

# CHALLENGES IN PROVISION OF ADMINISTRATIVE SERVICES IN AN ACCELERATED GEOTHERMAL DEVELOPMENT PROCESS

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## ABSTRACT

Geothermal Development Company (GDC) is a state owned corporation in the Ministry of Energy and was incorporated in the year 2008 with a mandate to fast track geothermal resource development in the country. The estimated potential in the Kenya rift is over 7,000-10,000 MWe and the Company is expected to realize development of up to 5,000 MWe in the next 20 years. The Company has been in operation since September 2009 and currently has a staff of 403 and the capacity is set to increase as operations increase. GDC has four operational offices in Nakuru, Naivasha and two in Nairobi. The Company is currently involved in drilling at Olkaria Domes, infrastructure development in Menengai and surface exploration work in Silali, Korosi, Paka and Homa Hills have been completed. The rapid employee expansion and increased geothermal development activities means increased responsibilities which the Administration Department is charged with. Administration has faced challenges like lack of adequate facilities, lack of sufficient vehicles for transport and parking spaces, lengthy procurement process, limited funds, poor supervision and coordination of staff, lack of communication, diversity of staff and overlapping of duties. Administration department has taken a remedial step to ensure that the functions run smoothly through established of administration management systems. Administration department has come up with rules to guide her operation. This paper therefore discusses the challenges faced by administration in providing the required services to facilitate efficiency and effectiveness in geothermal development operations and capacity expansion within the Company in order to realize its goal of 5,000 MWe geothermal by 2030.

**Keywords:** Administration, function, Service

## INTRODUCTION

### *Administration*

Organizations are increasingly seeking proper administration to effectively and efficiently manage performance in the operations. GDC, in her efforts to fulfill its mandate of delivering 5000 MWe to Kenyans in the next 20 years and play vigorous role of realization of the vision 2030, has engaged effective administrative machinery in its operations (Steam publication January-March 2010 pg.3).

The Administration Department is concerned with providing support services in organizations. It is regarded as a top level function of policy making, but this is too narrow a definition for administrative management that includes the office side of business. Therefore administration is the act of management in companies that undertakes responsibilities for office work on a day to day basis. Bovee, C.L., *Business Communication Today*, 7<sup>th</sup> ed. (2003).

### *The Role of Administration*

There are a number of descriptions of the administrative function but quite often it is the oil that keeps a business rolling efficiently. Without a workable administrative system organization's operations can come to halt (<http://EzineArticles.com>).

In GDC administration is mandated to undertake the following functions:-

- i) Ensuring conducive and secure working environment
- ii) Facilitating effective communication both internally and externally
- iii) Ensuring effective and efficient transportation services for its employees
- iv) Maintenance of office furniture, equipment and fittings
- v) Provision of hospitality service to staff
- vi) Utility management for the Company

## CHALLENGES FACING ADMINISTRATION

### *Provision of adequate facilities and appropriate physical condition*

An organization strives to ensure smooth running of all its functions to achieve its goals and objectives. Administration department provide adequate facilities and appropriate physical conditions for productivity. In GDC, administration department ensures a conducive working environment through identification and acquisition of relevant office services, office furniture, equipment and fittings, office settings, decoration, heating, ventilation, lighting, noise control and provision of safety measures. Bovee, C.L.: Business Communication Today, 7<sup>th</sup>ed. (2003).

An organization strives to ensure smooth running of all its functions to achieve its goals and objectives. According to Saun David in the article:

*“Office furniture is one of the most important Business Decision” When a company begins working on a plan, one of the furthest things from their mind is what kind of office furniture the company needs. They are focusing on business plans, strategies, and ways to market to their potential customers. By ignoring their office furniture, many companies are losing out on much more productive work that could be earned by their employees.*

*Employees will sit in chairs and at desks for 8 hours a day. Imagine sitting on an uncomfortable chair for 40 hours out of your week? Employees already would rather be somewhere else instead of being productive for the employer. Many people develop serious conditions relating to their back and spine because of un-proper sitting techniques and chairs that just aren't good enough (<http://Ezine-articles.com>)*

GDC has mandated administration to ensure employee's needs on office furniture, equipment and fittings and general office environment are taken care of. Administration liaise with its customers/or other departments and compiles needs base requests and prioritizes them. Administration also identifies appropriate furniture based on need analysis for the entire company. This forms the basis of raising a Purchase requisition to supply chain department.

Administration department is faced with a challenge on provision of adequate facilities through slow procurement process that recommends purchase from the lowest bidder who does not necessarily provide the best quality products.

### *Rapid Growth in staff and Company Operations*

The operations of GDC have expanded very fast and spread rapidly. This has put pressure on the department in provision of office space, furniture, hospitality service, transport and communication, security and clean environment. So far some areas have no established offices for the administration to effectively discharge duties and provide fully for all staff needs. There is an increase on demands on property management due to increase in number of acquired facilities.

### *Inadequate Transport and Parking Space*

Transport is an essential requirement in any organization (<http://Ezine-articles.com>). Administration manages the company vehicles including allocation, scheduling, fuelling, and maintenance and taking care of drivers' welfare. It coordinates all transport logistics within the company and its areas of operation especially the drilling sites at Olkaria and Menengai. Vehicles are used to ferry employees to different field activities and sites for research and exploration, meeting stakeholders and projects monitoring. All these require proper planning to ensure that operations are carried out as per demand by various users making it possible to realize the company's mandate.

Administration faced the challenge of provision of sufficient transport service for staff as the company could not purchase sufficient vehicles at inception. The company also faced challenge of lack of sufficient parking space since acquisition of office space was done hurriedly and lacked future considerations.

### *Securing for Hospitality Services*

Hospitality services are managed by Admin (<http://Ezine-articles.com>). These include: - clean drinking water, tea, and meals. Water is a basic necessity for human kind. Administration ensures unlimited supply of clean drinking water for all staff. GDC's Headquarter office is located far off the central business area making it necessary to engage services of hotelier to cater for day meal for its staff. To reduce on time wastage looking for hotelier services this is a relief to the company to capitalize on the manpower fully without time wastages hence a step towards the 5000 MWe by 2030.

However it is faced with the challenge of procuring for these services through competitive bidding as is the requirement. Since some of the services were acquired through mutual agreement it becomes a challenge for finance to make payment and as a result delayed payments occurred.

#### ***Maintenance of equipment, furniture and fittings***

It is the responsibility of Administration department to manage buildings and maintenance of equipment, furniture and fittings. It also ensures that buildings meet government regulations on health and safety standards. It therefore maintains GDC asset inventory and keeps a record on when the company's equipment are due for servicing. It ensures servicing is done without delay to avoid breakdown of essential services that could lead to delay or failure in operations. In discharging the above duties it faces challenges while identifying the service providers. It is a requirement to use pre-qualified suppliers for the service while most never qualified or apply for qualification process for their firms.

#### ***Management of Utilities***

Administration also monitors the utilities to avoid misuse and ensures payment in time to avoid unwarranted disconnections. It manages the proper usage and payment of electricity, telephone, water, sewerage, sanitation, rents and rates. This ensures smooth flow of work without disruptions due to discontinuation of supplies e.g. power, water and electricity. Administration personnel initiate the payment of their settlement through finance department. The process of payment may sometime time rendering administration to seek for ways of explaining the delay to suppliers hence a challenge.

### **POOR SUPERVISION & COORDINATION OF STAFF**

Due to vast distances involved between field offices and the headquarters it is difficult to coordinate provision of services and monitor staff output on a daily basis as well as oversee productivity of staff under their supervision. Appleby, R.C.: Modern Business Administration, 6<sup>th</sup> edition (1994).

### **HIGH DEMAND FOR STAFF TRAINING**

Induction and On-job training are quite necessary especially for first time employees for this equips them with commensurate skills to ensure effective and efficient execution of assignments.. However, during training the department is denied of the adequate human resource thus slowing down the implementation of plans including service delivery to other departments.

### **COMMUNICATION**

Communication is conveying of information and/or data from one person (sender) to another (receiver). Communication is an essential tool in organizations in that it facilitates flow of information as work necessitates for effective and efficient performance (*John Harrison (1999) 4<sup>th</sup> Edition office procedures pg.129*).

GDC being an expanding company with regional offices in various parts of the country requires proper choice of channels for communication, equipment and coordination to effectively communicate to its customers.

Communication equipment like telephone took time before installation at the initial stages of operation rendering administration department with a challenge of communication.

### **SLOW PROCUREMENT PROCESS**

It is a government requirement that any purchase goes through a procurement process. The regulation requires that quotations are sought for certain threshold and others are advertised for open tendering. These processes are time consuming and limiting. It takes a lot of time for procurement of any sizeable service is completed thus hampering timely provision of services and especially during emergencies. This is a great a challenge to the administration department which wishes to provide goods or services immediately they are requested for.

### **DIVERSITY OF STAFF**

The department has also faced a challenge in that most of the management staff was former employees of Private and government Parastatal. They have diverse office culture backgrounds, and their orientations are quite different. In administering to their needs, administration department is faced with challenges to satisfy their demands.

## OVERLAPPING OF DUTIES

Owing to lack of defined policy and having staff from diverse work backgrounds, there tends to be overlap in duties with some departments assuming the duties of others e.g. ICT & QA taking up duties of Administration after installation of telephone system they assumed the role of administering in allocation of entitlement and budget which is an Administration function.

## CONCLUSION

GDC being a state corporation all its operations are governed by government rules, regulations and procedures. An example is the adherence to the PPOA in acquisition of all the needs ranging from property, equipment and services. The procedure involved is too slow bearing in mind that the company is new and procurement of equipment need to be quick to fast-track the mandate of 5000 MWe by 2030. However, we have slowly but timely managed to overcome the challenges through projection of our future needs based on the strategic plan and capitalizing on shared ideas, views and opinions (open door policy) to come up with uniform policies, processes and needs. The challenges facing administration of services in an accelerated geothermal development process are unique and uncommon to new organizations. Our company is faced with the following challenges due to the ever changing need to continually review on policies, procedures and processes:-

1. Lack of proper operating systems, rules, procedures and practices.
2. Provision of essential services to fast growing staff and company operations.
3. Lack of proper supervision and coordination of staff
4. High rate of staff training needs
5. Slow procurement process
6. Overlapping duties

Diversity of staff in an organization call for timely & effective support in the direction of operating for their business to function efficiently. It's therefore prudent to embrace a high level of policy formulation to accommodate administrative support project like outsourcing of some administrative activities which as a result has led to cost-effective without compromising on a quality. Formulation of a middle ground for all is essential to the benefit of the company.

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## EMPOWERING COMMUNITIES LIVING WITHIN GEOTHERMAL AREAS IN THE KENYAN RIFT

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Empowering of local communities now has to be detached from the dependency syndrome in order to ensure sustainability and self reliance for the development of the communities. This paper describes how GDC is working towards empowerment of the communities living along the Kenyan geothermal prospects areas. The processes is geared towards ensuring sustainability, equitability, profitability, acceptability and durability. This all round empowerment can only be achieved through community involvement on one hands, use of the government departments/administration and local community leaders on the other hand. This model of community empowerment is based on knowledge and community education to ensure that the community members know their resources well and their weakness in terms of productivity and to ensure that they are fully involved before company financing to make sure that they are attached to the projects that are undertaken in order to guarantee their sustainability. Empowering the local communities requires specialized staff in order to ensure that the geothermal representative built close tie with the local community members to ensure that during empowerment and resource distribution there are laid out structures for conflict resolution to reduce cases of conflict arising from scarcity of Community participation in community development is the starting point in order to achieve tangible community empowerment, it is also crucial for companies harnessing for geo thermal resources to have a method of performance monitoring and evaluation in order to gauge how effective the company efforts are to the communities and to assess the impacts of the use of resources through developing performance indicators and use of local leaders to ensure that the empowerment program has achieved its optimum desired effect at the end of the day .

