

**COMMUNICATION AND COMMUNITY STAKEHOLDER
RELATIONSHIPS IN A COMPANY: A CASE STUDY OF GEOTHERMAL
DEVELOPMENT COMPANY**

**BY
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DECLARATION

This project is my original work and has not been presented for any award of Degree in any other University or institution for any other purpose.

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DEDICATION

I dedicate this research project to Sheghu Pauline Memagenda family for their endless unconditional love, constant support and encouragement that makes me who I am today. I love you all dearly.

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Above all, I thank God the Almighty for providing me this opportunity to proceed with this work to its successful completion. His favour is what sustained me thus far. However much help I have had, the errors, omissions and distortions that may be in this project are entirely mine.

ABSTRACT

The main objective of the study was to investigate communication and community stakeholder relationships in Geothermal Development Company. While a communication and community stakeholder relationship is essential for realization of company goals and projects, little is known on how community stakeholder engagement is detrimental to the organization. The study was guided by the following specific objectives; to assess the need for communication and community stakeholder engagement in Geothermal Development Company; to determine the impact of communication and community stakeholder relationships in Geothermal Development Company; to examine the challenges in communication and community stakeholder relationships in Geothermal Development Company and to determine the communication strategies used to build the community stakeholder relationships in Geothermal Development Company. The study adopted a descriptive research design. This study targeted population of Geothermal Development Company with approx. 1081 employees. Purposive sampling was used to select only participants that are conversant with practices in corporate communication and stakeholder relationships in Geothermal Development Company. A total of (27) employee of community relations and corporate communication and marketing department was therefore incorporated as the sample size. Data was gathered using structured questionnaires. The findings of the study indicated that communication and community stakeholder engagement was an imperative for the smooth operations experienced at GDC as this fostered a peaceful coexistence between the company and the local communities. Secondly, the findings indicated that the impact of communication and community stakeholder engagement had a positive effect on the company's operations. Thirdly, the company had encountered challenges in their communication and community stakeholder engagement including the lack of consultation with the community stakeholders which often led to differences between the company and the community members. The study recommends the need to ensure full engagement with the local inhabitants as they are the ones who will be affected with their operations. To ensure fully engagement with the local residents recommends the need to engage the communities by ensuring that their interests and expectations including immediate employment of its members are met. It also recommended that the company should undertake to carry out socially responsible projects such as community water projects, and community health projects.

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ABBREVIATIONS AND ACRONYMS

BGS	-	British Geological Survey
EMCA	-	Management and Coordination Act
GDC	-	Geothermal Development Company
GoK	-	Government of Kenya
IPPs	-	Independent Power Producers
JICA	-	Japan International Cooperation Agency
KenGen	-	Kenya Electricity Generating Company
MDGs	-	Millennium Development Goals
MoEP	-	Ministry of Energy and Petroleum
SPSS	-	Statistical Packaged for Social Sciences
UK	-	United Kingdom
UNDP	-	United Nations Development Program
USA	-	United States of America

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter provides background to the study, statement of the problem, objectives of the study, research questions, hypothesis, importance of the study, scope of the study and the definition of key terms.

1.1 Background of the Study

Organizations are increasingly being held accountable for their social and environmental impacts. Community stakeholder engagement is an important way for companies to meet those expectations. Businesses traditionally focused on a limited set of stakeholders: shareholders, employees and regulators. Now, there is recognition that communities also affect and are affected by company operations. Engagement can benefit communities while building legitimacy and learning for companies (Filippone, 2012).

Multiple approaches to community engagement and communication exist (Bourne, 2009). First approach is through community investment. A company provides information resource to the community through transactions such as information sessions, charitable donations and employee volunteering. The firm is giving back to the community. Communication and learning is a one-way transfer from the firm to the community, and the firm controls the engagement process.

Second approach is through community involvement. The company engages in two – way communication and consultation with the community; it is building bridges to stakeholders. The company uses community input to shape its actions. However, the firm still controls the engagement process. The third approach is community integration. The company and the community engage in joint learning and joint management of projects. Communities may even lead a project. Community integration can lead to novel, transformational, outcomes – even changing society.

The firm and the community share control over the engagement process. A firm only has the capacity to undertake a few of these partnerships (Agle *et al*, 2007).

Barney (2011) explains that good relations with the community stakeholder can benefit firms in many ways. They can improve firms' decision making – the firm better understands the community's viewpoints and concerns (Danny, 2014). Projects can be designed to take community concerns into account; communities also often have valuable local knowledge, which can lead to better, even innovative, projects (Chandler and McEvoy, 2010). When community stakeholders' feel that they are heard, conflict and controversy is reduced and a firm's credibility is enhanced (Nussbaum, 2010). Again, good community relations can make it easier to attract workers, as employees want to work for a firm that is respected within the local community. Good community relations also reduce lawsuits and other obstacles, avoiding costly project delays (Filippone, 2012).

A case example is the Manila Water Company in Philippines. The municipal water system in Manila, the Philippines, faced many problems. The piped water reached only 60 percent of households and 2/3 of the water in the system was lost due to leaks and unauthorized connections. Manila Water Company began a "Walk the Line" program in which company staff visited with customers. It also worked with community groups to develop a new metering system focused on communities rather than individuals. In part because of this community stakeholder involvement, Manila Water's customer base tripled, losses to unauthorized connections plummeted and customer satisfaction with service grew from three percent to 96 percent over five years. (International Finance Corporation, 2009).

Bourne (2009) postulates that depending on the stakeholder and the project, a firm may have multiple types of relationships at the same time; it may even use multiple strategies in interacting with the same stakeholder. Often, a community investment strategy is a prerequisite for an involvement or integration strategy. It's important to choose an approach that fits with both business objectives and the community's issues.

In South Africa, the Greenstone Geothermal used types of community stakeholders' analysis and identified those connected to the company. The company started with the groups or organizations that have already expressed concerns about their operations. The company engaged neighbours that submitted complaints about noise or environmental disturbance and also allowed groups to publicize their expectations in newspapers or on company websites. The company also tried to identify less visible community stakeholders such as low-income or less-educated segments of the local community that are often less inclined to advocate publicly for their needs. The company then responsibly considered their interests and engaged them actively in the company projects. The end result has seen a company with good community relationships that propel its community based geothermal projects (Khatri, 2009).

In Kenya, most organizations know communicating and building relationship with the community is not a one off affair. "You may reach closure on a specific initiative, but community engagement in some form will continue. For successful engagement, it's necessary to have continual improvement – and to share lessons learned, within and outside the company" (Migai, 2014). Consequently, Kenya based organizations have been steadily actively involved in community drives, runs and involvement to nurture good relationship precursor for good reputation and development.

At Geothermal Development Company, the organization recognizes that stakeholder relationship management and communication is critical to the successful completion of its capital projects. "Connecting with the right people and satisfying stakeholder demands throughout the planning and execution phases can significantly affect the perception of our projects utility. This is true for the direct users and employees of the project, for the community in which our project is located and for the project financier" (Geothermal Development Company, 2014).

Stakeholders' relationship management and communication can be complex and time consuming, but is what the company use to reach out to its community partners. Depending on the specific issues impacting on project (i.e. regulatory scrutiny, environmental concerns, local contracting opportunities) the successful management of stakeholder interest in Geothermal Development Company ensures that company

stakeholders; have a voice; participate in project management process and contribute to the overall success of the project (Geothermal Development Company, 2014).

1.1.1 Communication and Community Stakeholder Relations

Stakeholder engagement, or the interactions and consequent relationships between an organization and its stakeholders, is therefore critical to any firm's survival and success (Noland & Phillips, 2010). Although stakeholder engagement is usually understood as "practices the organization undertakes to involve stakeholders in a positive manner in organizational activities" (Greenwood, 2007), stakeholder engagement in itself is neither necessarily positive nor negative. It may be used for both good and bad purposes and the consequences of engagement are not always easily quantifiable or tangible (Noland & Phillips, 2010).

Stakeholder engagement, however, consistently brings about benefits to both the organization and stakeholders such as learning through dialogue, building trusting relationships (Burchell & Cook, 2008), navigating local norms of appropriate conduct, identifying new opportunities, strengthening marketing initiatives, building reputation, and conveying respect and consideration (Corus & Ozanne, 2012). In the process of stakeholder engagement, dialogue and discussion are differentiated. As compared with discussion, dialogue is more open, involving the "breaking down entrenched positions.

Despite the need for stakeholder engagement, major challenges are experienced which includes scepticism and lack of representativeness and influence among stakeholders in the dialogue (Burchell & Cook, 2008; O'Dwyer, 2005). In particular, scepticism arises because stakeholder engagement is sometimes used to merely offset negative publicity (such as a media campaign), endorse products or legitimize companies' corporate social responsibility practices (Burchell & Cook, 2008). Lack of representativeness and influence in stakeholder engagement introduces another major problem. Corus and Ozanne (2012) pointed out that citizen consent sometimes does not have value because many subsistence markets consist of mainly powerful social networks including cultural elite, business groups, and government, and exclude poor communities.

To engage stakeholders of diverse backgrounds, it is necessary to employ various communication channels. The use and effectiveness of different channels vary by purpose and the nature of communication (Hallahan, 2010). Interpersonal communication involves certain degree of personal touch (e.g., face-to-face, telephone, megaphone, etc.) and can be more effective when in-depth information, interaction, and negotiation is needed. On the other hand, mediated communication (e.g., pamphlets, brochures, TV, radio, internet, etc.) is more effective when a large number of audiences need to be reached within a short amount of time.

1.1.2 History of Geothermal Development in Kenya

Prospecting for geothermal resources in Kenya began in the Mid 1950s with exploration data favouring the Olkaria area. This led to the drilling of two exploration wells, X-1 and X-2, which were not promising. In 1960, prospecting stopped and only started again in 1970 with funding from the United Nations Development Program (UNDP). Then well X-2 was tested. This marked the re-start of exploration drilling in 1973. A breakthrough occurred in 1975 with well OW-2 producing 3 MWe. More wells were drilled between 1975 and 1981 with surface exploration being sponsored by UNDP, British Geological Survey (BGS), Japan International Cooperation Agency (JICA), Ministry of Energy (MoE) and KenGen (Omenda, 2010).

Currently, Kenya's installed capacity from geothermal power is about 209 MWe, with KenGen and Independent Power Producers (IPPs) generating 159 and 50 MWe, respectively (Mwangi, 2011). The development of geothermal resources has taken a new turn in Kenya with the Government's Vision 2030, which envisions the country as a mid-income economy in the next 20 years. This has seen the formation of, amongst other institutions, the Geothermal Development Company (GDC), which is a special purpose Kenyan government corporation that has concessions to develop some 14 geothermal fields in the country.

GDC is mandated to promote rapid development of geothermal resources in Kenya through surface exploration, drilling for steam and delivering it to power plant developers for electricity generation, manage geothermal reservoirs; and to promote alternative uses of geothermal resources (GDC, 2007). The Menengai Geothermal Project (henceforth, Menengai) is GDC's pilot project. The project which is currently

in the exploration drilling phase, has already seen the construction of a 32 km access road within the project area, drilling of 23 wells, 13 of which are discharging steam and a couple of other infrastructure activities.

1.1.3 Legal Framework for Geothermal Development in Kenya

The development of geothermal resources requires compliance with relevant local, national, and international regulations to ensure sustainability. In Kenya, several Acts of Parliament have worked together to ensure that the geothermal resource is developed and used in a sustainable manner. These include the Geothermal Resources Act of 1982 and its supplementary legislation of 1990 and the Environmental Management and Coordination Act (EMCA) of 1999 with its associated regulations which are directly concerned with geothermal development. As discussed by Mwangi (2011), other legislation may not be directly applicable to geothermal energy, but its implications affect geothermal development in one way or another.

In August 2010, Kenya promulgated a new constitution. In the constitution, all the Energy Acts, including the Geothermal Resource Assessment Act, have been consolidated into the Energy Bill 2012 and Energy Policy 2012. These new bills reflect the backbone of the new constitution which is vested in the devolution of power and natural resources. According to the bills, which are yet to be adopted as an Act by the Kenyan Parliament, the proposed net-benefit (profit)sharing from projects at county level is 80% for the investing company, 15% go to the county government, and 5% to the local community (Sena, 2012).

1.2 Statement of the Problem

Geothermal Development Company (GDC) was established under the Energy Act (Cap No. 12) of 2006 with clear business to accelerate geothermal development through exploration, appraisal and production drilling and steam field development and management in Kenya. Undertakings of these multiple objectives generate and require vast number of stakeholders that GDC must engage with, meet their interests and influence their perceptions. To deliver on its core mandate therefore, GDC must develop good working relationships with its community stakeholders and cultivate forms of communication which yields stronger tiers paramount for success.

Communication is the way an organization sets to convey messages and collect feedback from its business stakeholders while relationship is the link that hold two or more different parties in a subject or project together (Bourne, 2009). For any project to be successful, it is important for GDC to understand its community stakeholders. For example, are they actively supportive of the project? Are they unsure? Are they opposed to the project? Therefore to ensure that the concerns of the community GDC has to use various channels such as the print media, campaigns, public Barrazas among others. It is only through these avenues that the can obtain feedback from the community.

Community stakeholders are more likely to support activities they think will succeed; and are more likely to withdraw from activities they perceive are not succeeding (Chandler and McEvoy, 2010). Therefore, it is essential for GDC to communicate relevant information to community stakeholders to provide them with the perception that the activity is being well managed and act on their concerns by targeting communication that are aligned with community stakeholders' expectations and interests.

A number of studies link the relationships between communication and community stakeholders. Walumbao (2011) in Uganda and Sena (2012) in Kenya both coincidentally did a study titled role of communication in community stakeholder relationships, the former established that community is crucial for successful delivery of any organization activity and the only way out of it for a company to grow is to develop and employ communication strategies that work well with the community. The latter also established that for an organization to exist and retain healthy future operations, it must constantly engage with the community. Migai (2014) further adds to it by explaining that identification of community rights and interests in engagement with them lead to a higher level of commitment and support from them thus accelerating project success project rates.

Based on the foregoing, it is evident that GDC cannot exist nor operate without having to cultivate cordial working relationships with the community stakeholders. Further, little is also known of the relationships between GDC and its community stakeholders. This study therefore seeks to answer this research question; how does

the company communicate and relate with its community stakeholders? And what are the challenges of communicating company and community interests?

1.3 Objective of the Study

1.3.1 General Objective

The main objective of the study was to investigate communication and community stakeholder relationships in Geothermal Development Company.

1.3.2 Specific Objectives

The specific objectives of the study are;

1. To determine the impact of communication and community stakeholder relationships in Geothermal Development Company.
2. To examine the challenges in communication and community stakeholder relationships in Geothermal Development Company.
3. To determine the communication strategies used to build the community stakeholder relationships in Geothermal Development Company.

1.4 Research Questions

This study seeks to answer the following questions;

1. What is the impact of communication and community stakeholder relationships in Geothermal Development Company?
2. What are the challenges in communication and community stakeholder relationships in Geothermal Development Company?
3. What are the communication strategies used to build the community stakeholder relationships in Geothermal Development Company?

1.5 Rationale and Justification

This study can be of great benefit to different parties, the beneficiaries would be Geothermal Development Company as the findings of the study will guide the company approach on its engagement with the community when initiating geothermal projects. The study is also considered to be of benefit to other companies other than GDC, who are also directly or indirectly involve with the community. From this study they can design the best and efficient approaches towards community engagement hence build trust within the communities they also operate in.

The study is also considered to be of benefit to the Government of Kenya which is the chief financier and operator of multimillion projects that touches the livelihood of the community. Outcome of this study is therefore essential to guide its approach on how it engages with the community when carrying out the projects. To academics and scholars, this study can be of benefit as it serves as a basis with which to interrogate the benefits of communication and stakeholder relations.

1.6 Scope and Limitation

The study was limited to the investigation of communication and community stakeholder relationships in a company. The target case company was Geothermal Development Company. The study was undertaken for a period of three months from February 2015 to April 2015.

1.7 Definition of Key Terms

1.7.1 Engagement: Engagement at its simplest, engagement is communicating effectively with the people who affect, and are affected by, a company's activities (its stakeholders) (Chandler & McEvoy, 2010).

1.7.2 Communication: Communication is the way an organization has set to convey messages and collect feedback from its business stakeholders (Khatri, 2009).

1.7.3 Community: A community is a group of people living in a particular area or region. In resource industry terms, community is generally applied to the inhabitants of immediate and surrounding areas who are affected by a company's activities (Filippone, 2012).

1.7.4 Relationships: Relationship is the link that hold two or more different parties in a subject or project together (Steele, 2008).

1.7.5 Stakeholders: Stakeholders are defined as: Individuals or groups who will be impacted by, or can influence the success or failure of an organisation's activities (Bourne 2009).

1.7.6 Stakeholders' Relationships: The relationship that an organization builds and develops with its business partners (Khatri, 2009).

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.0 Introduction

This chapter critically discusses theoretical orientation which covers stakeholder theory and theory of development communication. The empirical review has also been covered which focus on the need for communication and community stakeholder engagement in a company; the impact of communication and community stakeholder relationships in a company; the challenges in communication and community stakeholder relationships in a company and communication strategies for building community stakeholder relationships in a company.

2.1 Theoretical Orientation

A theoretical framework is a collection of interrelated concepts, like a theory but not necessarily so well worked-out. A theoretical framework guides research; determine what things to measure, and what statistical relationships to look for. Theoretical framework is obviously critical in deductive, theory-testing sorts of studies. In those kinds of studies, the theoretical framework must be very specific and well-thought out.

2.1.1 Stakeholder Theory

Stakeholder theory looks at the relationships between an organization and others in its internal and external environment (Agle et al., 2007). It also looks at how these relationships affect how the organization conducts its activities (Filippone, 2012). Bourne (2009) explains that stakeholders can come from inside or outside of the organization. For instance, of stakeholders of a business include customers, employees, stockholders, suppliers, non-profit community organizations, government, and the local community among many others.

The core idea of stakeholder theory is that organizations that manage their stakeholder relationships effectively will survive longer and perform better than those organizations that do not (Freeman, 1994). Hill and Jones (2012) state that stakeholder theory can be used to buy in the community trust in a project. The same view is supported by Walumbao (2011) that established that stakeholder theory

provide principles in which community interests as a stakeholder are identified, analyzed and can be fulfilled.

Danny (2014) opines that depending on how the community interests are identified and analyzed, decisions can be made by a firm that help the community or at least prevent harm from coming to the community. These decisions may be to play by the rules of the game, adhere to legal contracts, or act on complaints or pressure brought to bear on the firm. Of more interest, trust is a fundamental aspect of the moral treatment of community within the organization-stakeholder relationship. Community trust the organization to return benefit or protections from harm commensurate with their contributions or stakes (Kilpatrick, 2005). Stakeholder theory is used in this study to help demonstrate the benefits Geothermal Development Company can accrue when the theory is well applied to manage local communities where its geothermal development projects are undertaken.

2.1.2 Theory of Development Communication

Development communication refers to the use of communication to facilitate social development (International Finance Corporation, 2007). Khatri (2009) explains that development communication is founded on an idea that put the modern media of social communication at the service of development. In perspective of Chandler and McEvoy (2010), development communication seeks to elicit a human, and ultimately a social response in the people whom it seeks to serve.

Development communication is an educational process (Sena, 2012). According to Steele (2008), it aims at developing social consciousness, personal responsibility towards one's fellowmen, one's community and country. In other words, it is a social conscience hence sensitizing the conscience. Buchholz (2013) implies development communication as respect for the human person, respect for his intelligence and his right to self-determination. Development communication help organization to engage the community as a stakeholder in educative and awareness issues and this helps to establish conducive working environment for assessing risks and opportunities and promotes information exchanges to bring about positive social change via sustainable development (Clarkson, 2005). Finlay (2006) point out that development communication techniques such as information dissemination and education,

behaviour change, social marketing, social mobilization, media advocacy, communication for social change and community participation has helped many organizations with community based projects to succeed even in the phase of hostility if the techniques are well used.

Furthermore, to achieve economic development with social justice – without which development won't make sense to the common people (Burton and Dunn, 2006) states that organization, needs to change a lot of attitudes. Organizations have to add a moral dimension to the way they operate their business and community based projects, for instance. And the community may need a new attitude to work with an organization since social justice also requires that the community do justice to organizations that undertake development projects in their local areas. The theory of development communication is therefore important to this study as it demonstrate how Geothermal Development Company can use the techniques to influence the members of local communities' perceptions and views in areas where the geothermal projects are undertaken.

2.2 Empirical Review

2.2.1 The need for communication and community stakeholder engagement in a company

Engaging with communities and contributing towards community development is not only the right thing for companies to do, it also makes good business sense (Torres, 2011). First and foremost, companies should and must secure broad community support and acceptance in order to protect their 'social licence to operate' (Gunnarsson, 2011). As stated in *Enduring Value: The Australian Minerals Industry Framework for Sustainable Development*: Unless a company earns that licence and maintains it on the basis of good communication and performance on the ground to win a community trust, there will undoubtedly be negative implications (Ashworth, 2010).

Communities may seek to block project developments; employees may choose to work for a company that is a better corporate citizen; and projects may be subject to ongoing legal challenge, even after regulatory permits have been obtained, potentially halting project development. Thus the need for communication and how a company engages and communicate with its internal stakeholders is as equally important as

external stakeholders such as the local community where geothermal development projects are undertaken (Clarkson, 2005).

Community as a stakeholder have several numbers of interests and expectations that it seeks to be fulfilled when geothermal development projects are initiated in their rural areas. Ayuso *et al* (2006) first observe that local community members are the owners of the land in which geothermal development projects are carried out in Kenya. They therefore have a stake on the proceeds and if this expectation is not met with organization well-coordinated communication structures, resistances and uprising is most imminent (El-Gohary, 2006).

Goldemberg and Oswaldo, (2010) postulate that community interests and expectations include immediate employment of its members in the erected geothermal projects, substantial levy or fee paid to the community, payment of the land acquired for project, sensitization of the need for project, collaborate approach to work among others. These community interests and expectations require an organization with well robust communication strategies in how it engages with its stakeholders. As Greenwood (2007) explains, all stakeholders are different in interests and expectations and should be therefore treated as such.

Mwangi (2011) explains that as development progresses, community issues will tend to change over the course of the project development. For instance, during exploration issues will be seeking permission for access to land; negotiating land use and other agreements; identifying and addressing cultural heritage issues; informing people of exploration activities and timetables; impacts of exploration; and potential for future development. In project development, issues of involving the community in baseline monitoring or environmental and socioeconomic and cultural aspects of a development, fulfilling obligations of land use and other agreements; and consulting and engaging the community on issues and concerns arise.

In the construction stage, understanding and addressing community concerns about the environmental and social effects of construction activities and dealing with community expectations about employment and economic opportunities emerge. In the operations stage, organization is expected to establish systems to ensure the

operation can respond to community concerns; ensure agreements are honoured, keep the community informed; and participating in consultative groups and forums. When the project nears closure; involving external stakeholders in decisions about post operation land use; ensuring the community understands the timetable for closure; and liaising with key agencies such as local government and housing authorities, to minimise disruption to services and mitigate adverse community impacts become important (Filippone, 2012).

It therefore follows that companies that are perceived as closed and unresponsive are less likely to have the trust and support of a community than those which share information openly, listen and respond to people's concerns, and show that they care about the community and are committed to its development (Kolk, 2006). By listening and engaging community, companies can also be better placed to identify emerging community issues at an early stage and deal with them proactively rather than reactively (Mwangi, 2011).

2.2.2 The impact of communication and community stakeholder relationships in a company

Communication and community stakeholder relationships help stakeholders involved understand the elements that are important for a good project outcome (Walumbao, 2011). Barney (2011) explain that geothermal development is complex, time and cost intensive, and involves a process that cannot be easily seen, like solar and wind development. While many people may understand extracting energy from the sun and wind, extracting heat and energy by drilling wells deep underground is less obvious. Thus effective company communication and community stakeholder tie enable both parties to read from the same page thus eliminating suspicions and project conflicts.

According to Mwangi (2011), the location of geothermal resources adds to the complexity of community concerns surrounding them. The best resources are often located in undeveloped rural areas within or near small communities. These resources are inherently associated with seismic regions and unique hot springs that often have extensive cultural significance. Company communication and community stakeholder engagement therefore adds value in sensitizing and educating community audience on the science behind geothermal development as well as the ways in which a plant can

be designed to minimize effects on the community and the environment (Bourne, 2009).

Danny (2014) states that community stakeholder engagement and communication is an important part of developing geothermal resources and is a necessary part of every project. Geothermal power ultimately serves the members of the communities around it and creating a project in collaboration with the community and regulators facilitate the permitting process. In Khatri (2009) view, the long-term benefits of community stakeholder engagement include building consensus and support around a project, allowing for a faster and less expensive permitting process, and creating a community and environmentally friendly project.

Agle *et al*, (2007) give possible benefits of effective community stakeholder engagement as cooperation on operations/activities and at times of policy development which allows for enhanced community confidence. Effective relationships also create more user-friendly community, reducing future costs and time saved later in managing crises in confidences that could have been avoided) and avoiding negative press by engaging positively and proactively (Migai, 2014). According to Mwangi (2011), community stakeholder engagement increases organisational effectiveness. This means more effective and efficient practice, higher quality policy input. It also simplifies conflict resolution through a build-up of trust, and a clearer articulation of what cannot be resolved. It is therefore important that an organization engaged in community based projects develops effective close collaborative tie with the community to actualize these benefits.

2.2.3 The challenges in communication and community stakeholder relationships in a company

Finlay (2006) underpin that every company stakeholder is unique and requires unique preferential treatment and communication strategies otherwise problems will be looming large for the organization they are dealing with. In dealing with the community stakeholder relationships, Danny (2014) explains that areas of communication challenges that has always emerged when an organization is dealing with the community has always revolved around social issues such as lack of consultation, physical and economic dislocation of settlements, lack of benefits,

encroachment of ancestral domain and privatization of the people's land among others.

It therefore follows that a company requires robust and specific communication strategies that addresses such community concerns. Nussbaum (2010) explains that the real communication challenge to the organization emerge when it is not able to develop measures that address the community concerns through its communication approaches and strategies. Bourne (2009) highlight these communication challenges company always face as inability to develop proper awareness and acceptance campaigns; opening up communication; translating commitments into action; third party multi-stakeholder monitoring approaches and advocacy for appropriate public policies.

Finlay (2006) further provide additional communication challenges company always face when dealing with community stakeholder as failure to develop reporting system for the community, lack of community engagement through Barrazas and public forums, not collaborating with the local administration in engaging the community, failure appoint project stewards to listen and address community concerns, not able to identify community reps to work with, not able to employ and incorporate the community members as part of the project team and lack of proper use of print or mass media platforms to address community concerns. Khatri (2009) explain that when an organization do not have strategic communication towards these community concerns, the relationship becomes complex, adverse and the project is likely to face resistance from the local community members.

In the context of our case company, GDC, the public awareness of geothermal energy has grown as recognition of the increasing potential it offers for secure and clean power generation through the world. Production of energy from geothermal resources is generally seen as a positive solution for Kenya's future energy demand (Migai, 2014). However, some concerns surrounding perceived risks are evident, such as concerns with radioactivity, cooling the earth, field development and other environmental impacts. In addition, geothermal developments may intersect with social issues, including heritage protection and native title rights (Chambers, 2014).

Based on the aforementioned, experience has shown that a top down approach to managing and delivering projects, such as major infrastructure or resource development projects, rarely result in stakeholder acceptance and, as a consequence, may face fierce resistance, both in the court of public opinion and in a court of law (Dunn, 2010). Stakeholders will expect that project proponents will elicit reactions from the community before construction commences and to amend details of the project in response to concerns raised.

Specifically, as Donaldson and Preston (2014) underpins it, improving public awareness and community consultation should allow projects to proceed smoothly; develop an understanding within the community of the potential contribution geothermal could make to their energy needs; and resolve and any social, environmental and safety concerns. As Chambers (2014) concludes, engagement with the community elicits specific communication problems and thus requires specific communication strategies to be properly dealt with.

2.2.4 Communication strategies for building community stakeholder relationships in a company

De Jesus (2012) explains that the real communication strategies a company can use to build its relationship with the community it works with lies on communication approaches and strategies. Filippone (2012) highlight some of these communication strategies to organizations as proper awareness and acceptance campaigns; opening up communication; translating commitments into action; developing third party multi-stakeholder monitoring approaches and using advocacy for appropriate public policies buy in.

Dunn (2010) explain that some of the communication strategies a company can use to build its relationship with the community are based on developing reporting system for the community, setting a communication channel through which community and the company exchange information, engaging the community engagement through barazas and public forums, collaboration with the local administration for community buy in, appointing project stewards that listen and address community grievances and identify community representative that company work with. In the author's perspective, when a company is able to properly constitute and establish systems for

these communication strategies, information flow and exchange is improved resulting in partnership approach in the relationship.

De Jesus (2012) also notes that a key strategy to manage social conflicts is to master communication. Communication help the company get more information to reduce uncertainties. When a company decide to open up itself, gather new information from all sectors, this validates perceptions and overcome prejudices. With time, with greater understanding, both the company and the community approach each other with less suspicion and with trust.

Chambers (2014) offer the following as the bases of the successful communication by the company. Firstly, the process requires full understanding of what “public voice” mean. The public voice is attained by protecting the process through proper representation by sectors. Correct representation is very important, as people tend to feel that legitimacy and authenticity is related to power and resources. On the other hand, the company must recognize that the participation of stakeholders is their right. Secondly, the company must understand the importance of being a good facilitator of the communication process. As investigated by Dunn (2010), good facilitators are “content neutral” or those that do not take positions. They do not transfer their knowledge on the issue but instead mobilize existing knowledge of the participants. They also collect facts rather than emotions. The company should be in the right track when it intentionally trained its communication officers to acquire the traits of successful negotiators as early as possible and when it allows them to undertake continuing education.

Lastly, the company should also learn the role of management in meaningful communication. The company must show institutional willingness to dialogue. According to Cornwall and Gaventa (2001), communication must be championed by high level advocates within the organization. The participation of management people in dialogues signifies candor and accountability to the stakeholders.

2.3 Conceptual Framework

A conceptual framework is a chart that explains the main things to be studied in conception. It provides the idea on establishing the relationship between the

dependent and independent variables. It provides the primary model that provides the basis on deciding on the research question and objectives, and methodology to be followed in order to solve the phenomenon under investigation Kothari (2004). The conceptual framework shown below provides the parameter that will be used to determine the relationships between the dependent and independent variable.

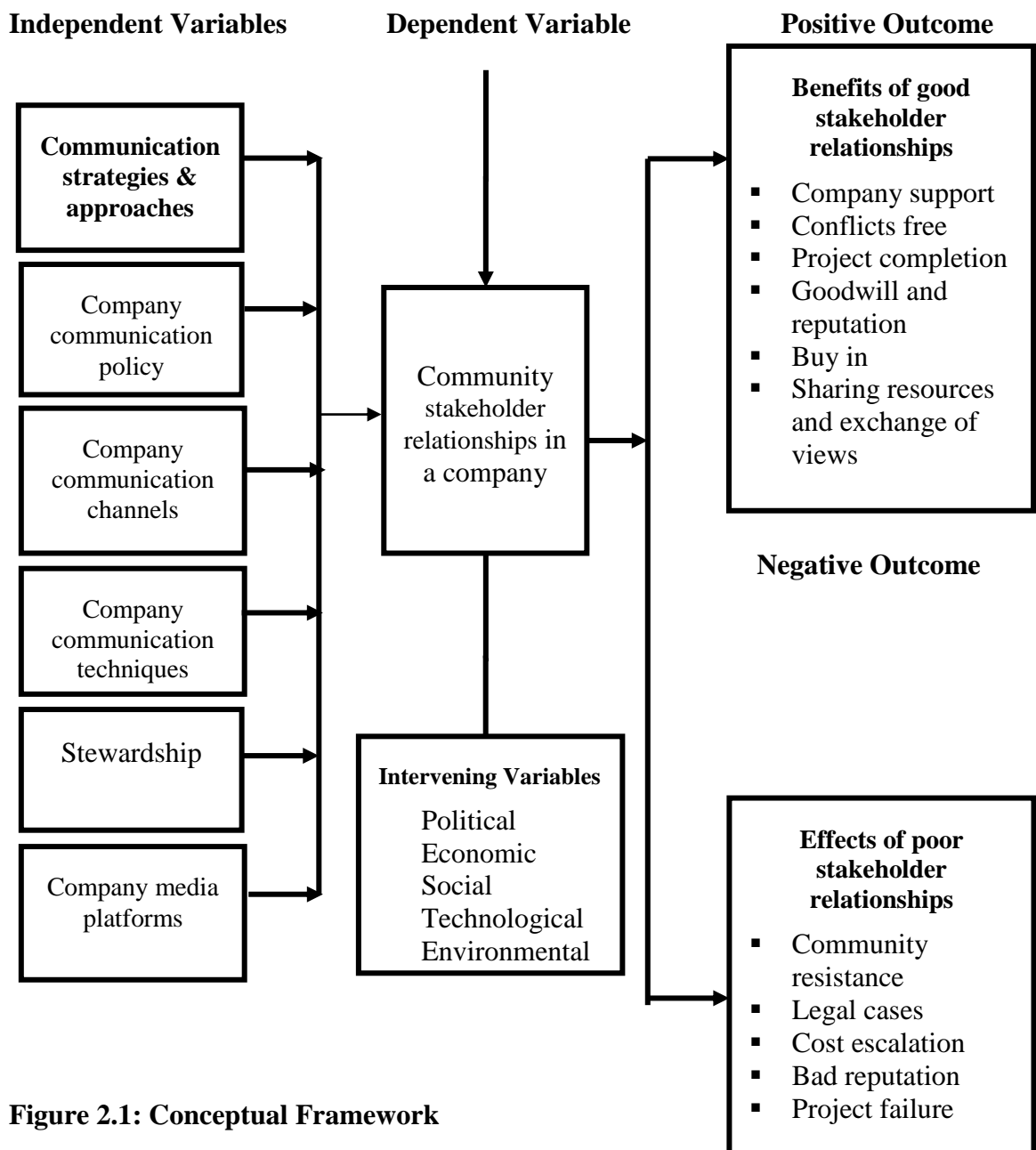


Figure 2.1: Conceptual Framework

Source: Author (2015)

The community stakeholder relationships in a company depends on the effectiveness of communication strategies and approaches the company uses e.g. company

communication policy, company communication channels, company communication techniques, stewardship and company media platforms. Good community stakeholder relationships attract support for the company, conflict free working environment, successful project completion, enhanced company goodwill and reputation, buy in of company ideas and policies and sharing of resources and exchange of views. Poor community stakeholder relationships however bring community resistance, legal cases, cost escalation and bad reputation to the company. The undertaking and building of company and community stakeholders is pegged on stability of the intervening factors such as political, economic, social, technological and environmental issues.

2.4 Research Gaps

While issues of legitimacy regarding communication and community stakeholder relationships have been highly dealt with by past studies (Gunnarsson, 2011; Ayuso *et al.*, 2006; El-Gohary, 2006; Goldemberg & Oswaldo, 2010; Mwangi, 2011; Agle *et al.*, 2007), there are deduced knowledge gaps that need to be addressed based on the critical review of information in the empirical review. First, past studies have managed to identify some major community social issues in a company project such as consultation, physical and economic dislocation of settlements, lack of benefits, encroachment of ancestral domain and privatization of the people's land among others.

Secondly, the past studies have gone ahead to provide communication strategies a company could use to improve the relationships with the community such as developing proper awareness and acceptance campaigns; opening up communication; translating commitments into action; building multi-stakeholder monitoring approaches, advocacy using appropriate public policies among others. However, the past studies have failed to cover how a company can proceed in entrenching and applying these communication strategies and approaches when working with the local community. Furthermore, the past studies have not addressed how information regarding community stakeholder social issues could be sourced or inquired and how each of the local community concerns could be addressed to improve the relationships. These are the gaps this study seeks to address to improve company and community stakeholder relationships.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

The areas covered in this chapter are introduction, research design, target population, sampling size and sampling procedure, research instruments, methods of data collection, pilot testing, ethical consideration, methods of data analysis and summary.

3.1 Research Design

Research design is the outline, plan or scheme that is used to generate answers to research problem (Cooper & Schindler, 2003). The study adopted descriptive research design in order to provide a framework to examine current conditions, trends and status of events. Descriptive research design is more investigative and focuses on a particular variable factor. It is analytical and often single out a variable factor or individual subject and goes into details and describing them. According to Cooper and Schindler (2003), such a study is concerned with finding out who, what, when, where and how of the relevant phenomena. Descriptive design is therefore most appropriate design for the study.

3.2 Target Population

According to Peil (2003), population refers to the entire group of people, events, or things of interest to a researcher. This study targets population was Geothermal Development Company of 1081 employees.

3.3 Sampling Procedure and Sample Size

Kothari (2008) define a sample as a proportion or subset of a population that is being studied through a research study. Non probability sampling method was employed in this study. According to Mugenda and Mugenda (2003), this method is used when a researcher is not interested in the in selecting a sample that is representative of the population and when the researcher knows that the cases picked have the information required in respect to the objectives of the study. Purposive sampling was used to select only participants that are conversant with practices in corporate communication and stakeholder relationships in Geothermal Development Company.

A total of (27) employee of corporate communication and marketing department was therefore incorporated as the sample size. Corporate communication and marketing department is also suitable as sample size because it is directly involved in the management of Geothermal Development Company relationships with the community. Further the study interviewed 27 individuals from the community so as to obtain their views on the need of communication in enhancing community stakeholder relations. The study therefore, used a sample size of 54 respondents. Information gathered from these participants will therefore be factual, valid and informed than collecting data from other departments of the company.

3.4 Data Collection Methods

This study used structured questionnaires to collect data. Questionnaires are set of standard questions normally targeting participants of a particular group of which the debated research topic is to be answered (Mugenda & Mugenda, 2003). Structured questionnaires were used in this case because the targeted participants were capable of reading and writing and could therefore fill the questionnaires to the best of their knowledge.

3.5 Validity and Reliability

The study questionnaire was subjected to a three managers within GDC. Their suggestions were then incorporated in the questionnaire so as to improve on its content validity. To establish the reliability the study adopted the Cronbach's Alpha coefficient (α) which measures the internal consistency and stability of scales used in the research instrument. Nunnally (1978) suggested that as a rule of thumb, a reliability coefficient value of above 0.7 is statistically reliable and acceptable for a study.

3.6 Data Analysis Methods

Data collected from the field was processed through data cleaning/editing to detect and correct errors and omissions, missing values, then categorized and coded into categories, themes and patterns for further analysis. The researcher used descriptive statistics for further analysis. Quantitative data was analysed using SPSS (version20) and the presented in tables and charts.

3.7 Ethical Considerations

Due care was given to strict adherence of research procedures particularly those involving human subjects. Since the study involved human participants, care was taken to ensure that they are not affected negatively in any way and the research was not being undertaken for personal gain (Mugenda & Mugenda, 2003). There was due acknowledgement of authors whose information and ideas were borrowed. Research permit was sought before the research study begun. Therefore approval was sought from University of Nairobi. The researcher further sought permission from Geothermal Development Company management before engaging on the data collection process.

The other ethical issues to be observed throughout the research process included: confidentiality and anonymity, voluntary participation and fairness on the respondents. This means that if any respondent was uncomfortable to continue with the research, they were required to sign informed consent note (see appendix 1). The researcher also ensured that the data collected was treated with utmost confidentiality and was used for purposes of the research only.

CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION OF FINDINGS

4.0 Introduction

The chapter presents the empirical findings and results of the application of the variables using techniques mentioned in chapter three. Specifically, the data analysis was based on specific objectives where patterns were investigated, interpreted and implications drawn on them.

4.1 Response Rate

Representativeness refers to how well the sample drawn for the questionnaire research compares with the population of interest (Saunders, Lewis & Thornhill, 2007). To establish the representativeness the Figure 4.1 below shows the response rate attained after questionnaires had been administered where the response rate for the study was 59 per cent. This response rate was thus considered adequate when benchmarked with the recommendations of Saunders, Lewis and Thornhill (2007) who suggested a 30-40% response rate, Sekaran (2003) who also suggested that the response rate should be in excess of 30 per cent, while the recommendation of Mugenda and Mugenda (2003) suggested that the response rate should be above 50 per cent. Given that the recommendations by the different scholars cited above were exceeded the data collected was then considered adequate for analysis.

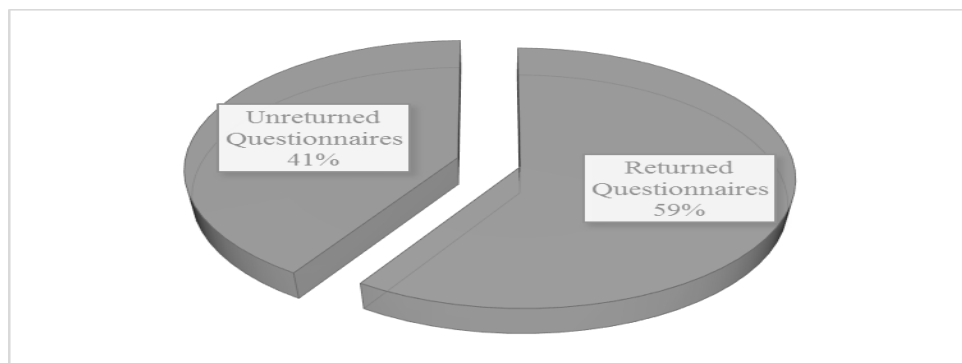


Figure 4.1: Response Rate

4.2 Reliability and validity of Research Instrument

In this study, construct reliability was determined using Cronbach alpha coefficients that test internal consistency of items on a scale. A measurement scale was considered reliable if its Cronbach's alpha was $\alpha \geq .70$. Table 4.1 below presents Cronbach's

alpha coefficients for the main study. The Cronbach's alpha values obtained for each of the scales indicates that all the measures or constructs have the acceptable Cronbach's alpha values as all exceed the .70 threshold as asserted by (Nunnally, 1978).

Table 4.1: Reliability of Measurement Scales

Constructs	Cronbach's Alpha	Number of Items
Communication and Community Stakeholder Engagement	.795	8
Challenges in communication and community stakeholder	.717	5
Communication Strategies Used to Build Community Stakeholder Relationships	.797	5

4.3 Demographic Characteristics

This section presents the basic characteristics of the sample of the study. The study indicates that the respondents of the study constituted of 93.8 per cent of individuals who had attained a first degree education while 6.3 per cent of the respondents had attained a PhD as indicated in Table 4.2 below.

Table 4.2: Level of Education of Respondents

	Percent
Level of Education of Respondents	
First University level Degree	93.8
PHD	6.2
Total	100.0

4.4 Ongoing and Completed Projects

The results of the studied identified several ongoing as well as completed projects that are being implemented by GDC. The respondents indicated that among the completed projects being implemented are drilling of wells, geothermal explorations, infrastructure development. In particular the respondents indicated that the company had completed included the; Land acquisition for community projects where these projects included community health projects, water projects and rehabilitation

projects, the study also established that the company had achieved a great milestone in completing some infrastructural projections in the area.

The respondents also indicated that other projects were still ongoing and these included the 300 MW Menengai project, 200 MW Baringo-Solai Project, 150 MW Suswa project, the construction of the Geothermal Der centre of excellence as well as implementation of infrastructure development in some other regions in which the company operates in.

4.5 Communication and Community Stakeholder Engagement

Before discussing data analysis and presentations of my findings, it is critical to first of all foreground this discussion by bringing into perspective the concept of communication in relation to the community stakeholder involvement.

Coates (2008) provides us with three simple definitions of communication. He asserts that communication is the sharing of information. Also, that communication is the giving and receiving of messages and finally, that communication is the transfer of information from one or more people to one or more other people. This three definitions sum up primarily how the GDC engages the community from which it operates. Communicating effectively with our community stakeholders is a delicate balance.

The first of these definitions is the simplest, and also the broadest. Because of these qualities, it is also a little non-specific. The second definition reminds us that information, here called a message, must be received, as well as sent, to complete the process. The last definition only applies to communication between people.

The method by which a message is delivered, and the form in which it arrives, will inevitably have an impact on the receiver. The purpose of the communication and the audience to which it is directed are also very relevant. These various things influence the meaning attributed to an instance of communication often referred to as the context of that communication.

But even during these engagements with the community, non-verbal communication contributes to an extent to the outcome with the community stakeholders. For example, visual communication style we postulate may play a vital role in the successful delivery of some form of communication. For instance, a community stakeholder with a visual communication style might discuss a situation in terms of how it looks. During negotiation or argument with the community stakeholders, they try to get you to see their point of view. To be noticed, they might rely partly on their code of conduct which will catch the eye of the GDC staff.

Mehrabian (1971) provided some interesting information about the relative importance of non-verbal messages in determining the receiver's impression of the sender's emotions. Specifically, each receiver was asked to assess whether the sender was expressing liking, neutrality or disliking. Mehrabian found that, on average, words contributed 7% of the total influence on this assessment, while tone of voice and visual clues contributed 38% and 55% respectively.

While communicating with our stakeholders, active listening is encouraged. Active listening can, according to Mehrabian (1971):

- Demonstrate the listener's undivided attention
- Encourage the client to continue speaking
- Restart a completely stalled narrative
- Reassure the client regarding self-disclosure
- Confirm the listener's understanding
- Correct errors in the listener's understanding
- Fill any gaps in the content of the narrative
- Improve the client's insight into the issues
- Demonstrate the listener's orientation to the client
- Progressively build rapport between listener and client.

One of the basic components of managing a project is the stakeholder analysis. It allows understanding and assessing the environment and provides to the management information defining the negotiation position in the programme implementation. Community stakeholders may have both favourable and unfavourable interest

(positive and negative interests). Community stakeholders Key can significantly influence or are important to the success of GDC projects and programmes (according to GDC major policy objectives and to the purpose of the respective programme);

GDC's community stakeholders compose of individual, groups of individuals or institutions who are affected either positively (beneficiaries) or negatively by its project or a programme which has impact on them. GDC has actively engaged Community stakeholders in critical decision making process. The community is a powerful stakeholder that can be reluctant to the implementation of GDC projects.

Communication success with the stakeholders is an important aspect. Communicating using words inevitably means using a language-a system which governs the use of agreed sounds or other symbols in order to exchange information. Factors such as the choice of words, the surrounding words and sentences, various language features, sentence structure, timing, stress, intonation, and the overall structure and organization of a message all exert an influence on the meaning ultimately attributed to it.

The pre-existing knowledge of both parties (GDC staff and Community stakeholders), the relationship between them, the method and form of the delivery of information, the purpose of the communication, the audience for which it is designed and the overall situation in which it occurs, including both local and distant events, all play an important role. To handle the problem of misunderstanding, during the address in barazas, we employ well known words to speak or write the correct words to speak or write them clearly, and to use fairly short sentences of simple structure.

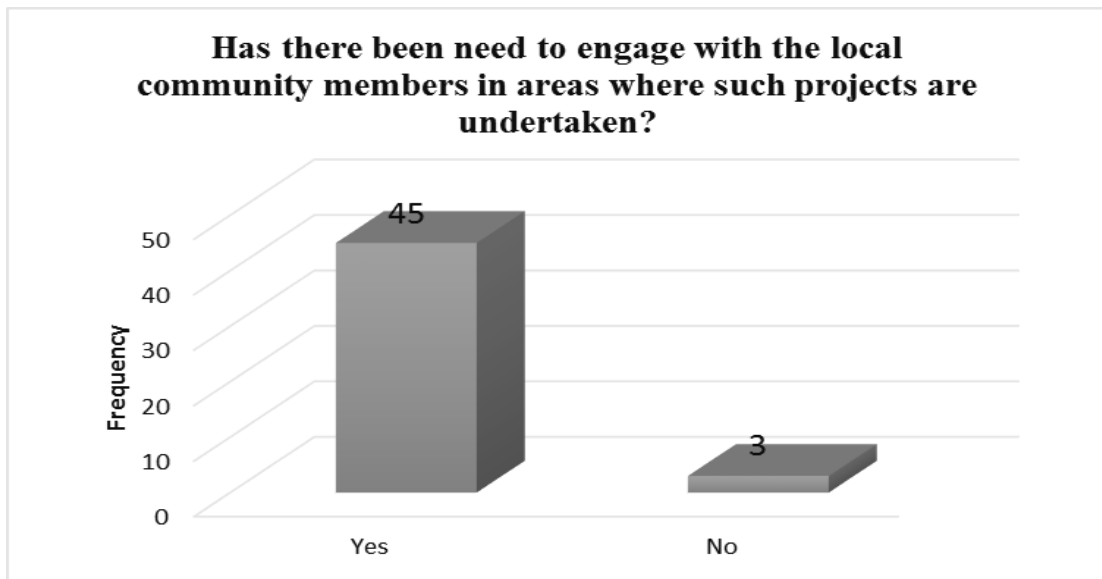
It is also essential to know your audience. Words are used differently, sometimes with different shades of meaning but quite often with completely different meanings, in different age groups, cultures and sub-cultures. In addition, the context may be different in various ways which are associated with the particular group. Language barrier with the community stakeholder is an important aspect too. Many nuances of meaning may be misinterpreted and some essential content may be lost all together. Gestures may have quite different meanings in different cultures.

GDC activities cover both the South and North rifts. The GDC's engagement with the local community normally takes place depending on an issue on the ground. However, it has sustained weekly engagement in the last two years because more and more projects are on going. There before, it took a pattern of monthly engagement. This made the pertinent issues on the ground to balloon and therefore, there was need to engage the community weekly. This was solved by transferring nearly 90% of GDC staff in Nairobi working in CCM Department to Nakuru, Naivasha and Suswa.

GDC has collaborated with the local administrators including chiefs and clan elders to develop reporting system for the community. Together with the GDC staff, they collaborate with the local project stewards in preparing community engagement Barrazas and public forums. The project stewards listen and address community concerns together with the GDC staff. In fact, GDC has managed to identify community reps to work with, and able to employ and incorporate some community members as part of the project team.

By engaging some community members, GDC has made an attempt to have members who speak at least a second language. In certain communities, even Swahili is not well understood. In any conversation with a person who is using a second or other language, it is more important than ever to use the simple words and short sentences. GDC staff may approach a problem in terms of how they understand or conceptualize it; during negotiations they may advance logical arguments. During negotiations with the community, GDC staff contribute facts, documents, publications and ideas but in a very simple way. We may borrow from Eunson (1994) who observes that the essential characteristic that turns communication into negotiation is an attempt to reach an agreement.

After this brief background on communication in the context of community engagement, the study sought to assess the need for communication and community stakeholder engagement in Geothermal Development Company and the results in the Table 4.2 below shows that the respondent indicated that there had been a need to engage with the local community members in areas where such projects are undertaken as indicated as was indicated by 45 individuals in the study.



On the need to engage the local community the reasons cited by the respondents included; “to ensure peaceful coexistence between the company and the host communities, “to ensure that the company attains the goals set forth”, “to access the viability of acceptance by local community and as a result ensuring that there was a smooth implementation of projects without any hitches”, the respondents also further indicated that community and community stakeholder engagement was necessary so as to “to buy the community support and hence achieve smooth operations”. Other sentiments echoed by the respondents indicated that community engagement was necessary so as to ensure a harmonious relationship with the community.

The results of the study as indicated in table 4.3 below indicates that GDC had employed some members of the local community as part of their project team as was asserted by 34 respondents accounting for 70.8 per cent of the respondents interviewed in the study. The results also showed that GDC had appointed project stewards that listened and addressed the local community complains and concerns. This was established by the assertions of 18 respondents who were strongly in agreement and another 21 respondents who were also in agreement to this assertion. This therefore represented 81.3 per cent agreement in general by the respondents. The study also sought to establish whether the company worked with the local administration in addressing the local community grievances. 39 respondents indicated that the GDC worked with the local administration in addressing the

concerns. This therefore accounted for 81.3 per cent of the respondents who were interviewed.

The study also sought to find out whether the GDC engaged the community residents in improving community development and it was established that the company engaged the residents in community development projects as reported by 28 respondents, representing 58.3 per cent of the total respondents. Further the 38 respondents also indicated that prior to exploration GDC sought permission to access land from the community. This therefore represented 79.2 per cent level of agreement by the respondents of the study. 39 respondents also asserted that the company informed people of the exploration activities as well as the project exploration timelines so as to get approval from the community. The study also found that the company negotiated land use and other agreements with the community members as was indicated by 39 respondents.

Table 4.3: Need for Community Stakeholder Engagement

Statement	Respondents Opinion	Frequency	Percent
The company has employed some members of the local community as part of its project team	Disagree	11	23.0
	Neutral	3	6.3
	Agree	34	70.8
The company has appointed project steward that listen and address local community complains and concerns	Disagree	3	6.3
	Neutral	6	12.5
	Agree	39	81.3
The company work with the local administration to address the local community grievances	Disagree	6	12.5
	Neutral	3	6.3
	Agree	39	81.3
The company engages with communities towards improving community development	Disagree	16	33.3
	Neutral	4	8.3
	Agree	28	58.3
Prior to exploration the company sought permission for access to land from the community	Disagree	7	14.6
	Neutral	3	6.3
	Agree	39	79.2
The company informed people of exploration activities and time lines so as to get approval from the community	Disagree	6	12.6
	Neutral	3	6.3
	Agree	39	81.3
The company negotiated land use and other agreements with the community members	Disagree	10	20.9
	Agree	39	79.1

4.6 Impact of Communication on Community Stakeholder Relationships

The study also sought to determine the impact of communication and community stakeholder relationships in Geothermal Development Company. The study findings indicated that the communication strategies employed by the company had positively impacted its relationship with the local community as indicated in the Table 4.4 below

where 31 respondents indicated that it had had a positive influence. This accounted for 64.6 per cent of the total respondents of the study.

Table 4.4: Effect of Communication on the company-community relationship

Respondents opinion on the effect of Communication on the company-community relationship	Frequency	Percent
Positively	31	64.6
Negatively	5	10.4
No Effect	12	25.0

Among the identified positive factors as alluded to by the respondents on the effect of communication on the company-community/stakeholder relationship were that effective communication strategies such as holding public Barrazas ensured that the company was able to obtain community support especially in the areas where the company had its operations located. The respondents also asserted that it became easier to access resources that other would have been difficulty to obtain had there be no good working relations between the company and the community. Thirdly, the respondents also indicated that the company was able to ensure that that there were no interruptions from the community by ensuring there was a harmonious co-existence between the community and the company.

4.7 Challenges in Communication and Community Stakeholder Relationships

Thirdly the study sought to establish the challenges in communication and community stakeholder relationships experienced by Geothermal Development Company. The results in Table 4.4 below indicate the challenges experienced by the company in its communication and community stakeholder relationships. The study found that the lack of consultation by GDC with the community stakeholders have in some instances brought differences between the company and the community as indicated by 42 respondents. This therefore accounts for 87.5 per cent.

The study also found that the physical and the economic dislocation of settlements of local inhabitants has not adversely impacted on the communication between the community and the company as indicated by 24 individuals who accounted for 50 per

cent of the respondents of the study. Findings also indicated that the encroachment of ancestral domain has been a bone of contention between local inhabitants and the company as asserted by 33 respondents who in turn represented 68.8 per cent of the respondents in the study. The results also indicated that the failure to promote and settle compensation fees to local inhabitants by GDC has led to hostility by the locals as indicated by 20 respondents and thus accounting for 20 per cent of the study's respondents.

Table 4.4: Challenges in Communication and Community Stakeholder Engagement

		Frequency	Percent
Lack of consultation with the community stakeholders have sometimes brought differences between the company and the community members	Neutral	6	12.5
	Agree	42	87.5
	Strongly Agree	12	25
Physical and economic dislocation of settlements of local inhabitants has led adversely impacted on communication	Disagree	15	31.3
	Neutral	24	50
	Agree	9	18.8
Permission for access to land from the community has been difficult to get.	Disagree	30	62.6
	Neutral	12	25
	Agree	6	12.5
Encroachment of ancestral domain has been a bone of contention between local inhabitants and the company	Disagree	9	18.8
	Neutral	6	12.5
	Agree	33	68.8
Failure to promote settle compensation fees to local inhabitants by the company has led to hostility by the locals.	Disagree	18	37.5
	Neutral	18	37.5
	Agree	12	25

Source: Research data (2015)

4.8 Communication Strategies and Community Stakeholder Relationships

Lastly, the study sought to determine the communication strategies used to build the community stakeholder relationships in Geothermal Development Company. The results presented in Table 4.5 below indicated that the company periodically provided

reports to the local community members as indicated by 39 individuals who agreed to this statement thus accounting for 81.2 per cent of the respondents in the study. 33 respondents accounting for 68.8 per cent of the study's respondents asserted that the company had established communication channel that it uses to send and receive information from the local community. It was further, indicated by 45 respondents that the company organized public Barrazas and workshops in which the company and local community addressed issues that concerned the company's project and the community. The findings also indicated that the company carried out proper awareness and acceptance campaigns as was asserted by 35 respondents who accounted for 68.8 per cent of the study respondents.

Table 4.5: Communication Strategies and Community Stakeholder Relationships

		Frequency	Percent
The company periodically provide reports to the local community members	Neutral	9	18.8
	Agree	39	81.2
The company has established communication channel that it uses to send and receive information from the local community	Disagree	3	6.2
	Neutral	12	25
	Agree	33	68.8
The company organize public Barrazas and workshops in which the company and local community address issues that concern the company project and the community	Neutral	3	6.3
	Agree	45	93.7
The company use both print media and mass media to communicate and address the issues of local community	Disagree	6	12.5
	Neutral	30	62.5
	Agree	12	25
The company carries out proper awareness and acceptance campaigns	Disagree	3	6.2
	Neutral	12	25
	Agree	15	68.8

Source: Research data (2015)

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary of major findings of the study, relevant discussions, conclusions and the necessary recommendations. The study sought to investigate communication and community stakeholder relationships at Geothermal Development Company. The summary is done in line with the objectives of the study based on the output of the descriptive analyses.

5.1 Summary of findings

The study findings indicated that communication and community stakeholder engagement was an imperative for the smooth operations experienced at GDC as this fostered a peaceful coexistence between the company and the local communities. The results further showed that GDC had also employed some of the local residents as part of their teams as was indicated by 34 respondents who accounted for 70.8 per cent of the study respondents and that it also worked with the local administration to address the local concerns as was reported by 39 respondents thus accounted for 81.3 per cent of the study's respondents.

Secondly, the findings indicated that the impact of communication and community stakeholder engagement had had a positive effect on the company's operations as it was identified that communication strategies by the company ensured that community support was achieved especially in areas where the company carried out its operations and thus it was able to ensure that there was no interruptions from the community by ensuring there was a harmonious co-existence as was indicated by 31 respondents who accounted for 64.6 per cent of the total respondents of the study.

Thirdly, the study also established that the company had encountered challenges in their communication and community stakeholder engagement and among the challenges that were experienced included the lack of consultation with the community stakeholders which often led to differences between the company and the community members. It was also identified that the physical and economic dislocation of settlements of local inhabitants had adversely impacted on communication.

Lastly, the study findings indicated that the communication strategies that the company has used over time to address the challenges ensuing from their continued existence in the locality included organizing public Barrazas and workshops as was indicated by 45 respondents who accounted for 93.7 per cent of the study respondents. It was through these avenues that the company used to address issues affecting the community. It was also established that the company periodically provided reports to the local community members and also in some instances used both print and mass media to communicate and address issues that affected the local community as was reported by 39 individuals who constituted 81.2 per cent of the respondents in the study.

5.2 Conclusions

From the above findings the study thus concluded that communication and community stakeholder engagement is an imperative for organisations to achieve their organisational goals. This was reinforced by the observation that engagement by the company with the local residents ensured a peaceful co-existence and thus facilitating or ensuring that the company carries on with its activities smoothly.

It was also concluded that the community stakeholder engagement with the local community through communication had had a positive impact for both the company and the community notwithstanding the challenges that had been experienced.

Lastly, the study concluded that the use of Barrazas, workshops, print and mass media had been effective in addressing the concerns of the local community. Therefore, the study indicated that communication channels and strategies that organisations adopt can help in ensuring that the challenges that they faced are effectively mitigated in a timely manner and thus reducing the frictions between the company and the local inhabitants.

5.3 Recommendations

Based on the above study findings the study therefore recommends that organisations and/or companies should ensure fully engagement with the local inhabitants as they are the ones who will be affected with their operations. To ensure fully engagement with the local residents the study therefore suggests that there is need ensuring that

their interests and expectations of the community stakeholders should be taken into account. These may include the provision of immediate employment to its members.

Secondly, the study recommends that to ensure harmonious co-existence between the company and the community stakeholders the company should therefore provide social amenities and services that would eventual improve the society's welfare. They can undertake socially responsible projects such as community water projects, community health projects and also providing educations to the local residents. This will therefore ensure that the company is better placed to buy in community support from the residents and thus are likely to face little hostility.

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APPENDICES

APPENDIX I: INFORMED CONSENT NOTE

My name is Pauline Memagenda Sheghu. I am a final year Master of Arts in Communication Studies student at the University of Nairobi. As part of the requirements for the course, I am undertaking a study on '*Communications and community stakeholder relationships in a company: A Case Study of Geothermal Development Company*' This is to inform you that your participation or input will be required to undertake this study and all information collected from you will be treated with utmost confidentiality and only used for academic purposes.

Your participation is therefore paramount for its success. Could you wish not to participate in this study, check the 'I don't wish to participate' checkbox below. Thank you for your co-operation in advance.

I don't wish to participate

APPENDIX II: QUESTIONNAIRE

**QUESTIONNAIRE FOR THE GEOTHERMAL DEVELOPMENT COMPANY
STAFF**

1. Name (if you wish)
2. Highest Education Level
 - Secondary level
 - College level
 - University level
 - PHD
 - Professional certification (Specify).....
3. What are the geothermal projects your company has completed so far?
.....
.....
.....
4. What are the projects your company is currently undertaking?
.....
.....
.....

SECTION B

Communication and Community Stakeholder Engagement.

These questions are concerned with the way the company assess the need for communication and community stakeholder engagement. Please tick as appropriate in the boxes using a tick (✓) or cross mark (x).

- 1) Has there been need to engage with the local community members in areas where such projects are undertaken? Yes No
- 2) If yes, what were the reasons?

.....
.....
.....

3) Using the following scale please tick one that best describes your opinion

	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
a) The company has employed some members of the local community as part of its project team					
b) The company has appointed project steward that listen and address local community complains and concerns					
c) The company work with the local administration to address the local community grievances					
d) The company engages with communities towards improving community development					
e) Prior to exploration the company sought permission for access to land from the community					
f) The company negotiated land use and other agreements with the community members					
g) The company informed people of exploration activities and time lines so as to get approval from the community					

SECTION C

Impact of Communication and Community Stakeholder Relationships

These questions are concerned with establishing the Impact of Communication and Community Stakeholder Relationships. Please tick as appropriate in the boxes using a tick (✓) or cross mark (x).

5. How has those communication strategies employed above impacted on the relationship between your company and the local community in which company projects are undertaken? **Positively** **Negatively**
6. What are the benefits your company has realized in its engagement with the local community in which its projects are undertaken?

.....

SECTION D

Challenges in communication and community stakeholder

These questions are concerned with the establishing the Challenges faced in communication with the community stakeholder. Please tick as appropriate in the boxes using a tick (✓) or cross mark (x).

	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
a) Lack of consultation with the community stakeholders have sometimes brought differences between the company and the community members					
b) Physical and economic dislocation of settlements of local inhabitants has led adversely impacted on communication					
c) Permission for access to land from the community has been difficult to get.					

d) Encroachment of ancestral domain has been a bone of contention between local inhabitants and the company					
e) Failure to promote settle compensation fees to local inhabitants by the company has led to hostility by the locals.					

SECTION E

Communication Strategies Used to Build Community Stakeholder Relationships

These questions are concerned with establishing the communication strategies used to build community stakeholder relationships. Please tick as appropriate in the boxes using a tick (√) or cross mark (x).

	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
a) The company periodically provide reports to the local community members					
b) The company has established communication channel that it uses to send and receive information from the local community					
c) The company organize public Barrazas and workshops in which the company and local community address issues that concern the company project and the community					
d) The company use both print media and mass media to					

communicate and address the issues of local community					
e) The company carries out proper awareness and acceptance campaigns					

END OF QUESTIONNAIRE

Thank you for taking time to respond.

APPENDIX III: CERTIFICATE OF CORRECTIONS



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REF: CERTIFICATE OF CORRECTIONS

This is to certify that all corrections proposed at the Board of Examiners meeting held on 22/09/15 in respect of M.A/PhD. Project/Thesis Proposal defence have been effected to my/our satisfaction and the project can now be prepared for binding.

Reg. No: K50/70128/2013

Name: SHEGHU PAULINE MEMAGENSA

Title: COMMUNICATION AND COMMUNITY STAKEHOLDER RELATIONSHIP IN A COMPANY - A CASE STUDY OF GEOTHERMAL DEVELOPMENT COMPANY.

Dr HM GAMB
SUPERVISOR

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SIGNATURE

02/11/15
DATE

Dr Samuel Sirigi
M.A. COORDINATOR

[Signature]
SIGNATURE

09/11/2015
DATE

for Dr Samuel Sirigi
DIRECTOR



[Signature]
SIGNATURE/STAMP

DATE

APPENDIX IV: CERTIFICATE OF FIELD WORK



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REF: CERTIFICATE OF FIELD WORK

This is to certify that all corrections proposed at the Board of Examiners' meeting held on 10/04/15 in respect of M.A./Ph.D final Project/Thesis defence have been effected to my/our satisfaction and the student can be allowed to proceed for field work.

Reg. No: K50/70128/2013

Name: PAULINE MEMAGENDA SHEGWA

Title: COMMUNICATION AND COMMUNITY STAKEHOLDER

RELATIONSHIPS IN A COMPANY - A CASE STUDY OF GDC.

DR H. MOGAMBI
SUPERVISOR

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10/08/15
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92.70.2015