt that leadership had influence on retention. The leaders seemed to be supportive to staff in many ways at 63% valued and respect respondent at 14% agreeing, being allowed flexible working hours at 45% agreeing and 34% strongly agreed that they were involved in decision making. We can therefore conclude that there was supportive leadership and was a factor that influenced retention of engineers at geothermal power station.

4.6 Organization culture influence on retention

In this section the study sought to know if organization culture influences retention. The overall mean score was 3.20.This is as per table 4.8.

Table 4.8 Organization culture influence on retention

	Strongly Disagree		Disagree		Don't know		Agree		Strongly Agree	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
The culture that exist at my workplace encourages achievement of company vision and mission	1	3	9	26	1	3	23	66	1	3
Geothermal encourages creativity and innovation	3	9	7	20	2	6	20	57	3	9
There is a culture of working with great people and excellent working teams	4	11	10	29	0	0	17	49	4	11
My supervisor communicates effectively within the department.	4	11	11	31	1	3	16	46	3	9
There is a culture of being recognized, valued and respected.	5	14	14	40	1	3	14	40	1	3

The culture that exist encourages achievement of company vision and mission was the highest. Of the respondents,(3%)strongly disagreed,(26%)disagreed,(3%)did not know,(66%)agreed,(3%)strongly agreed. Encouragement of creativity and innovation was second rated. The response was 3(9%) strongly disagreed, (20%) disagreed, (6%) did not know, (57%) agreed while (9%) strongly agreed.

The study shows there is a culture of working with great people and excellent working teams. The response was (11%) strongly disagreed (29%) disagreed (0%) did not know (49%) agreed while (11%) strongly agreed.

Communication within the department by the supervisors was rated fourth. The response was (11%) strongly disagreed (31%) disagreed (3%) did not know, (46%) agreed while (9%) strongly agreed. From the study there is a culture of being recognized, valued and respected. The response was (14%) strongly disagreed, (40%) disagreed, (3%) did not know, (40%) agreed while (3%) strongly agreed.

From the organization culture influence on engineer's retention 66% agreed that the culture supports the vision and mission hence are contended with it and leads to retention. There is also a culture of encouragement of creativity at 57% while working with great people scored 49% and communication in the department by the supervisor had 46 % hence satisfaction and retention. However, communication culture is poor at 40% disagreeing that it is good, and should be improved. Overall in this section, there score is leaning towards being good.

4.7 Financial/Non-financial factors influence on retention

Respondents were asked to rate factors in financial/non-financial incentives which influence retention on a scale of 1 to 5 where 1 meant strongly disagree and 5 meant strongly agree. The results are as per table 4.9.

Table 4.9 Influence on retention by financial non-financial factors

	Strongly Disagree		Disagree		Don't know		Agree		Strongly Agree	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
I have a conducive working environment	2	6	7	21	3	9	21	62	1	3
Company loans such as mortgage, car, land facilitated by the company are the best for my level	6	17	12	34	3	9	12	34	2	6
Salary and benefits are commensurate with my academic, professional, skill and experience in the company	6	17	16	46	0	0	12	34	1	3
There is recognition for work well done.	6	19	14	44	1	3	10	31	1	3
Welfare facilities such as sports facilities, health care, housing are adequately provided.	8	23	15	43	1	3	8	23	3	9

The highest score in this category was conducive working environment as follows :(6%) strongly disagreed, (21%) disagreed, (9%) did not know, (62%) agreed while (3%) strongly agreed. The second factor was providing of company loans such as mortgage, car, land facilitated by the company, are the best for my level influence on retention.

Response was (17%) strongly disagreed (34%) disagreed (9%) did not know, (34%) agreed while (6%) strongly agreed. If Salaries and benefits are commensurate with my academic, professional, skill and experience in the company, the response was (17%) strongly disagreed, (46%) disagreed, (%) did not know, (34%) agreed while (3%) strongly agreed. Fourth was a score on recognition of work well done whose response was 6(19%)strongly disagree,(44%)disagree,(3%)did not know,(31%)agreed while (3%) strongly disagreed. The last influence of welfare facilities such as sports facilities, health care, housing are adequacy on retention. The response was (23%) strongly disagreed, (43%) disagreed (3%) did not know, (23%) agreed while (9%) strongly agreed.

From the analysis on financial non-financial factors influence on retention, the conclusion is that many of the respondents believed there was conducive work environment at 62% and not so good salaries at 34% and loans provided at 34%.On welfare facilities the respondent also disagreed at 43% while recognition was rated poorly at 19%. In conclusion to this factor, a lot needs to be improved so that it can lead to retention.

4.8 Descriptive summaries of the data collected

This section summarized the data collected by use of percentages. The summary shows the variable with the highest score to the variable with the least score. Percentages were used to show the proportion of respondents who perceived various aspects.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter outlined the discussion, conclusion and recommendations for the study. The broad objective of the study was to assess factors influencing the retention of Engineers in power generating organization at geothermal power project, Naivasha. It covered the four major objectives on factors influencing retention of engineers which in summary were career growth, leadership, financial non- financial and organization culture. Influence on engineers at geothermal power station.

5.2 Summary of findings

This section gave the finding of the study in brief form. The summary was based on the objective of the study. This is detailed from 5.2.1 – 5.2.4 presented below.

5.2.1 Influence of career growth on retention.

From the analysis on career growth influence on retention, 43% of the respondents agreed that skills and experience can lead to retention, 49% believed that there were opportunities for growth hence retention while those who believed performance could lead to career growth were 34%. Training and development opportunities at 34% agreed showed that the respondent believed training and development opportunities could lead to career growth hence had influence on engineers retention. However, the respondent 39% disagreed that vacancies were being filled on merit hence dissatisfaction which could result to non-retention.

5.2.2 Influence of leadership on retention.

From the analysis the respondents felt that leadership had influence on retention. The leaders seemed to be supportive to staff in many ways at 63% values and respect respondent at 14% agreeing, being allowed flexible working hours at 45% agreeing and 34% strongly agreeing that they were involved in decision making. We therefore concluded that there was supportive leadership and was a factor that influenced retention of engineers.

5.2.3 Influence of organizational culture on retention.

From the organization culture influence on engineer's retention 66% agreed that the culture supported the vision and mission hence were contended with it and leads to retention. There was also a culture of encouragement of creativity at 57% while working with great people scored 49% and communication in the department by the supervisor had 46 % hence satisfaction and retention. However, communication culture was poor at 40% disagreeing that it is good, and should be improved. Overall in this section the score leaned more towards being good.

5.2.4 Influence of financial non-financial incentives on retention.

From the analysis on financial non-financial factors influence on retention, the conclusion was that many of the respondents believed there was conducive work environment at 62% and not so good salaries at 34% and loans provided at 34%.On welfare facilities the respondent also disagreed at 43% while recognition was rated poorly at 19%. In conclusion to this factor, a lot needs to be improved so that it could lead to retention.

5.3 Discussion

Majority of respondents were of the opinion that their skills and experience were to lead to career growth. Provision for opportunities for growth and development was considered to be a key factor in career development. It was evident that a happy, content employee has an equal mix of successful professional and personal lives (Pollock, 2012).

Lack of a well-structured career path may lead to frustration and employees may leave the company. As Giri, (2008) indicates, if an employee can not foresee his path of career growth in his current organization, there are chances that he will leave the organization as soon as he gets an opportunity. Morgan (1992) states that retaining high caliber of employees in today's competitive labour market challenges organizations to manage and develop talent effectively at all levels. An organizations needs to be able to offers creative career development opportunities that are woven into fabric for the organization and present mentoring programs.

Further, Woodruff (1999) wrote that a company that wants to strengthen the bond with its employees must invest in the development of these employees which not only involve the creation of opportunities for promotion within the organization but also opportunities for training, and skill development that allow employees to enhance their employability in the internal and external labour markets. Parkinson (1990) observed that management development is effective if it is incorporated directly in the corporate plan and appraisal process that identify employee development need.

On average, leadership style was rated second on influence on retention. Respondents were satisfied with their supervisors indicating that they are supportive and committed. They also felt appreciated recognized and valued by their supervisor. This supports Pollock, (2012) argument that managers need to appreciate staff every day and constantly work to keep them on board. Diane (2001) states that hiring practices, rewards, training and performance management all play an important role in retention of employee's buts it's the leader who makes the difference. (Bernatovicz, 1997) further wrote that supervision is an aspect of the organizational environment which is mostly linked to retention.

Organizational culture influence on retention was rated third. This is supported by Karr, (1987) who suggests that some organizations have cultures that emphasize value of Team work, security, and respect for individual members while others do not. These values foster loyalty and long term commitment to the organizations among employees. Joan and Harris (1999) further stressed the importance of organizational culture in employee retention where they argue that organizational culture is more important than the job itself. While recruiting, the culture must be perfect fit for the employee and must be presented to the employee as it is. Several studies by Kreitner and (Kinicki, 1997) revealed that congruence between individual values and organizational values were significantly related with intention to quit.

Financial and non-financial influence on retention was rated fourth. Beer and Walton (1989) states that a mix of extrinsic and intrinsic rewards received by employees creates feeling of satisfaction or dissatisfaction when individuals compare their input, job skills, education, effort and performance to output. Haggintham (1997) states that salaries are not essential, but a good and fair salary showed a correlation with retention. However, despite the fact that many studies have revealed that financial rewards to be poor motivating factor, it remains a tactic used by many organizations for remuneration purposes (Cappelli, 2001).

5.4 Conclusion

Today, changes in technology, global economics, trade agreements, and the like are directly affecting employee/employer relationships thus leading to high employee turnovers and affecting employee retention in organizations. Retention has become one of the biggest issues for the Energy Sector in Kenya because human resources helps to generates profits and are considered as the capital or asset of any organization. Professional employees have kept on moving from one company to another in this Sector in search of better employment terms. As such, human capital has turned out to be an important competitive tool in the energy sector which calls for proper management practices for these resources to ensure sustained competitive advantage in energy operations. This therefore makes this study important as its exposes areas which needs to be improved in organizations for effective retention of employees. The study done in this field was the one which was done on retention at National Oil Corporation of Kenya (2014).Its objective was to establish the perceived relationship between employee retention practices and organizational performance. This therefore justifies the need to do more studies on retention of engineers at geothermal power station and energy sector in general.

5.5 Recommendations for policy action

In view of the findings and conclusions of this study, the following recommendations are proposed;

1. Training and development opportunities should be offered and enhanced in order to boost employee's career growth and therefore retention. As saleem, (1997) noted, training enables employees to get more acquitted with their

present or prospective jobs and also increase their knowledge and skills hence qualifying for career growth.

2 Management should come up with radical improvement in the implementation of employee retention practices in order to motivate employees, commit them, improve performance and ultimately achieve organization goals.

3 The study recommends improvements on financial non-financial incentives. As Walton et al (1989) states a mix of extrinsic and intrinsic rewards received by employees creates feeling of satisfaction or dissatisfaction to individuals in comparison to their input.

4 Policy on culture of the organizations should be improved. Cultures that emphasize value of Team work, security, and respect for individual member foster loyalty and long term commitment to the organizations among employees**.** Harris et al (1999) further stresses the importance of organizational culture in employee retention where they argue that organizational culture is more important than the job itself.

5.5.1 Suggestion for further studies

1. There is a need to replicate the study in other sections covering more employees within geothermal project and other energy sector in order to come up with a more conclusive recommendations and the way forward on employee retention.
2. The analysis was done on primary data, which could be biased. Analysis of secondary data could have provided a basic of comparison of the findings.
3. The study only covered factors influencing the retention of Engineers in geothermal power station. More employees, variables and professional should be studied.

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APPENDICES

Appendix I Letter of Transmittal

ELIUD GACHOKI KATHUTWA
GEOTHERMAL POWER PROJECT
P.O BOX 785 NAIVASHA

3rd FEBRUARY 2015.

HUMAN RESOURCE MANAGER
KENGEN COMPANY LIMITED
P.O. BOX 47936,
NAIROBI

Dear Sir, /Madam,

RE: REQUEST FOR AUTHORITY TO GET ACCESS AND COLLECT DATA ON A PROJECT REPORT

I am a Post graduate student at the University of Nairobi extra mural studies pursuing a Master of Arts degree in Project Planning and Management. I am undertaking a research on factors influencing retention of engineers, a case study of geothermal power station Naivasha. The information collected will be used for academic purpose only and for of this study. The information will also be treated with utmost confidentiality.

I kindly seek for your approval to access the staff and collect the data at Olkaria Geothermal power project.

Yours faithfully,

Eliud Gachoki Kathutwa

Appendix II Introduction Letter Respondents

Dear Respondent,

RE: FACTORS INFLUENCING RETENTION OF ENGINEERS IN POWER GENERATING PROJECTS: A CASE STUDY OF GEOTHERMAL POWER STATION NAIVASHA KENYA.

I am a post graduate student at the University of Nairobi extra mural studies pursuing a Masters of Art degree in Project Planning and Management. I am undertaking a research on the above mentioned topic.

I therefore humbly request you to assist me by filling in the questionnaire below as accurately as possible. The information you will provide will be used strictly for academic purposes only and therefore be treated with utmost confidentiality.

Thank you in advance for your cooperation and assistant.

Yours sincerely,

Eliud G. Kathutwa

Please answer all the questions by filling appropriately after carefully reading through them. The questions are seeking your opinion on factors influencing retention of Engineers in power generating project. A case study case of geothermal power station. All the answers you gave will help in achieving the objectives of this study. Your answers will be treated with confidentiality and will only be used for the purpose of this study.

SECTION ONE: GENERAL INFORMATION

1. Gender
   i. Male [ ]
   ii. Female [ ]
2. Age bracket:
   a) 25-30 Years [ ]
   b) 31-35 Years [ ]
   c) 36-40 Years [ ]
   d) 41-50 Years [ ]
   e) Above 50 Years [ ]
3. Educational Background
   a) Certificate [ ]
   b) Diploma [ ]
   c) Degree [ ]
   d) Masters [ ]
   e) Any other specify----------
4. Level of management?
   a) Level 2 [ ]
   b) Level 3 [ ]
   c) Level 4 [ ]
   d) Level 5 [ ]
   e) Level 6 [ ]
5. Working experience in KenGen
   a) 5 Years and below [ ]
   b) 6-10 Years [ ]
   c) 11-15 Years [ ]

d) 16-20 Years [ ]

e) 21 and Above [ ]

SECTION TWO: CAREER GROWTH

1. To what extent do you agree the following factors in career growth can influence your retention at geothermal power project?

Where 5(Strongly Agree), 4 (Agree), 3(Don't Know), 2(Disagree), 1 (Strongly Disagree)

Factor		**5**	**4**	**3**	**2**	**1**
a.	The company provides opportunities for my growth and development					
b.	Vacancies are filled on merit					
c.	I feel that my career growth path is well structured					
d.	Career growth depends on performance					
e.	Training and developmental opportunities offered in my organization will result to my career growth.					

SECTION THREE: LEADERSHIP STYLE INFLUENCE ON RETENTION OF ENGINEERS.

What is your opinion on the leadership factors influence on the retention of engineers at Geothermal?

Where 5(Strongly agree), 4(Agree), 3(Don't Know), 2(Disagree) 1(Strongly Disagree)

Factors		5	4	3	2	1
a.	I have supportive/committed supervisors.					
b.	I feel recognized, valued & respected by my supervisors					
c.	My supervisors allows flexible working hours.					
d.	My supervisor encourages creativity					
e.	Am involved in making key decision at my workplace by my supervisor					

SECTION FOUR: FINANCIAL/NON FINANCIAL INCENTIVES INFLUENCE ON RETENTION OF ENGINEERS

3. To what extent does the financial/Non-financial factors influence your retention at Geothermal (Tick where appropriate).

Where 5(Strongly agree), 4(Agree), 3(Don't Know), 2 (Disagree) 1(Strongly Disagree)

Factors		5	4	3	2	1
a.	Salary and benefits are commensurate with my academic, professional, skill and experience in the company.					
b.	Welfare facilities such as sports facilities, health care, housing are adequately provided.					
c.	There is recognition for work well done.					
d.	Company loans such as mortgage, car, land facilitated by the company are the best for my level					
e.	I have a conducive working environment					

SECTION FOUR: ORGANIZATION CULTURE INFLUENCE ON RETENTION OF ENGINEERS.

1. To what extent does the organization culture influence your retention at Geothermal (Tick where appropriate).
2. **Where 5(Strongly agree),4(Agree), 3(Don't Know), 2(Disagree) 1(Strongly Disagree)**

Factors		**5**	**4**	**3**	**2**	**1**
a.	The culture that exist at my workplace encourages achievement of company vision and mission					
b.	There is a culture of working with great people and excellent working teams					
c.	There is a culture of being recognized, valued and respected.					
d.	Geothermal encourages creativity and innovation					
e.	My supervisor communicates effectively within the department.					

Any other comments

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