## WORKING CONDITIONS AND EMPLOYEE PERFORMANCE INSMALL SCALE BUSINESS ENTERPRISES: A CASE STUDY OF KAMPALA CENTRAL DIVISION, KAMPALA DISTRICT

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# A RESEARCH REPORT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF BACHELOR DEGREE IN BUSINESS ADMINISTRATION AND MANAGEMENT OF UGANDAMARTYRSUNIVERSITY

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#### **DEDICATION**

In this entrepreneurial and business society, this report is dedicated with great love and sincere gratitude to my parents and guardians. More dedication goes to my beloved father. Samuel Lyazi Bbossa. Thank you so much for the support and parental love that was extended, I will always remember you. Similarly, with sincere appreciation, dedication goes to my beloved Sister Mrs. Milly Kayiga. I'm very thankful for your special support, encouragements and advice which were a great boost towards the completion of this study. I shall forever be grateful and indebted to both of you. With great love, I therefore treasure your contributions towards my education. May the good Lord bless you abundantly?

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#### **ABBREVIATIONS**

**SMES**: Small Scale Business Enterprises

**EC:** European Commission

**SAP:** Social Action Programme

**EEC:** European Economic Community

**NGO:** Non-Governmental Organizations

MSE: Materials Science and Engineering

**ROM:** Results Oriented Management

**TFEU:** Treaties Of the European Union

**ISI:** Inter-services Intelligences

**IOSHA:** Occupational Safety and Health Administration

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#### **ABSTRACT**

Ensuring favorable working conditions has become an important factor as regards increasing employee performance in so many Small Scale Business Enterprises. The purpose of this study was to establish the contribution of working conditions towards employee performance in Small Scale Business enterprises. Both qualitative and quantitative methodologies were used to analyze the closed and open-ended questions on the research survey, statistically using percentages, mean, range, frequency and SPSS.

While using a descriptive research design, the study examined how the enhancements of the three perspectives of job security, wage or pay level and colleague relationship contribute towards employee performance in Small Scale Business Enterprises. The findings of the study show that however much there are other factors like motivation; management that contributes towards employee performance in Small Scale Business Enterprises, working conditions have been a major factor that contributes towards employee performance in a positive way. Findings from the research showed that job security solely contribute towards employee performance while giving a justification for a small extent and a mean value of 2.82 as well as a standard deviation of 1.082 with a range figure of 3, pay or wage showed a positive contribution justified by the mean value of 1.12 and a standard deviation of 0.328 with a range of 1, and colleague relationship showed a solely positive contribution towards employee performance through its dimensions like extent showing commitment towards team work which gave a small extent and therefore this was justified by a mean value of 2.54 and a standard deviation of 1.034.

However the study discovered that most of the business enterprises do not focus more on the ensuring or implementation of better working conditions in their business operations. Therefore the study recommends the Small Scale Business Enterprises to always encourage provision of better working conditions, put more emphasis on implementation of better working conditions that are notable by employees but not just mere talking about them, communication and sensitization of business people about the benefits which come as a result of provision of better working conditions and communication of different ways of ensuring better working conditions in business enterprises.

#### CHAPTER ONE

#### **GENERAL INTRODUCTION**

#### 1.0INTRODUCTION

Working conditions and employee performance is the main point under the spotlight in this chapter. It should be noted that research has been done on this topic however of recent International Labours' Organisation came out with the idea of improving working conditions as one of its principal objective. In this, the organization noted that while wages in many countries rise, they often remain too low for many workers to meet their basic needs. This prompts them to decrease their productivity something that exposes them to difficulties like job insecurity, low wages and among others.

In the year 2012-2013 the TRAVAIL data base of conditions of work and employment laws provided a picture of the regulatory environment of the working time, minimum wage and maternity protection in more than 100 countries around the world and all this was done to ensure better working conditions and better employee performance. It should be noted that working conditions and employee performance are interwoven terms in a way that working conditions must be extremely good for the employees to perform to their best however this requires having leaders with passion, time and capacity to see things through from initial idea to implementation

The chapter will be an introduction to the research proposal. It includes the background to the study, the statement of the research problem, purpose of the study, Objectives of the study, research h questions, hypotheses, the scope of the study, justification of the study, conceptual framework and definitions of terms and concepts.

#### 1.1 Background of the study.

In Europe, people working under inconvenient conditions may end up with low performance and occupational health diseases causing high absenteeism and turnover. There are many organisations in which Employees encounter with working conditions problems related environmental and physical factors. Pooch and state(2006) argued that the employee disagreement is increasing and it becomes more important to make work places that positively influence workforce.

(Roetsen, 2002) as well as (Wells2000) states that workplace satisfaction has been associated with job satisfaction. In recent years, employees comfort on job, determined by the work, has been recognised as an important factor for measuring their productivity. This particularly true for those employees who spend most of the day operating a computer terminal. Performance management is ensured that employer's activities and outcomes are congruent with the organisation's objectives and entails specifying those activities and outcomes that will result in the firm successfully implying the strategy (Noe. Etal 2000)

The ultimate gauge of public service performance in a democratic nation is to bring about public satisfaction. This is true especially in present South Africa in which the police is trying ostensibly trying to transform from an agency of repressive social control to community oriented. This has improved the performance that is to say on national value, the saps detainees send to court about one out of every four cases, (24 percent that come across their discs. This better than U.S (22percent) But worse than Britain (35 percent). (Beyley1994:27) although recent years' suggest that Britain's rate is comparable to South Africa.

In East Africa particularly in Kenya, performance of enterprises owned by woman improved their performance after the intervention of NGO's operation of MSE in EldorotMunicipality, Kenya. It was reported that the activities of NGO's led to increased credit levels, More emphasis on training and enhance business counselling and mentoring follow –up sessions. On the average of sale before and after intervention were 105(51.4%) translated between Ksh 5000 and Ksh 7500 per month before intervention and 61(51.5%) between 7500 and 10,000 after intervention.

In Uganda the status quo of performance came into two different periods. The first period covers 1976-1997 and pertains to the old traditional appraisal. The second period stretched from 1998 to August 2007, and concerns a new performance appraisal-system, introduced to the Uganda Civil Service. In August 2007 the latest performance approval was issued which was a modification of new appraisal of 1998 to 2007.

All those appraisal changes are as a result of the search for results oriented management (ROM) culture by the government of Uganda. RAM has emphasised the practise internal training in form of coaching, monitoring and training. As such, there was remarkable development of staff potential, improvement in performance of staff which has in turn improved the productivity.

However, the head of Uganda's civil service JOHN MITALA noted the following when speaking about the appraisal system that is to say there is need for adequate preparations, performance targets should not be imposed, the commitment of all stakeholders is essential and also a need to develop and implement the policies.

#### 1.2 Problem statement

The decreasing level of employee performance in small scale business in Uganda could be as a result of interacting factors such as poor ventilation and lighting, poor health of workers, low levels of technology and poor supervision.

Therefore there is a missing link between working conditions and levels of employee performance which must be improved upon and if the problem is not reacted upon promptly, the rate at which employee performance level decline will double which will result into undesirable situations among small scale business enterprises in Kampala central division.

#### 1.3 Objectives of the study

#### 1.3.1 Major objective

To establish the contribution of working conditions towards employee performance levels in small scale business enterprises in Kampala central division.

#### 1.3.2 Specific objectives

- 1.3.2.1 To find out how job security influences the level of employee performance in small scale business enterprises in Kampala central division.
- 1.3.2.2To establish the contribution of wage level and employee performance in small scale business enterprises in Kampala central division.
- 1.3.2.3 To examine the influence of colleagues relationships on employee performance in small scale business enterprises in Kampala central division.

#### 1.4 Research questions

- 1.4.1 How do job security influence employee performance levels in small scale business enterprises in Kampala central division?
- 1.4.2 How does wage level contribute towards employee performance levels in small scale business enterprises in Kampala central division?
- 1.4.3 What is the influence of colleagues' relationships on employee performance levels in small scale business enterprises in Kampala central division?

#### 1.5scope of the study

Basing on the geographical scope, the research was conducted with in Kampala district simply because there are many small scale enterprises for example restaurants, super markets, retail shops among others. These fed the researcher with information needed.

The time scope period was for three years that is to say from 2010 up to 2013 basing on the fact that from 2010 up to date, there might have been a high possibility of many business formation and therefore this enabled easy facilitation of the research due to many findings from previous businesses and current businesses.

The content scope directly addressed the aspects of working condition and employee performance levels and this aided the researcher in finding out the cause of low levels of employee performance despite the desirable working conditions in small scale business enterprises in Kampala central division like job security, wage levels and relationship with colleagues and attendance, work ethics and professional conduct.

### 1.6 Significance of the study

This study discusses about the importance of employee performance management to the different categories below:

Potential employer found it easy to attract good employees in their companies which in turn will help to boost productivity and also minimise on the wastage of resources since good working conditions turn employees to be effective and efficient.

The study will benefit government through achieving stable economic conditions which normally ensures stable conditions since there is job satisfaction due to good working conditions. In the same way the study also will serve to create wide tax base since companies were operational as well as their employees.

The management will be aided through having a smooth working relationship with the employees which resulted into easy management process.

The study will also benefit the academic community since this research on working conditions and employee performance extends the knowledge base that currently exists to the domain of human resource management and strategic management. Therefore it goes on to establish why this area is of great priority to organisations and generate concerns for further research.

#### 1.7 Justification of the study

Justification refers to such a fact or circumstance which shows that an action is reasonable or necessary to be made at a particular period of time

The research focussed on working conditions being the major factor leading to poor performance of employees in businesses. Various researches has been made by many scholars mainly

focussing on other factors that is to say skills and knowledge, experience, business management among others, however there is still a gap necessitating a research study to be undertaken hence working conditions and employee performance as a research topic to close that gap existing in Small Scale Business Enterprises. Additionally ensuring better working conditions is a prerequisite for improving employee performance in Small Scale Business Enterprises.

Peter Druker (1952), who is regarded as the pioneer of modern management theory, asserted that without performance objectives, that business does not have direction, and without performance measurement, that business does not have control. Through performance measurement, the business can be able to know whether it is progressing well.

Therefore, the need to enhance the working conditions of Small Scale Business Enterprises so as to improve employee performance throughout the research session.

#### 1.8 Definition of key terms

**Job security** is the probability of workers to keep their jobs. Where organisations grant job security, there are likely chances of improving the employee performance in that particular organisation. Likewise where organisations fail to grant job security to workers, there is a possibility of poor employee performance in an organisation.

**Wage levels** are remunerations that given to employees after performing a particular job or task. If an organisation establishes wage levels for their employees then there are likely chances of improved employee performance and the reverse is true.

**Relationships with the colleagues**, This is a way how people relate to one another whereas colleague relationship is encouraged, there are high chances of good employee performance and the reverse is also true.

**Working conditions-**The conditions in which an individual or staff works, including but not limited to such things as amenities, physical environment, stress and noise levels, degree of safety or danger and the like.

Working conditions also include the companies' policies. Part of this is how the employee's annual (or semi-annual) appraisals and pay increases are judged. Employees who feel that they are part of the process and are rewarded for a job well done are more likely to be more productive. More productive employees almost always display high levels of pride in their work and consistently perform well. Employees who feel the appraisal and merit system is unfair may not produce as well.

Working conditions refers to the working environment and all existing circumstances affecting labor in the workplace, including job hours, physical aspects, legal rights and responsibility. In the context of machines or equipment, working condition means it is operational. For example, once the state introduced

Prima facie evidence that the machine was in proper working conditions, burden of production shifted to Mullins to rebut the states' prima facie showing. (Ramsey,2014)

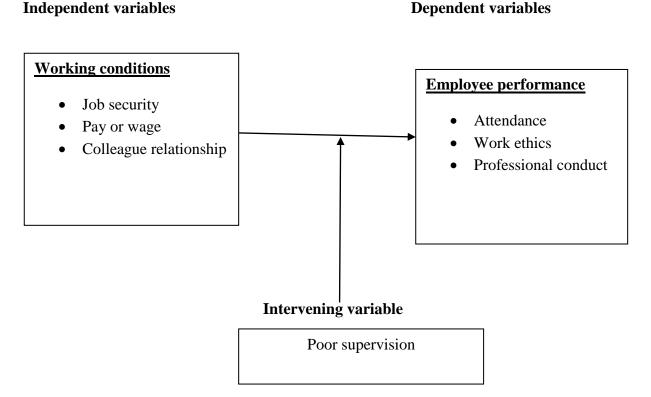
#### **Employee performance**

Employee performance is defined as job related activities expected of a worker and how well those activities were executed. Many business personnel directors assess the employee

performance of each staff member on an annual or quarterly basis in order to help them identify suggested areas for improvement.

#### 1.9 Conceptual frame work.

The conceptual frame work is the representation showing the relationship that the study seeks to analyse between the dependant and independent variables.



**Source:** Martel (2011) modified by the researcher

There is a number of personal issues which may interfere within work performance. While a dedicated employee will almost always perform at their best. It should be noted that employees who feel that their working conditions are hostile, they may not perform as well as those who feel that they have friendly working conditions. The poor working conditions may be caused by gossiping delayed and low pay, management professional who does not like particular employee

and among others. It is so unfortunate because, not all of these issues may be called to the attention of the proper authorities to be addressed since the employee may fear dismissal.

The independent variable is working condition of small scale enterprises and it was broken down into dimensions according to job security, wage level and relationship with colleagues. The dependent variable was broken.

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.0 Introduction

The literature review is the effective evaluation of selected documents on the research topic and it is a critical synthesis of the previous research. This topic therefore updates the reader with current literature on the topic and forms the basis for another goal such as future research on the same academic area. This chapter therefore looks at the collection of readable materials which has been researched about the effects of working conditions on the employee performance in Small Scale Enterprises as well as the role of working conditions towards employee performance in Small Scale Enterprises in Uganda particularly Kampala Central Division. The themes were discussed in regard to the objectives of the study and research questions.

#### 2.1 Conceptual review

According to (Byars and Leslie, 2000) Working conditions refers to the working environment and all existing circumstances effecting labour in the workplace, including job hours, physical aspects, legal rights and responsibilities.

Working conditions can also be defined as refers to the working environment and aspects of an employee's terms and conditions of employment. This covers such matters as: the organization of work and work activities; training, skills and employability; health, safety and well-being; and working time and work-life balance. Pay is also an important aspect of working conditions, although Article 153 of the Treaty on the Functioning of the European Union (TFEU) excludes pay from the scope of its actions in the area of working conditions.

(Betty, 1972) The importance of working conditions cannot be over emphasised and the word acceptable must be interpreted to take account of the circumstances and the type of work being carried out. It is because of this that a few standards only are laid down by statute. Under this we have the following, noise, the risk to employees who are exposed to an excessive amount of noise has long been recognised butwith the exception of employers' general duty of care as laid down in section 2 of the health and safety at work. In the 1974 Act there is little statutory control. A few exception exist notably the requirements of the wood working machines regulations 1974. But main guidance lies in the code of practise issued by the Department of employment in 1972, personal administration.

The working hours should also be looked into as far as acceptable good working conditions are concerned. According to Betty ream the basic hours which an employee is contractually bound to work are those agreed on employment and these should be set out in the statement of terms and conditions of employment. In many instances, the working week was determined by individual or company agreement or by way council divisions.

The congress in India has explained that the purpose of Federal occupational safety and health act IOSHA implemented in India is to "insure so far as possible a very working man and woman in the nation and healthful working conditions is one of the goals of the E.U. Article ISI TFEU states that "The union and the member states shall have as their objectives to do the promotion of employment, improved living and working conditions, so as to make possible harmonisation while the improvement is being maintained. (Griffin, 2000)

It should be noted that for proper working conditions to prevail, changes made by the employers should be handled in an appropriate manner as it was suggested by the' Council

Directive" Changes in working conditions and other aspects of the employment relationship can generate serious industrial relations problems. One issue is that workers may not have precise information about their working conditions in the first place. This was addressed by Council Directive 91/533/EEC of 14 October 1991 on an employer's obligation to inform employees of the conditions applicable to the contract or employment relationship. The directive stipulates that the employer must provide information covering all 'essential aspects' of the employment relationship. The employer is obliged to prepare a document with the requisite information, and give it to the employee not later than two months after the commencement of employment. Further, a new document that reflects any changes in core working conditions must be issued. The normal rule is that an employer cannot change the terms and conditions of employment without the consent of the employee, when such modifications are outside the management prerogative. So, merely informing the employee by a written statement is not conclusive of the existence of an agreed change in the terms. When the employer does not have the right in the contract and if they try to alter rates of pay, hours of work, or the status or grade of the employee, they must obtain the employee's consent before the change can have any legal effect and therefore the existence of a written statement does not mean that it has been agreed and is thus binding.

The European Union expressed itself over the matters of working condition by saying that, its competences in the area of working conditions has developed considerably over the past half century. The original EEC Treaty of 1957 took the view that the objectives of improved living and working conditions were to be achieved primarily through the mechanisms of the common market. Intervention was only to secure what was consistent with the common market and the free movement of labour. This policy was revised in 1972, when European heads of state agreed

that the increasing involvement of labour and management in the economic and social decisions of the Community was desirable. Accordingly, the European Commission was instructed to draw up a Social Action Programme (SAP), the three main objectives of which were, attainment of full and better employment in the Community; improvement of living and working conditions; and increased involvement of management and labour in the economic and social decisions of the Community and of workers in the life of undertakings. Progress towards these objectives took the form of a legislative programme during the 1970s. The Council also established the European Foundation for the Improvement of Living and Working Conditions in 1975 to undertake research into the new and developing area of Community social policy, and to stimulate and provide the scientific basis for the Community's legislative initiatives. The Protocol on Social Policy of the 1992 Treaty of Maastricht (Treaty on European Union), later the new Social Chapter of the EC Treaty, greatly expanded the social competences of the Community to include, among other matters, 'working conditions'. This commitment has been retained in the TFEU (Article 153).

According to Marxist theory and socialist literature, working conditions also include working class which is often used synonymously with the term proletariat, and includes all those who expend either mental or physical labour to produce economic value or wealth in non- academic terms for those who own means of production. It thus includes knowledge workers and white caller workers who work for salary.

Employee performance is an extension of autonomous working group or individual given responsibility for achieving certain objectives allowed to establish all aspects of the tasks involved and their completion. Employee performance simply means getting the people right and this involves appraisal of individual as well as planning and influencing their future through

targets and development. This can also be in concern with the manager's relationship with individual in general and appraisal process and motivation in particular. (Anderson, 1992). Performance is a systematic way through which the employee of a particular organisation tries to achieve strategic objectives of an organisation.

Performance Management is defined as the strategic and integrated approach of delivering sustainable success to an organization by assisting in improving the performance of the employees and the employers and by developing the capabilities of the teams or individual contribution the organization (Armstrong & Baron, 1998: 22).

Performance management system is a just way of putting in place or installation of a system that matches costs with activities, to measure the performed activities and finally to develop standards of performance and comparing costs and performance levels with agreed standards of the organization (Diamond 2005: 4-6)

Employee performance can also be defined in terms of results. However, it can also be viewed in terms of behavior (Armstrong 2000). Kenney et al. (1992) stated that employee's performance is measured as regard to the performance standards set by the organization.

In the researchers' view employee performance is an assessment done by an employer or top most management of an organisation to establish how good or poor employees are in as far as delivering to set up standards of a particular organisation is concerned.

On the other hand working conditions take the aspect of social, political and economic environment under which the employees perform their duties from.

#### 2.3 Job security and performance of employees in small scale business enterprises.

(James, 2012) job security is defined as the assurance of an employee's job continuity due to the general economic conditions in the country.

According to (Adebayo and lucky, 2012) job security is in line with the possibility or probability of an individual keeping his or her job.

The probability of keeping ones job is as important as the employee's salary and health care (KPMG, 2010.)

The industrial relations Act of 1971 became so concerned as far as job security is concerned and passed legislation to restrict the grounds onwhich employers could dismiss employees, The Act was intended to promote good personal management by inducing employers to set disciplinary procedures in order to minimise the likelihood of a dismissal being seen as unfair by the legal system. (Pennington and Edwards, 2000.)

Globally, about 75% of employee preferred to keep their job compared to other factors in their preference list Tower Watson 2012Presented the most important desire of every employee is to keep his or her job as long as they wish. In this so doing, It generally implies that job security has become the most determinant and key element influencing an employee's decision on whether to join an organisation or not (Watson, 2010). Therefore the crucial challenge facing the organisation is not just to employ and retain workers and but to ensure that employees are assured of their jobs for as long as they wish.

In Malaysia, the employees are fast becoming aware of the importance of job security. However the big picture for job security is Grim and doubtful due to dominance of some ethnic groups in most organisations(Hassan, 2010) as well as (Bumis, 2011).

In Uganda, job security is a serious problem experienced by every individual, this ranges from people working in offices, as qualified personnel workers in factories, homes, and among so many areas. It is worse when it lines with private workers most especially those working in private schools, hospitals and among others. Such workers on addition to the problem of job security, they are not paid in holidays. However government teachers are assured of job security (President Museveni, 2013.)

According to Abraham Maslow's hierarchy of needs, puts up front the two lower needs to important that is to say physiological and safety, He mentioned that such needs are deficiency arises at some point for whatever reasons in the individual's supply of physiological necessities or feeling of physical safety, redressing this deficiency can temporarily become more important than fulfilling the higher order needs when this is done, an individual can be motivated to work and other needs can come last.

"The occupational safety and health Act" was passed by congress in 1970, its purpose as stated by congress was to assure so far as possible every working man and woman in the nation safe and healthful working conditions and to preserve our human resources. The only employers not covered under the act are self-employed persons. Forms in which only immediate members of the farm employer's family are employed, and certain workplaces that are already protected by other federal agencies. Or under other statutes. Federal agencies are covered by the act, although provisions of the act usually don't apply to state and local governments in their role as employers. Under the provision of the act, the Occupational Safety and Health Administration (OSHA) were created within the Department of labour. The basic purpose OSHA is to set safety and health standards, s that apply to almost all workers in theUnitedStates. The standards are enforced through the department of labour, and to ensure compliance. (Dressler, 1988). The U.S.

record for working conditions and real wages reveals impressive and significant advances are greater than in many other nations. But the quest for still higher wages and for less effort and boredom shows no sign of halting.

#### 2.5 Wage / pay level and performance of employees in small scale businesses.

(Branding and Wright, 1990) pay or wage is one of the communications of how much an organization value the contribution of an individual of group. Simplistically, it seems only fair that people should be paid according to their contribution and a number of studies indicate that most people in business agree with this.

In a classic experiment, (Fassum and Fitch, 1985) asked the three people in groups of subject, students' line managementand compensation management and compensation manager to make decisions on pay increases for hypothetical people, taking into account factors such as seniority budget constraints and cost of living. All the three groups gave for more importance to performance and contribution than other factors.

(Fredrick Taylor, 1856-1915) the American engineer and researcher mentioned that pay or wage takes different forms that is to say pay for performance. In his book of scientific management, He stressed that pay for performance offers real benefits on the company, but at thehigh cost. However this has it's good side that is to say, Talent attraction and among others .It should also be noted that organisations using this system are able to recruit qualified staff are willing to earn extra money from their efforts. This also encourages employees who normally fail to meet set production goals to quit voluntarily. It should therefore be noted that if employees do not earn a bonus, they are most likely to go elsewhere they can earn a higher fixed salary.

This policy also encourages team work employees are motivated to interact frequently with senior managers as supervisors. This interaction helps the employee avoid mistakes by seeking a duke from the outset on how to solve problem concerning this project they are handling

Theoretically appraisal related pay schemes can benefit both employee and employers. By emphasising the importance of efficiency and effective job performance, employees can benefit from higher productivity, higher pay can be targeted at the better performers, encouraging them to stay with the company and continuing to perform to a high standard.

According to this, properly directed pay/wage can reinforce appropriate behaviour.

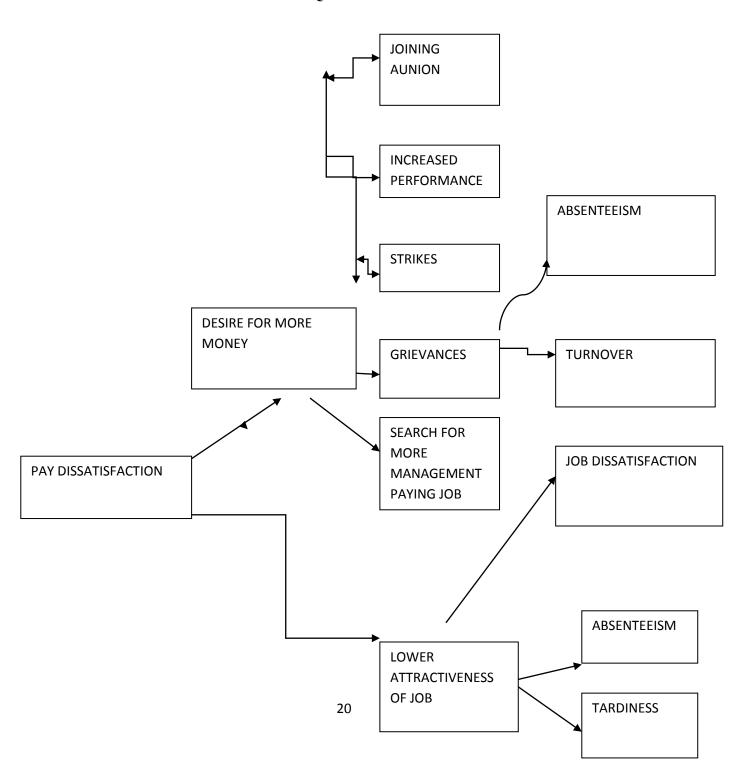
(Steve Kerr, 2001) Vice President of corporate management at General electric setting reward system said that it is equally important for what the company actually hopes to achieve. He talked about the common that they value teamwork but only rewarding individual efforts.

(LLOYD. L BYARS/ LESLIE. RUE, 2004) Employee motivation is closely related to the types of rewards offered and their method of disbursement. While there is considerable debate over the motivational aspects of pay, little doubt exists that inadequate pay can have every negative impact on an organisation. It should be noted that when employees are dissatisfied with their pay, they can strike and do other evil things.

According to the model below' pay dissatisfaction can influence employees' feelings about their jobs in two ways that is to say; it can increase the desire for more money and at the same time can lower the effectiveness of the job. An employee who desires to be paid much money is more likely to engage in actions that can increase pay. These actions might include joining a union, looking for other jobs filing a grievance or going on strike. With the accept ions of performing better, all the consequences are generally classified as being undesirable by the management.

Better performance results only in those cases where pay is perceived as being directly related to performance. On the other hand when the job decreases in attractiveness, the employee is more likely to be absent or tardy, quit or become dissatisfied with the job itself. Thus, satisfaction of employees is importance since it does have a significant impact on employee performance.

FIGURE 2.1: THE MODEL OF CONSEQUANCES OF PAY DISSATISFACTION.



#### 2.6 Colleague relationship and employee performance in small scale business enterprises.

Colleague relationship is defined in various perspectives depending with the nature of and findings of their studies. Harvey and Bolin, (2009).

(Schaufell et al, 2012) defined colleague relationship as a positive fulfilling work related state of mind that characterised vigour, dedication and absorption.

Wayne F Casio, link colleague relationships to cohesions of individuals working in a particular environment.

Cohesiveness is defined as the degree at which members in working environment or groups are attracted to each other and are motivated to stay in that environment or group.

Generally group cohesiveness or colleague relationship is increased when members spend time together and undergo a severe initiation, when the group size is small and predominantly female, when external threats exist, and when the group has a history of previous success. Generally research shows that highly cohesive groups are more effective than those with less cohesive. High cohesiveness is both a cause and outcome of high productivity. Secondly the relationship is moderated by performance related norms. It should therefore be noted that employee's willingness to help a colleague depends on whether the same colleague in turn has been helpful in the past and that implies the fact that helpful behaviours enhances colleagues' relationship at work. Since the employee's willingness to take on responsibilities beyond those formally expected is created in dialogue between people, it is important that companies and organisations not only understand how important relations between colleagues are, but also what the social rules are that affect a worker's willingness to 'go the extra mile'

Employee engagement or relationship has various benefits to both employees and also the entire organisation such as positive effect like interesting work performance for instance in cases of challenging jobs and inspiring leadership in which transformational leadership is associated with colleagues.

Additionally employee relationship is also linked up to higher performance in an organisation and lowered intention of turnover .Therefore this is seen to be ideal relation to both employers and employees. The employers gains are performing and work force while the employees believes that the kind of working environment is perfect

(Evans and Red fern, 2010) also insert that there is an existing link between colleague relationship and work performance and the organisations with a higher number of colleague relationship, obtain a competitive edge against their competitions.

Social relationships between colleagues determine whether employees will take on responsibilities beyond their formal job description, according to a recent study. Previous research has suggested that how an organisation performs is the key to whether workers will do more than they strictly need to. The new research contributes to the understanding of how willingness and commitment at work shifts and adapts as it is shaped by social rules and specific contexts

Companies and organisations value highly employees who show commitment and responsibility beyond what would normally be expected of them or is set out in their employment contract.

Examples of what can be described as informal accountability include working before or after formal working hours, showing loyalty to an employer, or making a contribution to the work environment that really cannot be expected under any interpretation of the formal employment contract.

A recent doctoral thesis by researcher Helen Stockhult, Employees in dialogue: A study on the willingness to do more than the formally expected concludes that social relations between colleagues are at the root of employee willingness to take on responsibilities beyond their formal job description.

The research project aimed to study the social aspects of employee behaviour to determine what makes employees take on responsibility. The study was conducted within a local branch of the Swedish public sector company Posten, the Postal Service.

Working with other team members whom you have a great work relationship with can actually make work fun, "Morale is high, which leads to better productivity, which leads to better results." (Judge et al, 2001) and (Stockhult, 2013).

#### CHAPTER THREE

#### RESEARCH METHODOLOGY

#### 3.0 Introduction

This chapter gives an account of how the study was designed and executed. It therefore goes on to provide the background against which the research findings have been assessed to reach the final conclusions. This chapter therefore presents the methods and research techniques that were used to conduct the study. This included the research design, study population, sample size and sampling techniques, data collection methods, data collection instruments and data analysis.

#### 3.1 Research design.

The study adopted to use descriptive research design together with cross-sectional survey design where both qualitative and quantitative approaches were used to establish the contribution of working conditions towards employee performance. The descriptive research design was used because it is concerned with describing the characteristics of an event, providing data about the population or item being studied by only describing thewho, how, what, when and where of a situation at a given time. In this way, the design aims at providing a systematic description that is factual and as accurate as possible. (Amin, 2005)

Both qualitative and quantitative approaches were applied simultaneously in this research study where quantitative approach was used to measure quantifiable amount, degrees, percentages or numbers of the research as well as related findings, whereas qualitative approach was used to describe and explain the phenomenon that cannot be analyzed and presented in a computed or

mathematical format for example job satisfaction, attitudes, opinions that characterizes the behaviour sciences and therefore the qualitative approach gave the research study a human face.

More to the above, cross-sectional design was used through conducting surveys over a large geographical area in Kampala central division for the purposes of getting data from respondents about preferences, attitudes and concerns or interests of a group of people to represent the entire population.

#### 3.2Area of the study

The study was carried out in Kampala central division. The research was conducted in this place because of the saturation of many business organisations which can provide the researcher with relevant information that is required for the study. The questionnaires were supplied to different Business enterprises where most employees and staff were given priority to answer since they had the needed skills and knowledge about the topic or study.

#### 3.3 The study population.

According to Burns and Grove (1993:779), a population is referred to as all elements (individuals, objects and events) that meet the sample criteria for selection in the study. In this therefore the study population has been conducted among the (80) whereby the sample size is (66) according to Krejcie and Morgan (1970).

The study population includedsmall scale enterprises that employ different workers in different departments. These small scale enterprises comprised of companies, super markets, institutes among others. The population constituted 80 people where the business owners were involved,

managers, employees, and community for the purposes of getting appropriate information about the study (Amin, 2005)

#### 3.4 Sampling procedures

#### 3.4.1 Sample size.

The sample size constituted a sample of 66 people determined using Morgan and Krejcie (1970) since it is scientifically proven and approved and therefore can be used for research activities.

#### 3.4.2 The sampling technique.

Sampling methods are classified as either probability or non-probability. The probability samples involve each member of the population to have a known non-zero probability of being selected for example random sampling. Whereas in non-probability sampling, members are selected from the population in some non-random manner.

#### Simple random sampling

The sampling techniques involved a simple random sampling where each element within the population had equal chances of being selected into the sample. Simple random sampling was cheap, easy and convenient and therefore easily facilitated data collection.

#### **Purposive sampling**

The purposive sampling technique was used by researcher in order to reach out to those that have information which is relevant for the study. Purposive sampling was selected basing on the knowledge of a population and the purpose of the study. Therefore the subjects were selected because of some characteristics and therefore have been essential when researcher was studying a specific characteristic, feature or function. In this research the researcher selected the top most

people and business owners plus some few people in operations who were assumed to be more knowledgeable about the importance of working conditions on employee performance in Small Scale Business Enterprises

In this case, interviews, structured, semi structured and unstructured approaches of interviews and finally the questionnaires were used to generate information from the respondents.

#### **Convenience sampling**

Convenience sampling involves taking samples of the study units that happen to be available at the time of data collection since it was most convenient and least costly to the researcher in terms of time, effort and money. The disadvantage of this kind of sampling is that the sample may be biased whereby some people may be over selected, others under selected or missed altogether and therefore, to minimize this disadvantage all the categories in the Small Scale Business Enterprises were selected to enhance representativeness.

#### 3.5 Data collection methods and instruments.

Data was collected using interviews and documents reviews which included human resource reports, comments and remarks in regard to employee performance. In this case, interviews, structured, semi structured and unstructured approaches of interviews and finally the questionnaires were used to generate information from the respondents.

The interview approach is cheap, time saving and also first-hand information is collected. While documents review, time is saved and validated data is generated.

The questionnaires, under this approach, the researcher prepared self-administered questionnaires which were used in collecting data from respondents.

#### 3.6 Data collection instruments.

The tools used in data collection included the interview guide and pens plus notebooks which included a list of questions under topics of investigations while document review constituted sources of documents that contain the relevant information of the topic under investigation.

#### 3.6.1 Questionnaires

The questionnaires were designed by the researcher and this took into account both self-administered and research her administered questionnaires. In this, series of questions that are designed in the questionnaires were given to different stake holders to get relevant information. It should be noted that these questionnaires were always collected at a later date from respondents. The other form of questionnaires were conducted under the guidance of the researcher in order to help the respondents who cannot read and write and also make the exercise more interactive.

#### 3.6.2 Interview guides.

Interviewing is a primary way of collecting data in qualitative research to direct the respondent in responding to the specific research question. Therefore direct face to face structured and semi structured interviews have been asked where all informants responds to the same set of questions. The interview guide was developed to enable the researcher examine the understanding of the respondent has about working conditions and employee performance in more depth than the research questionnaire.

Under this, set of questions that are designed prior to the interview were asked to the selective respondents to get their opinions about the study. This facilitated the submission of first-hand information and update information.

#### 3.6.3 Documents review

Here, the researcher was tasked to review the already existing literature and this involved the review of books, business journals and reports, newspapers, internet sources which helped the researcher in obtaining secondary source of data about the study.

# 3.7 Data collection procedure

It involved a pilot study that was carried out to give facts that the problem actually existed in various forms of small scale businesses in Kampala central division and other parts of Uganda. Data handling is yet another step that was used in data collection and this showed how data was handled.

#### 3.8 Data analysis.

Data was consistently sorted and edited to make sure that all cases of inaccuracy and errors were relatively managed. Data analysis was also put into account the use of illustrations like simple charts and tables to enable easy interpretation of data and therefore this helped the researcher to establish the role of working conditions towards employee performance in small scale businesses.

#### 3. 9 Ethical considerations

The researcher surfaced the field with letter of introduction in order to avoid cases of suspicion. The researcher also respected respondents' opinions and cultural values in order to match the respondents' expectations. In the process of collecting data from secondary sources, the researcher cited the books and the Authors in order to avoid plagiarism.

# 3.10 Study limitations.

This included things like unpredictable weather conditions which possibly hindered the exercise of data collection, limited financial resources to facilitate the process and also un stable political atmosphere that normally caused unnecessary chaos in places of data collection.

Time allocated to conduct the research was limited and therefore this made it harder to review most of the literature relating to the study and also extensive carrying out of interviews.

#### 3.11Conclusion

In conclusion therefore, this chapter was spear-headed by the introduction of the chapter, research design and the area of the study among others which showed where been based.

#### **CHAPTER FOUR**

# DATA PRESENTATION, ANALYSIS AND DISCUSSION

#### 4.0 Introduction

This chapter covers the presentation and discussion of research finding objective by objective. The chapter explains demographic characteristics of respondents, how working conditions influence employee performance in Small Scale Business Enterprises in Kampala district. Out of the study population (80) and the sample target (66), a total of 50 business people responded while 16 failed to return questionnaires. The high response rate is attributed to the researcher's physical involvement in the questionnaire distribution and the collection process

### **4.2 Background information of the respondents**

Table 4. 1: Business level

Type of Business	Frequency	Percent	Cumulative Percent
small companies	27	54.0	54.0
sole proprietorship	23	46.0	100.0
Total	50	100.0	

#### **Source: primary Data 2015**

From table 4.1; (54 %) of the respondents were dealing in small companies while (46 %) were dealing in sole proprietorship businesses. This shows that the majority respondents were from

small companies. However the sole proprietorship businesses also responded in a satisfactory manner reaching almost half of the total respondents. This is attributed to the fact that most of the respondents were from small companies.

**Table 4.2: Education level of respondents** 

Education level	Frequency	Percent	Cumulative Percent
bachelors degree	26	52.0	52.0
masters degree	12	24.0	76.0
diploma level	8	16.0	92.0
Others	4	8.0	100.0
Total	50	100.0	

# Source: primary data 2015

From table 4.2; (52 %) of the respondents were bachelors' degree holders, (24 %) of the respondents were masters' degree holder, (16 %) of the respondents were of diploma level while (8 %) of the respondents had other education levels like certificates and others had more than one education qualifications. Therefore this means that the majority respondents had a bachelors' degree, therefore this implies that most of the business people are degree holders. This is attributed to the fact that business is highly most productive when it is operated by educated people who can handle business related activities in a modern way.

Table 4.3: Respondents' gender

Gender	Frequency	Percent	Cumulative Percent
Male	26	52.0	52.0
Female	24r	48.0	100.0
Total	50	100.0	

From table 4.3: (52 %) of the respondents were male while (48 %) of the respondents were female. This shows that the majority respondents were male. The above sex distribution is attributed to the fact that most of the people the researcher approached were male and therefore gave a biggest response percentage since most of the businesses were being managed by males as compared to females.

**Table 4.4: Age distribution of the respondents** 

Age distribution	Frequency	Percent	Cumulative Percent
20-25 years	25	50.0	50.0
26-30 years	7	14.0	64.0
31-35 years	6	12.0	76.0
36 and above years	12	24.0	100.0
Total	50	100.0	

Source: primary data 2015

From table 4.4; the majority respondents were from the age bracket of 20-25 years (50 %) followed by those in the range of 36 and above years (24 %). This finding is attributed to the trend in business operations where most youths are employed in the business.

#### 4.2 Job security and employee performance in small scale business enterprises

This objective assesses how job security contributes towards employee performance in Small Scale Enterprises. Therefore, it explains whether business enterprises use job security as an instrument for employee performance, whether job security is used on contractual basis, how business enterprises categorize job security on contractual basis, the extent of job security contribution towards set goals and objectives, the factors that guarantee job security in Small Scale Business Enterprises.

Table 4.5: Whether businesses use job security as an instrument for improving employee performance

Response	Frequency	Percent	Cumulative Percent
Yes	45	90.0	90.0
No	5	10.0	100.0
Total	50	100.0	

# Source: primary data 2015

From table 4.5, (90 %) of the respondents confirmed that they are given job security on their jobs while the (10 %) declined that job security is not accompanied to their jobs. This therefore shows that many companies embrace job security. This is true due to the fact that job security promotes good personal management as it induces employers to set disciplinary procedures that prevent

the likely hood of dismissal of employees. Therefore this is in line with the statements of Pennington and Edwards (2000). Job security enables employees to be assured of their jobs which encourages them to work more harder, this is in harmony with what (Watson, 2010) said that it is a desire for each and every employee to keep his job.

Table 4. 6: Whether job security is on contractual basis

Response	Frequency	Percent	Cumulative Percent
Yes	37	74.0	74.0
No	13	26.0	100.0
Total	50	100.0	

# Source: primary data 2015

From table 4.6, it clearly shows that (74 %) of the respondents acknowledged that job security in many organizations is given basing on contractual basis whereas (24 %) of the respondents confirmed that job security is not given under contractual basis. It should therefore be noted that job security in many companies is accompanied by the contractual basis. This is attributed to the fact that contractual basis that is to a year, can give adequate time for the top management to assess the overall performance of their worker for the purposes of determining whether to terminate the contract or to continue with the contact every after the elapse of that contractual period. In the same sense, an employee of the organization has confidence that his job is there even after tomorrow hence being motivated and work to the expected standards.

Table 4.7: How job security contracts are categorized

Categorization of the contract	Frequency	Percent	Cumulative Percent
No categorization	13	26.0	26.0
less than a year	6	12.0	38.0
Annually	18	36.0	74.0
above one year but less than two	8	16.0	90.0
years	-	10.0	100.0
above two years Total	5 50	10.0 100.0	100.0
10tai	50	100.0	
	,	li	

From table 4.7; (36 %) of the respondents confirmed that they categorize contracts annually, (26 percent) of the respondents showed that they don't categorize contracts, (16 %) of the respondents confirmed that their categorization is above one year but less than two years, (12 %) of the respondents confirmed that it is less than a year and finally (10 %) of the respondents confirmed that it is above two years. This shows that the majority respondents categorize contracts referring on annual basis. This is attributed to the fact that annual contracts are easy to renew and facilitates quicker evaluation of the person's performance in the business enterprise.

Table 4.8: Extent of job security contribution towards set goals and objectives in Small Scale Enterprises.

Extent	Frequency	Percent	Cumulative Percent
none at all	8	16.0	16.0
small extent	10	20.0	36.0
moderate extent	15	30.0	66.0
large extent	17	34.0	100.0
Total	50	100.0	

From table 4.8; (34 %) of the respondents clearly shows that job security takes a large extent towards the contribution of set goals and objectives, (30 %) of the respondents takes a moderate extent being a factor that contributes towards set goals and objectives, (20 %) of the respondents represents a small extent and finally (16 %) of the respondents declined that job security doesn't contribute towards the set goals and objectives. Basing on the fact that (34 %) of respondents confirmed that job security at a large extent contributes towards set goals and objectives. This implies that there is a correlation between job security and the achievement of set goals and objectives. This is attributed to the fact that job security encourages high output since the employees are satisfied with their jobs hence working tirelessly to improve the overall performance of the organization. More to that job security promotes personal management which induces employers to draft disciplinary procedures for the purposes of minimizing unfair practices that are related to dismissal of employees.

Table 4.9: Factors that guarantee job security in Small Scale Enterprises.

Factors that guarantee			
Job security	Frequency	Percent	Cumulative Percent
level of experience	14	28.0	28.0
business performance	16	32.0	60.0
long existence of business	9	18.0	78.0
experienced top management	7	14.0	92.0
Others	4	8.0	100.0
Total	50	100.0	

From table 4.9: (32 %) of the respondents confirmed that business performance is the major factor that guarantee job security in their organizations, (28 %) of the respondents confirmed that it's the level of experience which guarantee job security in their organization, (18 %) of the respondents were in support of long existence as one of the factors that guarantees job security, (14 %) of the respondents showed that experienced top management is the factor that guarantees job security in their organizations and finally (8 %) of the respondents were in support of other factors which include skills and competence, commitment of an employee among others. This therefore shows that in many organizations, business performance is ranked the best factor to guarantee job security. In the same sense, other organizations consider the level of experience to be a pertinent factor to guarantee job security. This is mainly due to the fact that with business performance reflects high profitability of the business which gives satisfaction to business

owners hence being induced to guarantee job security to their employees. On the other hand the level of experience of workers compels the employers to guarantee job security in order to maintain and retain well experienced workers for the purposes of having consistence in production and also minimizing on wastage that would have come as a result of poor experienced workers.

## 4.3: Wage/ pay levels and employee performance in small scale business enterprises

This section presents the overall contribution of wage or pay levels towards employee performance in Small Scale Business Enterprises. This therefore presents whether pay or wage is used as an instrument as an instrument for performance, and the different kinds of pay system employed by organizations.

Table 4.10: Using pay or wage as an instrument for measuring employee performance

Response	Frequency	Percent	Cumulative Percent
Yes	44	88.0	88.0
No	6	12.0	100.0
Total	50	100.0	

# Source: primary data 2015

From table 4.10; (88 %) of the respondents confirmed that pay or wage is used as the instrument of performance in their organizations while (12 %) of the respondents declined that pay or wage is not used as instrument for performance. This implies that many organizations employs pay or wage as an instrument for performance due to the accruing benefits like reinforcement of appropriate behaviors in the organization. This is in line with what (Steve Kerr, 2001) said that appropriate behavior within the organization can be achieved by the use of pay or wage system as a mode of payment system.

Table 4.11: The different kinds of pay system employed by organizations

Kind of pay system	Frequency	Percent	Cumulative Percent
bonus system	15	30.0	30.0
Salary	20	40.0	70.0
Incentives	9	18.0	88.0
Pension	2	4.0	92.0
Others	4	8.0	100.0
Total	50	100.0	

From table 4.11; shows that the majority of the respondents (40 %) confirmed the commonly used payment system in organizations is salary, the (30 %) of the respondents confirmed that bonus system is used in their organization as a payment mode, (18 %) of the respondents admitted that incentives as payment systems are used in their organizations,(8 %) of the respondents indicated that other modes of payment system are used in their organizations and finally (4 %) of the respondents were in total support that pension is used as a payment mode in their organization. This implies that in most organizations salary takes the lead of being the commonly used payment system in organization. Bonus system of payment system is ranked in the second position. This shows that in most organizations salary and bonuses are used coherently. This is attributed to the fact that salary communicates how much the organization values the contribution of an individual while bonuses shows that the performance of an individual is highly appreciated which consequently results into satisfaction of the individual

hence being royal to the organization. The above information is further represented on the figure below for more understanding:

#### 4.4 Colleague relationship in small scale business enterprises

This objective of the study was to establish the role of colleague relationship towards employee performance in a Small Scale Enterprises. In order to achieve this, the research questionnaire was developed and therefore it included whether the business permit team work amongst its employees, the different ways the business uses to ensure that its employees work in teams, the likely benefits that can come as a result of teamwork of employees and finally the extent to which employees show commitment towards teamwork.

Table 4.12: Team work amongst its employees

Response	Frequency	Percent	Cumulative Percent
Yes	39	78.0	78.0
No	9	18.0	96.0
No say	2	4.0	100.0
Total	50	100.0	

#### Source: primary data,2015

From table 4.12; shows that (78 %) of the respondents confirmed that team work amongst employees in their organizations, (18 %) of the respondents declined that team work is not

encouraged amongst employees in their organizations and (4 %) of the respondents said none. This implies that in many organizations team work amongst employees is encouraged and this has been attributed to the fact that organizations which embrace it have overwhelming benefits which involve; enhancing working relationships, timely finishing of work, sharing of skills among others.

Table 4.13: The different ways the business uses to ensure that its employees work in teams

Ways	Frequency	Percent	Cumulative Percent	
Workshops	14	28.0	28.0	
joint training	12	24.0	52.0	
get together party	11	22.0	74.0	
further studies	9	18.0	92.0	
Others	4	8.0	100.0	
Total	50	100.0		

## Source: primary data

From table 4.13; (28 %) of the respondents confirmed that workshops are used in their organizations to ensure that employees work in teams, (24 %) of the respondents also showed that joint training is used in their organizations to ensure that their organizations work in teams, (22 %) of the respondents showed that get together parties are used, (18 %) of the respondents also confirmed that they use further studies while (8 %) of the respondents show that they instead use other ways to ensure that that employees work in teams. This shows that the most common

ways used by most organizations include workshops, joint training and get together parties. This is simply attributed to the fact that most organizations use workshops because it involves people to work together to accomplish work effectively, also joint training enhances teamwork since people need to join efforts to help each other while get together are the best way to ensure team since people get to know each other through enjoyment and entertainment and his helps in inducing strong relationship among workers and this could motivate such people to work in teams.

# 4.4.1 Benefits that can come as a result of team work of employees:

Research from the interview guide revealed some benefits which include:

Increases the performance of the business and productivity since due to teamwork, it results into increased output as a result of sharing efforts and skills hence quality performance and improved productivity levels.

Employees are able to share their experience, knowledge and have a feeling of togetherness which can later lead to performance of quality work.

Creation of friendship amongst workers and attracts more employees to come and this helps in enhancing easy coordination of activities and sharing of ideas which can help in better performance of work in businesses.

Sharing of ideas amongst workers, teamwork results into sharing of ideas which help workers in their daily operations of work hence enhancing work accomplishment and timely accomplishment of work so as to increase on the performance of work in the business. for example they gather to find solutions to the problems they face in business and even draw up a plan for the organization in order to achieve the goals and objectives.

Motivation (boosts morale amongst workers) and development of skills, high spirits of working and sense of belonging

Increased creativity and innovation/ identification of new opportunities, this comes as a result of workers sharing new ideas which later enhance creativity in their way of doing work and above all coming up with new ideas which can also benefit others workers in a team hence leading to work performance in the business enterprise.

Fewer rebellions, team work introduces friend ship among the employees since everyone in the group will be having a feeling of each other and therefore reduce conflicts in the group which can later lead to rebellions in the business.

Timely accomplishment of work, this comes a result of the people in the team joining their efforts to do the assigned work in an efficient way possible and accomplish work in time since work burden is shared amongst different people in the group hence leading to work performance as a result of managing time.

Brings about job satisfaction, team work brings about job satisfaction since it brings out the sense of responsibility and belonging within the group hence resulting into commitment among the employees which later leads to work performance through job satisfaction.

Reduced employee turnover, team work also helps in reducing employee turnover which come as a result of heavy burden of work to be performed which sometimes leads to poor performance of work but through teamwork, an employee can be in position to work with other members and also share skills and experience on how to perform quality work hence leading to employee performance at work.

Higher quality of work, quality of goods and services produced as result of sharing of effort, skills and experience which are combined to come up with quality work performance in the business enterprise.

Table 4.14: Extent showing commitment towards teamwork amongst employees

Extent level	Frequency	Percent	Cumulative Percent
none at all	9	18.0	18.0
small extent	16	32.0	50.0
moderate extent	14	28.0	78.0
large extent	11	22.0	100.0
Total	50	100.0	

#### Source: primary data, 2015

From table 4.14; (32 %) of the respondents showed that it is at a small extent of commitment towards team work, (28 %) of the respondents confirmed that commitment towards team work is at a moderate level, (22 %) of the respondents also confirmed that commitment towards team work is at a large extent while (18 %) of the respondents confirmed that commitment towards teamwork is not showed at all. This simply means that commitment of employees in many organizations is normally at a small extent. This is attributed to the fact that in some organizations, some workers are non performers and therefore others are not willing to work with them.

## 4.5 Employee performance in small scale business enterprises

This section examined how employee performance is achieved in Small Scale Business Enterprises. In order to achieve this, the following were assessed: whether employees set targets in business, what kind of targets set by employees, the major factors considered before setting up targets, the different ways of ensuring that setup targets are achieved, how does the organization ensure quality performance and finally whether employee performance contributes towards cost effectiveness

Table 4.15: Whether employees set targets

Response	Frequency	Percent	Cumulative Percent
Yes	43	86.0	86.0
No	7	14.0	100.0
Total	50	100.0	

#### Source: primary data

From table 4.15; (86 %) of the respondents confirmed that employees set targets, in their organizations while (14 %) of the respondents declined that employees do not set targets. This implies that in many business organizations, employees set targets. This is due to the fact that targets that are set by employees help to check performance and timely accomplishment of tasks.

Table 4.16: The kind of targets set by employees

Kind of target	Frequency	Percent	Cumulative Percent
short term	40	80.0	80.0
long term	10	20.0	100.0
Total	50	100.0	

From table 4.16; (80 %) of the respondents confirmed that the kind of targets set by employees are short term while (20 %) of the respondents showed that employees set long term targets. This means that the overwhelming percentage (80) reflects the fact that employees prefer setting short term targets. This is true because short term targets boost the level of motivation amongst workers since within a short period of time, they are able to realize performance or to judge whether they are performing to the expected standards or otherwise.

# 4.5.1 Major Factors that are considered before setting up short term targets:

Findings from the research survey structured questionnaires revealed the factors that are considered before setting up short term targets and one of these included previous year's performance where business people set targets basing on the previous experience of the experience. Availability of resources is also one the factors since business people could base on the available resources like human resource, finance among others. The other one is ability to achieve the targets was also based on to set up targets and even time constraint which determines the time length in which the target is to be achieved and it should be in line with business performance. Others included factors like Monthly earnings for the business, tax responsibility of

the business, the organizations goals and objectives, the work to be done, speculated customer base, level of achievement, expectations from the employees, skills required to perform the job and market share the business has. All those lead to performance of the business.

Source: Research survey data 2015

4.5.2 Factors that are considered before setting up long term targets

Findings from the research survey structured questionnaires showed that the respondents considered factors such as performance of the their business, reward systems that is awarding, market share the business has, a working plan for the organization and decision making for the organization. All these lead to employee performance in the small scale business enterprises.

Source: Research survey data 2015

4.5.3 ways how the employer ensure that the set up targets are achieved:

Findings from the interview guide revealed the following ways that are use by employers to ensure that the set up targets are achieved and one of them is through performance review of results to make sure that the results are achieved as per the set up targets. Respondents also revealed that employers also ensure achieving set up targets through providing required materials since all the materials are there to help in the achieving of set up targets that needs to be achieved. Also providing training for workers was among the ways so that the workers can be able to acquire the required skills and competence to perform the work as per the requirements hence leading to performance. The other one is through financial support which can stimulate the performance of the business hence leading to performance. Others suggested included making promises for employees to give bonuses for achieving the set targets and also awarding those who achieve their targets which motivate employees to work hard and improve on the performance of the organization. They also suggested other ways like motivating the employees

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through allowances such as lunch, transport and breakfast, coming up with a work plan for the

organization, coming up with the same decision to run business, encouraging team work, setting

up performance controls, providing incentives, setting deadlines, close supervision of workers,

timely delivery of raw materials, monitoring and evaluation, regular reviews, regular meetings

and regular e-mail communications, ensuring that employed workers have the required skills,

providing a better and worthy salary to workers, minimizing costs of production, Sales

promotion and finally complying with organizational standards hence leading to performance of

the business.

**Source: Research Survey Data 2015** 

4.5.4. How does the organisation ensure quality performance

The findings from the interview guide revealed the following ways used by the organization to

ensure quality performance in Small Scale Business Enterprises:

Through close supervision to ensure that workers are following the set rules and guideline or

procedures put across to help in performing quality work.

Book keeping that is to say record keeping which helps in noting down important things that are

vital in as far as quality performance is concerned.

Encouraging team work where employees can be able to share skills and work for better

performance

Monitoring and evaluation of the performed work so as to ensure that it is done as per the set

standards so as to promote quality performance of work done in the organization.

Ensuring use of experienced personnel who are able to use the needed skills and experience to

perform to the expected standards.

Setting standards of work which can act as base to measure performance in an organization

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Training of staff to ensure that the workers have necessary skills and knowledge on how to perform work in an organization

Table 4.17: Whether employee performance contributes towards cost effectiveness.

Response	Frequency	Percent	Cumulative Percent
Yes	38	76.0	76.0
No	12	24.0	100.0
Total	50	100.0	

# **Source: primary source**

From table 4.17, (76 %) of the respondents confirmed that employee performance contributes towards cost effectiveness while (24 %) of the respondents showed that employee performance doesn't contribute towards cost effectiveness. The overwhelming percentage of (76) implies that in many organizations employee performance is directly associated with cost effectiveness. The positive response of the (76%) was supported by the following reasons:

When employees' performance is good, unnecessary costs like training are avoidable

When employees performance is good, there is always time saving

Good performance of employees, reduces wastage in an organization

## 4.5.5 However, on the other side, it was also supported by the following reasons:

Cost effectiveness is determined by top managers not the employees

Some organizations do not have open financial information to all employees

Employee performance can decrease while the costs are increasing and vice versa.

Table 4.18: Table showing the response rate statistics for the extent of job security contribution towards set goals and objectives and pay or wage as an instrument for performance

Contents	Extent of job security contribution towards	Pay or wage as an instrument for
	set goals and objectives	performance
N	50	50
Mean	2.82	1.12
Std. Deviation	1.082	.328
Variance	1.171	.108
Range	3	1

# Assessing the response rate of extent of job security contribution towards goals and objectives

Findings from table 4.18 show that the mean is (2.82) and standard deviation is (1.082), this therefore shows that response was too divergent in the way that respondents gave different views which wasn't consistent at all. This is also justified by the range figure of 3 which is too big and there this means that the views from the respondents was not the same at all due to different kinds of extent revealed by the respondents to be used in their organizations.

## Assessing the response rate of pay or wage as an instrument for performance in businesses

Findings from the table 4.18 show that the response rate of pay or wage as an instrument for performance in businesses gave a mean value of 1,12 while standard deviation to be 0.328. This shows that the response rate was positive since the standard deviation did not divert away from

the mean. This is justified by the fact that people had knowledge about the topic in point and therefore contributed a good response which is shown by the range value of 1 which is closer to the mean value.

**Table 4.19: Descriptive Statistics** 

Items	N	Minimum	Maximum	Mean	Std. Deviation
extent showing commitment towards teamwork	50	1	4	2.54	1.034
kind of pay system employed by businesses	50	1	5	2.20	1.161
ways of ensuring team work amongst employees	50	1	5	2.54	1.297
Valid N (listwise)	50				

Source: primary data

# Assessing response rate about the extent showing commitment towards team work

Findings from the table 4.19 show that the response rate gave a mean of 2.54 and a standard deviation of 1.034. this shows that the response rate was so divergent that is to say respondents had totally different views about the extent where each one decided to choose what suits their business enterprises and therefore are not similar at all.

## Assessing response rate about the kind of pay system employed by businesses

Findings from table 4.19 show that the response rate gave a mean value of 2.20 and a standard deviation of 1.161. This means that the response rate was as a result of divergent responses from different peoples' views where different people in different organizations use different kinds of pay systems and therefore caused the standard deviation to be too far away from the mean value.

Assessing the response rate about the ways of ensuring team work amongst employees in businesses

Findings from the table 4.19 show the response rate gave a mean value of 2.54 and a standard deviation of 1.297. This simply implies that the response rate gave a non-consistent rate where the response rate was so different due to different ways of ensuring team work being different in different organizations. Therefore this justified the standard deviation value to be too far away from the mean value.

#### 4.6: Conclusion

In summary, the research findings showed that the implementation and consideration of working conditions is in one way or the other affects and contributes towards employee performance in an organization. Therefore business enterprises should consider the employment of working conditions due to its overwhelming benefits as regards to employee performance in small scale business enterprises. It should therefore be noted that working conditions contributes largely towards employee performance in business enterprises.

#### **CHAPTER FIVE**

#### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.0 Introduction

The major purpose of this study was to determine the relative influence of working conditions on employee performance in small scale business enterprises in Kampala Central division. The analysis and data drawn from the previous chapters preferably give a positive influence of working conditions on employee performance in small scale business enterprises. Therefore this chapter is a brief summary of the study results or findings, conclusion and recommendations.

# **5.1 Summary of findings**

#### 5.1.1 Job security and employee performance in Small Scale Business Enterprises

The study examined the role of working conditions on employee performance in small scale business enterprises in Kampala Central Division. The descriptive research design was used as well as the qualitative and quantitative methodologies. The Likert scale questionnaire was developed to collect the raw data which was later processed mathematically using SPSS. The interviews which were conducted by the researcher clearly pointed out the fact that Small Scale Business Enterprises in Kampala Central Division uses all the three major objectives that is to say job security, wage/ pay levels and colleague relationship to improve employee performance. The findings of the study indicated that job security positively influences employee performance in small scale business enterprises Kampala division. The objective aids to induce employee satisfaction, promotion of personal management and also improved output. Basing on the

interview that was carried out indicated that job security is carried out on contractual basis and in the same case the category of the contract that was most preferred, is on annual basis. Its contribution is also taken to be at a large extent towards the achievement of set goals and objectives.

#### 5.1.2 Pay or wage levels and employee performance in Small Scale Business Enterprises

The study indicates that wage or pay level directly impacts on the performance of employees in many business enterprises in Kampala central division. Different kinds of pay or wage level which includes bonuses, incentives among others induces employee satisfaction and therefore lead to employee performance since it is a motivating factor that drives employees to work hard to achieve business goals and objectives. Therefore different forms of small scale business enterprises have tried to come up with different kinds of pay system which acts as a way of compensating employees for work done and a way of showing appreciation to the good performers so as to enhance job satisfaction among employees, this will later induce the employees to work at their best to achieve more hence leading to employee performance in the business.

#### 5.1.3 Colleague relationship and employee performance in Small Scale Business

#### **Enterprises**

In line with employee performance, colleague relationship is one of the paramount perspectives that should be given special attention in most of the small scale business enterprises. This is because colleague relationship has so many benefits including sharing skills and knowledge on how to perform different tasks, timely accomplishment of work, among others which are all geared towards employee performance. This therefore shows that there is a positive or clear

relationship between colleague relationship and employee performance in so many Small Scale Business Enterprises.

#### **5.2 Conclusions**

#### Job security and employee performance in Small Scale Business Enterprises

In relation to the findings of this study, it was indicated that the influence of job security contributes at a large extent towards employee performance in Small Scale Business Enterprises in Kampala central division. It is therefore important to note that small scale businesses should strive to implement more programs which relate to job security to continuously improve working conditions in order to achieve high production levels, self-motivated employees which consequently lead to improved employee performance.

#### Pay or wage level and employee performance in Small Scale Business Enterprise

Basing on the researcher's findings, pay or wage level is one of the perspectives that should be considered to achieve better employee performance. This is absolutely true that pay or wage level influences employee performance in business enterprises. This is because at the end of the day or after accomplishing assigned work, a person expects compensation or appreciation, this might be in pay or wage and therefore will help in motivating that particular worker to work harder so as to improve on his or her performance. Therefore the positive contribution of pay or wage level has directly led to improved employee performance in Small Scale Business Enterprises.

# Colleague relationship and employee performance in Small Scale Business Enterprises

In relation to business operations, colleague relationship should be put into consideration in as far as employee performance is concerned since colleague relationship enhances teamwork to be effective through coordination of activities, sharing of skills and knowledge and also increases employees attitude towards work or his or her job and above all reduces employee turnover. This therefore helps the entire organization though improved employee performance since colleague relationship brings about high cohesiveness which is both a cause and outcome of high productivity in different Small Scale Business Enterprises.

Basing on the results of research made on 100 countries across the world Uganda particularly based on 2012-2013 TRAVAIL database of conditions of work and employment, findings show that over years working conditions have a great influence on the employee performance in so many small scale business enterprises. It should therefore be noted that working conditions and employee performance are interwoven terms in a way that working conditions must be extremely good for the employees to perform to their best Therefore there is need to have leaders with passion, time and capacity to see things through from initial idea to implementation.

Research further indicates that people working under inconvenient conditions may end up with low performance and occupational health diseases causing high absenteeism and turnover while affecting the employee performance in different business enterprises.

The survey continues to show that working conditions should be taken note of being vital in business enterprises as regards to employee performance due to its overwhelming benefits such as job satisfaction, reduced employee turnover, increased productivity on the side of employees and therefore affects positively on the overall performance of the business.

Research findings however revealed that more effort is needed in the implementation of good or favorable working conditions so as to effectively enhance employee performance in small scale business enterprises in Kampala central division.

#### **5.3 Recommendations**

Referring to the findings made on this study in regard to the role of working conditions towards employee performance in small scale business enterprises in Kampala central division, the following recommendations are made in order to successfully carry out the appropriate research such that the desired benefits are realized.

Encourage provision of better working conditions in small scale business enterprises in business enterprises

Research findings revealed that one of the major problems associated with so many business enterprises lacks avenues for enhancement of better working conditions and therefore this affects employees in the daily performance of their work because they lack job satisfaction at work. This therefore calls for business enterprise owners to be in position to ensure that working conditions that are favorable are provided to employees such as giving them allowances, motivating them, providing them with a conducive environment among others so as to enable employees perform at their best in order to realize the expected performance in business enterprises.

Emphasize more on implementation of better working conditions that are notable by employees but not just mere talking about them

Many business people have a weakness of not or failing to implement working conditions in their business enterprise yet they know and understand the benefits of implementing such working conditions. This therefore calls for more effort needed in implementing and executing better working conditions in business enterprises so as to be able to realize the expected performance from employees since through employment of better working conditions, employees get to be motivated and therefore encourages them to work more harder for better results or performance in businesses.

Communication and sensitization of business people about the benefits which come as a result of provision of better working conditions

Basing on the results of research, there is a need for effective communication and sensitization of the business owners by the top people to understand the benefits of working conditions as regard to its contribution towards productivity levels in small scale business enterprises. Therefore this calls for effective communication and sensitization of the business people in the organization so as to effectively understand and see the importance of effective utilization of better working conditions hence helping in the realization of better employee performance and above all enhancement of overall business performance in small scale business enterprises.

Communication of different ways of ensuring better working conditions in business enterprises

Results showed that there are different ways of ensuring that working conditions are better, but it is also noticed that many business organizations underutilize such ways or even some are not even concerned. Therefore there is more need to effectively communicate and use the different ways of ensuring better working conditions in business running if the business is to realize the expected employee performance.

# Follow up the working conditions in the organization or ensure that they are managed well in business operations

Businesses always look at providing better working conditions as something simple to achieve while neglecting to make follow ups on some of the implemented working conditions and therefore end up failing in a short period. Therefore this should be taken as an important point as regards successful realization of employee performance in small scale business enterprises.

#### **5.4 Suggestions for further research**

Following the findings of the research, it has been noticed that this research results has got some limitations and weaknesses, this therefore means that the results are not final and then cannot be generalized but it has put forward areas for further research. Areas of further research that have not been covered extensively or those that come as a result of call for further research include; the influence of working conditions on employee motivation, the role of business management on employee performance, the influence of working conditions on the level of employee performance.

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# **APPENDICES**

**APPENDIX: 1 QUESTIONNAIRE** 

QUESTIONNAIRE

INTRODUCTION:

You have been selected as a respondent to participate in a study entitled **working conditions** and employee performance in small scale enterprises. The study is for the academic year 2014-2015 which is the fulfillment for the award of the Bachelor's Degree in Business Administration and Management at Uganda Martyrs University. Am assuring you that the information given out will be kept confidential for research purposes only and not anywhere else.

INSTRUCTION: TICK WHERE NECESSARY IN THE BOX AND SPECIFY WHERE POSSIBLE.

SE	СT	][	)N	1:	RES	ŝΡ	ľ	ND	EN	١TS	ID	EN	$_{ m ITL}$	FI	CA	П	O	N	١
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Institution/bu	ısiness un	it		 
Sex	Male		Female	
Highest level	of educat	ion.		
a) Bachelor's	degree			
b) Master's de	egree			
c) Diploma le	vel			
d) Others spec	cify			
i)				 
ii)				 
iii)				 

Date of interview	
Age	
20-25 years	26-30years
31-35 years	36 and above years
SECTION 2: JOB SECURITY IN SMA	ALL SCALE BUSINESS ENTERPRISES.
1(i) Does the business give job security to	o its employees?
a) Yes	
b) No	
1(ii) if yes, is it on contractual basis?	
a) Yes	
b) No	
1(iii) if yes, how do you categorize the co	entract?
a) Less than a year	
b) Annually	
c) Above one year but less than two years	
d) Above two years.	
2) To what extent does job security contri	bute towards the set goals and objectives?
a) None at all	
b) Small extent	
c) Moderate extent	
d) Large extent	

2(i) Give reason for your answer.	
3 What factors guarantee job security	in your organization?
a) Level of experience	
b) Business performance.	
c) Long existence of business	
d) Experienced top management	
e) Others (specify)	
i)	
ii)	
iii)	
SECTION 3: WAGE /PAY LEVEL	S IN SMALL SCALE BUSINESS ENTERPRISES.
1(i) Does the business employ pay / w	age as an instrument for performance?
a) Yes	
b) No	
1(ii) If yes, which kind of pay system	does the organization employ?
a) Bonus system	
b) Salary	
c) Incentives	
d) Pension	

e) Others (specify)	
i)	
ii)	
iii)	
SECTION 4: COLLEAGUE ENTERPRISES	RELATIONSHIP IN SMALL SCALE BUSINESS
1(i) Does the business permit team	work amongst its employees?
a) Yes	
b) No	
1(ii) if yes, what are the different teams?	ways the business uses to ensure that its employees work in
a) Workshops	
b) Joint training	
c) Get together party	
d) Further studies	
e) Others	
i)	
ii)	
iii)	
2 Basing on your business, what a employees? Please specify	re the likely benefits that can come as a result of team work of
a)	

b)	
c)	
d)	
3 To what extent do employees show	w commitment towards teamwork?
a) None at all	
b) Small extent	
c) Moderate extent	
d) Large extent	
3(i) give reasons to support your ans	swer you have selected.
i)	
ii)	
ii)	
ii) iii)	
ii) iii)	
ii)	

1(iii) Depending on the selected target, what are some of the major factors that are considered
before setting up that target. Please specify.
a)
b)
c)
2 How does the employer ensure that the set up targets are achieved? Please specify.
a)
b)
c)
3) How does the organization ensure quality performance (please specify)
a)
b)
c)
3(i) Does employee performances contribute towards cost effectiveness?
a) Yes
b) No
3(ii) For any alternative selected, give a reason(s) to support it.
i)
ii)

# APPENDIX: II INTERVIEW GUIDE

- a) What are the different ways in which employers ensure that set targets are achieved?
- b) How does the organization ensure quality performance?
- c) What are some of the major factors that are considered before setting up targets?