

# CAPACITY BUILDING, THE GDC EXPERIENCE

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## ABSTRACT

Realisation of organisation growth and attainment of competitive advantage is only through filling the skill gaps that exist in an organisation. Capacity Building is much more than training and includes; Human Resource Development, Organizational Development and Institutional and legal framework development. The challenge for a new organisation like the Geothermal Development Company (GDC) is to attain a leverage in the Energy sector by having a skilful and competent workforce who have the requisite skills to help the organisation attain competitive advantage. From inception it is therefore critical to define a skill inventory by carrying out a detailed assessment of the skills that exist and projecting the required skills in five years so as to have a basis for capacity building indigenous qualified and technically competent employees with a bias in geothermal generation and reservoir engineering is a scarce resource in Kenya. Growing staff shortage in core corporate areas necessitates that we develop a comprehensive training program geared towards attaining the key competences, more so getting institutions that offer the kind of training required for the geothermists are rare. This therefore necessitates sourcing from outside Kenya institutions that offer the unique skill and competence in geothermal technology in resource exploration and drilling. GDC has been able through the Company's Training Committee to structure training after extensive research by and by visiting institutions that offer the requisite skill. This paper therefore will primarily focus on capacity building, the modalities to groom employees to bring their best and to share our GDC experience of an effective and appropriate capacity building. A fundamental goal of capacity building is to enhance the ability to evaluate and address the crucial questions related to policy choices and modes of implementation among development options, based on an understanding of environment potentials and limits and of needs perceived by the company.

## INTRODUCTION

Because of the dynamic nature of management, the skills associated with it often become outdated with the passage of time. Because most aspects of management can only be learned through practical exposure rather than academic discourse, it is necessary for organizations to have in place systems that continually updates managers at all levels on the emerging and developing management trends.

Capacity building is a response to this need for a continuous professional development within an organization's management. It essentially involves systematic development of management competencies and devising best methods for the development of skills at all managerial levels to meet the organization's requirements and future needs. This, of course, takes place after a careful analysis of present and future management requirements and an assessment of existing and potential management skills within the organization.

For capacity building to be effective, it should be designed and mainstreamed to meet the overall corporate goals. To achieve this, capacity building programmes should derive their specific and measurable objectives from the broad corporate goals. This is done by breaking down these broad goals into unit or departmental objectives and then further into individual objectives.

## RATIONALE FOR CAPACITY BUILDING

It is the human resources of an organization that manages all the other resources – time, material, financial and so on - towards achieving corporate objectives. This reason alone, if not any other, makes it have the biggest impact on the success of any organization. It is therefore imperative that high quality management development is vital for the success of an organization.

Ideally, appropriate management development strategies provide a vehicle for imparting new values attitudes, skills and knowledge. This is key to the successful management of all of a company's resources towards achieving its short and long term objectives. Capacity building that changes peoples' thinking and understanding should precede, or be part of, training programmes. If managerial training is limited to specific tasks, procedures and current assignments, it does not qualify to be called management development as it does not meet long term needs for career development, succession planning and organizational survival, growth and profitability.



The pressure of increasing liberalization and globalization of most economies, coupled with rapid changes in technology, necessitate a well structured management development policy.

## **BACKGROUND TO GDC**

Geothermal Development Company is a limited liability company whose mandate is to develop Geothermal Resources with core functions that include exploration, drilling, assessing and developing geothermal resources for power generation and other direct uses. Prior to October 2009, the only power generating companies in Kenya were KenGen (a State Parastatal) and independent power producers. In line with the challenges of a new company and in anticipation of further liberalization, the company defined its vision as “To be the world leader in the development of Geothermal Resources” and its mission as “To develop 3000 MW from Geothermal Resources by 2020”.

As a result, the management of GDC embarked on a programme of building a new, vibrant image of an efficient and highly responsive organization. This is based on the premise that the success and public image of the company will depend largely on the quality of service delivered to both internal and external customers. One of the primary mechanisms identified as key to the branding process was capacity building of employees both of the managerial and non-managerial cadres.

## **CAPACITY BUILDING AT GDC**

As mentioned earlier, GDC’s mission is “To develop 3000 MW from Geothermal Resources by 2020”. A capacity development policy has been developed and documented based on the philosophy that people are the most valuable asset and the attainment of corporate objectives depends on how efficiently and effectively the staff carry out their responsibilities (GDC Training Policy April, 2010).

The policy document states that the success of the Company essentially depends on the quality of its people. GDC shall develop the skills of all its employees to create high level of motivation and performance, to allow them to reach their full potential. This policy aims at having a well trained, highly skilled, knowledgeable and competent staff.

It is the policy of the company to promote the development of skills, knowledge and attitudes of its human resources in the most equitable and efficient manner by:

1. efficiently allocating the necessary human, material and financial resources;
2. systematically planning its training based on short and long term needs of the; company for the improvement of its services to customers and the fulfillment of its skill requirements;
3. evaluating programmes regularly to determine the extent to which training and development activities are contributing to the achievement of company objectives;
4. making training an integral part of the human resource management process

The policy document further states that GDC’s training mission is “to enable the company achieve its objectives through staff capacity development by enhancing requisite knowledge, skills and attitudes”. Its specific objectives are to:

- develop staff capacity for efficient and effective performance of their jobs;
- prepare staff for career development and succession;
- inculcate the desired corporate work culture;
- induct all new staff to company operations;
- help staff adapt to change

## **CHALLENGES FACED IN THE DRIVE FOR CAPACITY ENRICHMENT**

The challenge for a new organization like, Geothermal Development Company, is to attain a leverage in the Energy sector by having a skilful and competent workforce who have the requisite skills to help the organization attain competitive advantage.

It has therefore been critical, right from inception, for GDC to define a skill inventory by carrying out a detailed assessment of the skills that exist and projecting the required skills in five years so as to have a basis for capacity building. Indigenous qualified and technically competent employees, with a bias in geothermal generation and reservoir engineering, are a scarce resource in Kenya.

Growing staff shortage in core corporate areas has necessitated that we develop a comprehensive training program geared towards attaining the key competences, more so when we take into account the fact that local or regional institutions that offer the kind of training required for the engineering cadre is rare. This therefore

necessitates sourcing from institutions outside Kenya that offer the unique skill and competence in geothermal generation and drilling.

With the assistance of the Chief Executive Officer we have been able, through the Training Committee, to structure our training programmes after researching extensively by visiting institutions that offer the requisite skills.

Benefits of systematic management development include the provision of the skilled managerial manpower for the organization's long term needs, improved skills, knowledge and attitudes, improved individual, unit and corporate performance and greater commitment of staff as a result of improved motivation and better employee relations.

Measuring behaviour change is a challenge. The New Zealand Association of Training and Development (NZATD, 1998) has identified six steps that must be in place to ensure behavioural change. These are:

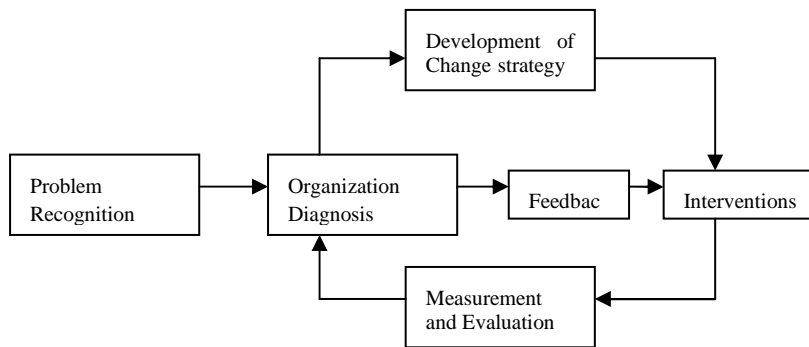
1. recognition by participants of the need to change behaviour;
2. understanding by participants what exactly is the required behaviour;
3. self assessment of the participant's skill level – compared to that of a high achiever;
4. practice the skill and gain feedback;
5. job application and goal setting to transfer the skill back to the job;
6. follow up and support to monitor the learning

According to Kinlaw (1950), capacity building helps employee's to fulfill their roles and perform their functions in ways that are consistent with the company's goals and is crucial for organizational success. He further argues that training and development is linked to empowering people with the following key competencies to help them meet those organizational goals.

1. Business competencies such as skills for:-
  - thinking, planning and acting strategically;
  - understanding economics of the company, that is profit, debt, share value and others;
  - managing financial resources;
  - developing business skills;
  - changing environments and markets
2. Performance improvement competencies such as skills for:
  - technical mastery of job tasks;
  - designing improvement projects;
  - tracking and measuring personal performance;
  - tracking and measuring supplier performance;
  - tracking and measuring customer satisfaction
3. Personal Competencies such as skills for:
  - thinking analytically and using a variety of rational problem solving methods;
  - facilitating the empowerment of self and others;
  - managing continuous learning for self;
  - being a superior team leader;
  - being a superior team player and member;
  - managing interpersonal conversations and interactions for positive results;
  - coaching others;
  - influencing others

### **LINKING CAPACITY BUILDING TO ORGANIZATIONAL VISIONS, MISSIONS AND OBJECTIVES**

According to Burners (1996), capacity building as a mechanism for change is unlikely to succeed on its own. This is because it concentrates on the individual and does not go up to the organizational level. Burke (1980) complements this by arguing that, although capacity building may lead to individual changes, there is scant evidence that attempting to change the individual will in turn change the organization. For capacity building to be effective it must, therefore, be linked to the corporate vision and mission.



*Figure 1: Organizational Diagnosis*

### **CAPACITY DEVELOPMENT: A CASE FOR GDC**

GDC has redefined its needs in terms of the skills required, skills that need to be developed and those that need to be nurtured in order to achieve our corporate mandate. Redefining organization structure so as to have lean and effective optimal staff establishment that can function effectively and position GDC as a global leader in capacity enrichment is the highlight of our training policy.

