

# **Impact of Human Resources and Capabilities on the Growth of Small Firms: Evidence from Nigeria**

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## **ABSTRACT**

This study was empirically conducted to analyze the impact of human resource practices and capabilities on the growth of small firms. A sample of 197 responses from small firm's owner/managers in Nigeria were analyzed with the aid of SPSS. Correlation analysis findings show that human resource practices of training and compensation have positive impact on sales growth of small firms and also have negative relationship with intention to leave which in turn have a negative relationship with sales growth. Therefore, training and compensation practices of small firms have positive relationship with growth of small firms and also have negative impact on employee turnover that is prevalent in small firms. Similarly, capabilities of owner/managers of small firms were also examined and it was found out to have significant impact on small firm growth. Management training, entrepreneurial role model and membership of professional association were found out to have significant effect on small firm growth. Findings, recommendation, limitation and future research suggestions were also discussed.

**Keywords:** human resource practice, small firm, sales growth, owner/manager.

Nigeria

## ÖZ

Bu çalışma insan kaynakları yönetimi uygulamaları ve kapasitelerinin küçük işletmelerin büyümeleri üzerindeki etkisini araştırmak için yapılmıştır. Nijerya’da bulunan 197 küçük işletme sahibi veya yöneticisinden toplanan veriler SPSS kullanılarak analiz edilmiştir. Yapılan korelasyon analizine göre bir insan kaynakları yönetimi uygulaması olarak işgücü eğitimi ve ücret sisteminin küçük işletmelerin satışlarının artışına olumlu etkisi ve işletmeden ayrılma kararına olumsuz etkisi vardır. Bu yüzden, küçük işletmelerde işgücü eğitimi ve ücret sistemlerinin işletmenin büyümesi ile olumlu bir ilişkisi vardır ve küçük işletmelerde sık olarak görülen personelin işten ayrılma hızı üzerinde de olumsuz etkisi vardır.

Aynı şekilde, küçük işletmelerin sahibi veya yöneticilerinin yönetim kapasiteleri de araştırılmış ve bunların küçük işletmelerin büyümesinde önemli etkileri olduğu bulunmuştur. Küçük işletmelerin büyümesinde etkili bulunan faktörler olarak yöneticilerin eğitimi, girişimcilik rol modeli ve profesyonel bir birliğe üye olma bulunmuştur. Çalışmanın sonunda bütün sonuçlar, öneriler, çalışmanın kısıtları ve gelecekte yapılabilecek çalışmalar için öneriler de sunulmuştur.

**Anahtar Kelimeler:** İnsan kaynakları uygulamaları, küçük işletme, satış büyümesi, işletme sahibi/yönetici, Nijerya.

## **DEDICATION**

I dedicate this work of research to the Glory of Almighty Allah (SWA) for all the blessings, protections and guidance He bestowed on me throughout my life.  
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# Chapter 1

## INTRODUCTION

Small and medium firms have been the backbone of national economies (Lin, 1998). Small businesses constitute the largest percentage of businesses in the world today (Morrison et al., 2003). A small firm employs relatively small number of staff compared to a large firm and similarly small firms have low capital compared to large firms; however the number of existing SMEs in the world today is increasing faster than that of the large firms hence, the contribution of small firms to the economy remained undisputable (Morrison et al., 2003).

The contribution of small firms to economies of the world are now glaring that researchers have started developing interest in their activities. Small firms create new jobs or employment opportunity in a nation irrespective of its developmental status (Bridge et al., 1998). Therefore, the economic development and social stability of nations are dependent on small and medium firms. Countries that have thriving small business sectors tend to have relatively less employment related problems especially where the SMEs use labor intensive production process that can create more job openings for the unemployed populace. SMEs' impact in a society is positively felt through transforming the economic fortune of both the community and the country where such SMEs are located. The positive impact of small firms led to regional development in many developing countries like Turkey (Kaya, 2006). SMEs also serve as platforms for young and new entrepreneurs to implement innovative ideas

and put their creativity to test (O'Shea, 1998). Entrepreneurs use the platforms provided by SMEs to operationalize their ideas which cannot be easily accepted and used by large established firms. The activities of SMEs increase the availability and variety of goods and services in an economy thereby increasing welfare of society. In the process of carrying out their activities small firms are affected by some factors. The factors that affect small firms can be classified into external and internal. External factors are those factors that are beyond the control of the firm to which the firm can only react to or adjust to. The external environment which is made up of economic, social, political and legal and other similar factors, while internal factors are factors resident within firms upon which the firm has control over and can manipulate directly to meet their needs, for instance, human resource, finance and research and development (Yahya et al., 2012).

Human resources are the backbone of any organization (Morrison et al., 2003). The ability of an organization to meet its objectives is directly dependent on its human resource capacity (Heneman et al 2000) because any plan no matter how well designed cannot implement itself hence the need to have competent and skillful workforce that will be able to transform the plan into action and lead to improvement in performance outcomes for the firm. Although the above statement has been proved by researchers it is also correct to say that the human resource practices of small and large firms differ in many respects due to differences in size, number of employees, ownership structure and other factors like finance, time and orientations of such firm (Desphande and Golhar 1994; Hornsby and Kuratko 1990). Small firms are more likely to operate in an informal and flexible way regarding issues of human resource than large firms are (Gibbs, 1997; Lee, 1995). It is also evident from several

empirical findings by Barron et al. (1987) and Jackson (1995) that small firms' level of adherence to human resources practices is minimal. Hill and Stewart (1999) support the fact that SMEs need to be flexible, and advanced a reason that SMEs need to be flexible to overcome environmental challenges considering their peculiar nature of operations, human resource needs and management. The sum of the findings in the literature indicates that SMEs are really important sector of any nation and hence should adequately cater for in the interest of the nation. To achieve this objective there is the need to understand the sector and appreciate its peculiarities. This study focused at human resource's impact on the growth of small firms. It is clear from the above postulations that the human resource practice of SMEs is not the same as large firms and therefore special care and attention instead of applying findings from studies conducted on large firms.

Human resource is an extensively studied topic. Moreover, the relation of human resource practice is a widely researched area (Khatri, 2000; Gardenne, 1998) such cannot be said about the study of characteristics and impact of human resource in the small firm(Keating and Olivares, 2007; Katz et al., 2000).

### **1.1 Statement of the Problem**

Nigerian economy is a developing one and its dependence on small firms to create employment, reduce poverty, and create wealth and other economic activities for its citizens cannot be overemphasized. Small firms all over the world exist and operate in highly challenging environments especially in a developing economy like Nigeria. Small business firms face challenges in raising capital and in competing with large firms for the markets (World Bank, 2001).

The human resource capital of the employee is crucial to the success and development of small firm. The fact that human resources are part of internal resource of the firm which, if properly harnessed will lead to sustainable competitive advantage make it imperative for studies to be carried out to understand the human resource practices and their impact in small firms. To be successful, small firms need to have in its employment competent and quality employees with capabilities organizations need to achieve their objectives (Lussier and Pfeifer, 2001; Penrose, 1959; and Schular and Jackson, 1987). Numerous studies have revealed the role of human resources in the creation of competitive advantage to small and medium firms and also the contribution to national economic growth (Lin, 1998). The resource based view theory looks at the internal resources of the firm as main source of its competitive advantage against the competitors and human resources is one the internal resources of the firm. Although both small and large firms share a lot in common in terms resource needs there is also a clear difference with respect to human resources and capabilities and also they differ in the application of human resources in areas such recruitment, orientation, training and compensation and other similar human resources functions that are carried out by both small and large firms.

## **1.2 Significance of the Study**

The purpose of this study is to use the findings to close the gap in knowledge about the impact of human resources and capabilities of owner/managers have on the growth of small firms in Nigeria. According to Baron (2003) the field of human resources studies could gain more from exploring closely the human resource process in small and new firms. According to Lin (1998) small firms constitute the backbone of the economy of all nations. Advanced nations like USA, Canada and United Kingdom have many small firms which help to stabilize their economies. Nigeria as

a third world nation is not left behind. According to SMEDAN (2013) report, Nigeria has 72,000 small and medium firms. Many human resource studies have been carried out but majority of them is concerned with large firms which hinder the availability of research findings with respect to small firms focused on human resource impact on small firms in developing world in general and Nigeria in particular. The research will go a long way in closing the gap between the information needs of small firms and what is available in the literature of human resources. Presently there is dearth of research findings that is directed towards the study on human resource capability and the impact on sales growth of small firms in Nigeria. The outcome of the study will highlight the impact of human resource practices of small firms in terms of training, recruitment, compensation while the intention to leave will serve a measure of the impact of human resources variable on the performance of the firm.

### **1.3 Objectives of the Study**

The main objective of this study is to provide empirical evidence on human resources and capabilities specific to small firms operating in a developing economy. The study will also specifically identify and highlight the human resource practices in small firms and their impact on growth and development of small firms in Nigeria.

Other objectives are to highlight those capabilities that are important to small firms and their impact on growth. Then look at impact of training, recruitment, and compensation on the growth of small firms and how these practices affect intention to leave.

## **1.4 Research Questions**

1. How has human resource practice in small firms affect the growth of the firms?
2. Is the human resource practice in small firms related to intention to leave?
3. Does human resources capital of owner/manager affect growth of small firms?

## **1.5 Research Hypothesis**

H1: Training will be related to intention to leave.

H2: Compensation management will be related to intention to leave.

H3: Training will be related to sales growth.

H4: Intention to leave will be related to sales growth.

H5: Compensation will be related to sales growth



## **Chapter 2**

### **LITERATURE REVIEW**

This section will review the relevant literature on the variables of the study. The section will also focus on the existing gap in the literature on the topic. The review of literature reveals that the approach of small firms to human resources has always been informal (Jameson, 1998). Studies carried out in the early 1990s has established correlation between a firm size and the adoption of human resource practices (Curran et al 1993), thus as an organization increases in size so does the level of adoption of human resources practices. Small firms do not have the basic indicator of formalization of human resources management such as human resource strategies or policies, like availability of specific budget for training and formal human resource department. In countries like the United Kingdom training for small firms has been receiving a lot of attention from economic policy makers since the late 1980s and early 1990s; for example Millar and Davenport (1987) and Storey (1994) described training of employees in small firms as an important and indirect small firm policy in United Kingdom.

#### **2.1 Definition of Small Business**

Despite the role of Small and Medium Enterprises (SMEs) in development of economies there is no universally accepted definition of SME in the literature (Ibrahim and Goodwin, 1986; Deakins, 1999; Cromie, 1994). The question ‘what is the definition of an SME?’ does not have precise answer. The definition of small

firms varies depending on who provides the definition, the approach taken and several other factors. Different authors and regulatory organizations in different countries responsible for policy making regarding small firms, give different definitions of small firms considering different variables such as size, number of employees sales volume, asset size, type of customer capital requirement and market share. In view of the difficulty of adopting a universally accepted definition, this study has adopted the approach taken by Small and Medium Enterprise Development Agency of Nigeria (SMEDAN) in its 2013 report. SMEDAN took a two dimension approach in its definition of small firm and both dimensions were considered for the purpose of defining small firm in this study. The dimensions used in the SMEDAN report are capital base approach and number of employees approach.

SMEDAN, the organization responsible for articulating and implementing government policies regarding small business issues in Nigeria, defines small business as any business that has at least 10 to 199 employees on its pay roll and/or a capital base that ranges from five million to 50 million Naira excluding the cost of land. The first leg of the definition took an employee perspective. Firms that have at least 10 employees fall under the definition of small firm as per SMEDAN. The second leg of the definition took a financial capital base approach. Firms that have a capital base of at least five million Naira and less than fifty million can be defined as an SME. This study has adopted both approaches as selection criteria in selecting the small firms to be studied. The records of SMEDAN show that as of 2013 there are 68,000 small and over 4000 medium enterprises in Nigeria (SMEDAN, 2013).

According to the 2013 report by SMEDAN small firms are operating in about 13 sectors of the Nigerian economy. The sectors are manufacturing, whole sale and

retail trade, accommodation and food services, mining and quarrying, construction, water supply, sewage management and remediation, agriculture, forestry, fishing and hunting, transport and storage, information and communication, administrative and support services, education, art entertainment and recreation, and other services. According to the same report of SMEDAN, the SMEs in Nigeria have provided employment for 59 million people, which represent over eighty percent (80%) of total labor force in Nigeria as of 2013. The contribution of MSMEs (micro, small and medium enterprises) to the GDP in nominal terms stood at 46 percent at the time of the report in 2013.

From the statistics presented in the preceding section it is obvious that small firms play vital role in the development of the Nigerian economy through employment almost sixty million people and 46 percent nominal contribution in the GDP.

### **2.3 Recruitment**

Recruitment is one of the human resource practices that is not completely ignored by small firms but is done in a direct and inexpensive ways which are direct application, referrals and sometimes advertisements (Heneman et al., 2000; Heneman & Berkley, 1999). The main essence of recruitment is to get the right caliber of potential job candidates to apply for a job in a firm. Recruitment function can be effectively carried out when the recruitment officer understands the needs of both the firm and the potential applicant. In a situation where number of applicants are in excess of available vacancies the firm will be in the position to dictate the terms of the engagement or employment agreement but if it turns out to be the opposite way then the potential employees' terms prevails (Breugh, 1992). In other words, the bargaining power depends on the demand and supply of employees and the

availability of vacancies. Given the likelihood of the above scenario a firm is expected to develop a procedure and apply them consistently rather than to react constantly to changes in employee supply. What has been stated above may be true, but human resource practices of small firms are comparatively less sophisticated and also less strict in the application of human resource processes and procedures unlike in large firms (Wang & Thornhill, 2008).

### **2.3.1 Recruitment Process**

The recruitment process is a four stage action which begins with assessment regarding vacancy and need to fill it. The process is then followed by a job analysis, development of job description and finally a person specification. In small firms, one person can carry out all the recruitment processes. Another recruitment decision to be made is whether to fill the vacancy externally or internally and thereafter develop a method of how to attract suitable candidates to apply and determine the application procedure (Torrington, 1991).

### **2.3.2 Recruitment Formality**

Generally there are formal methods and informal method of recruitments. The formal method comprises of press advertisement, job centers, and other agencies, while informal method includes recommendation from existing staff, and word of mouth (Watson, 1989). The main advantage of the informal method is that it saves time and cost. The main objective of the process is to help the firm to get the right caliber of staff at the right time using a minimum cost. Recruitment also has the advantage of providing a firm with the right quality of employees in terms of skills and abilities and also ensures that employees will not leave the organization after employed to avoid disruption in the plans of the firm and also cause additional expenses to start recruitment process all over. Studies have revealed a bleak picture of employment in

small firms. The failure to operate according to procedure led to a situation where some SME owner/managers run firms like personal fiefdoms, paternalistic homesteads, backstreet shops, temporary employment stopgaps, oppressive sweatshops and generally less desirable work place (Ritchie, 1993). The above postulation quite contradicts how Rainnie (1989) sees small firms as small is beautiful they offer less formal work environment, more personal and close work environment.

In the USA and UK research evidence proved that the quality of employment in small firm is lower than it is in large firms (Atkinson and Storey, 1994). Due to financial weakness and absence or low level of union activities in small firms, job security is likely to be lower compared to larger firms that relatively more financial stability and in some cases activity of labor union. The level of engagement of small firm with external labor market, according to Atkinson and Meager (1994), differs from large firms.

### **2.3.3 Sources of Recruitment Available to Firms**

Firms recruit from within or from outside or both. The decision as to which of these methods to use is determined by the advantage each method affords firms. Internal recruitment is promotion from within the organization, lateral transfer of employees, job rotation, rehiring or recalling former employees (Breugh, 1992). To fill vacancies using internal recruitment gives the firm the accurate information on the performance of employees that is crucial in the hiring decision. Personnel record is already available to help in making correct decision. This method is also less costly because information is already available within firm records and there will be no delay in contacting the employees that are already working within the firm. Other

advantages associated with internal recruiting are that employees are already familiar with the firm; it will also motivate employees if internal workers are promoted to fill vacancies (Falvey, 1987; Schuler & Jackson, 1987).

Recruitment from external sources also has advantages. External recruitment can bring new employees with new and fresh ideas of conducting business. Trained employees will save the company from training expenses and in situation where there is no suitable internal person to employ. The methods of external recruitment include; employee referrals programs, walk-ins, employment agencies, other companies, temporary help agencies, trade associations and unions, contract agencies and schools (Olian and Rynes 1984).

Finally, research findings support the combination of the internal and external source in recruitment of employees (Olian and Rynes 1984). The availability of resources, how quickly the job needs to be filled and the business environment are the factors that certainly affect the decision as to which method to employ.

## **2.4 Selection**

Recruitment complements other human resource activities such as training, selection, compensation which are essential for firm's effectiveness. It is therefore of paramount Importance for firms to make careful decision in issues related to human resources (Barringer et al., 2005).

The next action is the selection process which gives the firm the relevant information about the applicants that will help in selection decision of the firm. Firms need to get information relevant in the employment of the applicant to help them make an

informed decision about applicants. Firms analyze jobs before selection in order to determine relevant criteria. The main objective should be to find the right and valid predictors that will make it possible for selection. When candidates are selected they will be perfectly fit into the jobs and therefore deliver on their expectation. Another challenge faced by firms is identifying appropriate and measurable criteria in validating the selection device. The small firm has selection criteria which are quite different from that of larger firms. Studies have indicated that selection and high growth is positively related (Barringer, 2005). Selection process in small firms is mostly based on interviews. In small firms, cultural values are given more priority than skills or competence in selection process (Heneman and Berkley, 1999). This may not be unconnected with owner/manager's preference or desire to work with people that they share similar values with others than people with completely different cultural orientation (Yu, 2001). During selection process, in small firms, the owner/managers try to match worker's values with organizational values and culture (Yu, 2001).

## **2.5 Training**

Training generally involves any systematic process by firms to enhance employees' knowledge, skills, abilities, behaviors or attitudes to improve quality of their contribution towards the achievement of firm's goals (Storey, 1994). Employees are trained to be able to do a better job in their present jobs or get prepared for new challenges they are likely to occupy and also to be able to meet changes in the environment. Firms train work

ers of all strata within the firm to improve their technical ability and complex social and cognitive skills. Training consumes large amounts of firms' income. According

to Cardon and Stevens (2004) training and education is not given the adequate attention it deserves in small firms. In small firms training is usually carried out on the job by senior managers, supervisors and the owner/ manager (Cardon and Stevens, 2004). Most small firms consider sending employees for an off the job training a waste of resources (Storey, 1994; Gardenne, 1998).

Training can only contribute to overall development of a firm when it is done by; first of all, analyzing the training needs which will link the training to relevant organizational outcomes. This process is known as training needs analysis. Mc Gehee and Thayer (1961) stated this in the first book written on organizational training. Training analysis involve tasks such as organization analysis, task analysis, person analysis (Voss et al., 1998).

Organizational analysis is carried out to determine specifically where in the organization the training is needed. It is done through looking at the task analysis, person analysis, demographic analysis and performance analysis (Kotey and Slade, 2005).

For a firm to carry out effective training program there is the need to establish training objectives which will serve as a guide to training content design, training method and evaluation criteria. The outcome of training will lead to positive change in performance which occurs as a result of learning that took place throughout the period of the training. What is learning? And what is the result of learning? Although there is no existing consensus as to what constitutes learning , the definition advanced by Beach (1980 ) defined learning as all the human process through



which skill, knowledge habits and attitudes are acquired and altered so that behavior is modified or changed. This definition seems to have a large body of research that supports it. Beach's (1980) definition has some important component that are considered very crucial to learning such as skill and knowledge and the fact that it emphasizes that learning has taken place only when it affects behavior or intention to behave (Maples and Webster, 1980; Foreman, 1980). The aspects of the definition consist of skills and knowledge which are very interesting to know more about. Skill is practical which deals with the demonstration in doing something that defers from knowledge that is actually abstract and can be elicited by discussion and questioning. Yet knowledge and skills are closely related because the application of skills is always contextual and always influenced by collective as well as individual knowledge regarding a given situation. The term training implies the learning of related skills and knowledge.

Firms face critical human resource management decision when it comes to employment. Two issues arise for decision; either to hire applicant who possess the requisite knowledge, skills and abilities required in doing a job, or first of all employ then train them afterwards. The first option is very difficult because people with the required knowledge, skills, and abilities to do the job are not always available. It is also difficult to determine the extent of training that would be required to do a job effectively, as many studies have been carried out about the need to prove the cost benefit in investing scarce resources in the training of owner/manager as well as the staff of SMEs (Wood and Campbell, 1970; Thomas, 1969; Gibb, 1970). It has also been established that formal training does not appeal to small firms (Johnson and Gibbins, 1992).

Reasons adduced for the lack enthusiasm in training by SMEs are inadequate time and also the training materials are not suitable for small businesses. Small firms are less likely to train their staff than large firms due to high turnover rate and high failure rate and according to Bryan (2006) shallow hierarchy that prevents long term career prospects in small firms.

## **2.6 Compensation**

Employee compensation is all the forms of payments made to the employees as a result of their employment and performance of assigned duties by the employee (Deshpande and Golhar 1994). Payments or compensation to employees takes two forms. Financial payments consist of salaries, wages, incentives, commissions and bonuses. The other one is indirect financial payment which consists of employer paid insurance and vacations. Employment relationship indicates exchange between the employees and the employer for reward which is often in financial terms (Brockner, 2002). Satisfactory compensation has influential relationship with important organizational outcomes like absenteeism, turnover intention and organizational attractiveness to job seekers (Weiner, 1984; Griffeth and Gaertner, 2001; Heneman & Berkley, 1999). According to Desphande and Golhar (1994) small firms cannot afford to take compensation issue for granted in order to attract and retain competent and quality or qualified employees. The fact that small firm compete with large firms in the labor market for qualified staff makes it difficult for the small firms to provide a compensation package that will be effective in terms of cost (DiFiore, 2000 and Simmons, 2001). Empirical evidence indicates that compensation mix is related to performance (Gerhart and Milkovich, 1990). Huselid (1995) and Delaney and Huselid, (1996) found a positive relationship between incentive compensation and organizational growth. They also found out that use of incentive compensation

motivates better than fixed reward. Small firms pay attention to the incentive type of compensation to be able to retain high performers. The incentives come in form of raises and bonuses especially when the firm is successful (Deshpande and Golhar, 1994).

According to DiFiore (2000); Simmons (2001) employee compensations are either time based or performance or time based. The most popular ones are time based pay plans. Time based payments are most given on hourly or weekly wages but the performance based pay is on the units produced.

## **2.7 Intention to Leave**

Several scholars have analyzed the relevance of behavioral intention (intention to leave) and found out that it is a significant predictor of actual turnover (Arnold and Fieldman, 1982; Steel and Ovalle, 1984; Gheiselli et al., 2001). An intention to leave is phenomenon that when high it leads to great deal of loss in productivity albeit gradually for firms irrespective of size. The loss when enormous will lead to loss of trained and experienced hands that has always been expensive to replace. Replacing employees causes additional expenses in recruitment, selection processes, training orientation and productivity. Continued loss of employees will also lead to understaffing that will eventually lead to problems of productivity. According to Simons (1998) intention to leave is the process of rotating people all over the labor market across firms, jobs, occupations and from state of being employed to the stage of unemployment. Intention to leave can be said to be a voluntary thought in the minds of employees about quitting a job, leaving an organization or withdrawing from an organization (Watrous et al., 2006). In order to effectively lower actual turnover rate there is the need, according to scholars, to first of all identify the

motivational factors and provide those factors where they are needed in order to reduce its occurrence (Steel and Ovalle, 1984).

### **2.7.1 Causes of Intention to Leave**

Abassi and Hollman (1997) identified five causes that lead to intention to leave, which are:

- **Hiring practice:** hiring the right person for the right position is an important in human resource practice that really needed to be carried out with all seriousness to avoid an outcome that will lead employees leave the firm prematurely. Poor management leads to higher employee turnover.
- **Managerial style:** the personality and leadership style of the owner/manager or leader in an organization affect their relationship with the employees. When the owner or leader in a firm has a great deal of personality, leadership and management orientation difference with the employees or they do not fit in to a firm's value system and orientation will lead to the employees wanting to leave the firm.
- **Lack of recognition:** recognizing employee efforts is very important to them irrespective of their position or organizational level. When management recognizes the effort of employee it gives them satisfaction and motivate them to put in more. But in a situation where management fails to recognize good performance, it will lead the opposite result which is to leave the organization. Employees need to be recognized beyond increase in pay. Recognition serves as feedback to employees. According Sigel (1999) not recognizing good performance leads employees to leave their jobs.
- **Deficient and uncompetitive compensation systems:** employees will leave their present jobs if the salaries and other benefits are not competitive. In

other words people doing similar jobs elsewhere get better compensation and other benefits. Employees always expect to get commensurate pay for their effort from a firm otherwise they will leave the firm and for a better deal elsewhere.

- **Toxic work environment:** the attitude of the employer and the work environment and whether employees perceive the work environment as enriching enabling them to have healthy relationships with co-workers will encourage them to stay be active participants in the activities of the organization. Work place toxicity has indicators as identified by Olayiwola (2016) as situations where firms force employees to choose between having a life or career. Treating employees as means to ends and situations where employees are regarded as cost units rather than assets all the above can lead to high toxicity and will eventually lead to employee turnover.

## **2.8 Human Resource Capital of Owner/Manager**

In the study of human resources and small firm growth, the owner manager cannot be excluded since s/he is the most important 'human resource' for the small firm.

## **2.9 Research Hypothesis**

Training, compensation, recruitment and an intention to leave: Shaw et al. (1998) indicate that some human resource practice can reduce voluntary intention to leave. The decrease has a positive impact on productivity which will lead in increase in the financial growth of a firm. For instance training can lead to job satisfaction which in turn leads to commitment that can bring about reduction in voluntary intention to leave (Tett and Meyer 1993).

Performance related compensation like bonus serves as a simple recognition system that has the potential to reduce the intention to leave especially among high performing employees (Roberts, 1995). Similarly findings by Powel et al. (1994) and Shaw et al. (1998) has shown an inverse relationship between turnover and higher compensation level.

Employee voluntary intention to leave may be affected by prospect of fruitful career which will motivate them to remain in the employment of a firm provided. According to Pfeffer (1994) there is a consistent and transparent selection process to reduce feelings of injustice in the firm. From existing literature the following hypotheses are proposes:

*H1: Training will be related to intention to leave*

*H2: Compensation will be related to intention to leave.*

*H3: Training will be related to sales growth.*

From the literature involving large firms' human resource practice there is evidence of positive influence between training and firm productivity (Black et al. 1999). It has been established by De Kok et al. (2003) that there is scanty literature about the impact of training on small firm. Training enhances the output of a firm (Holzer et al. 1993). Training also improves firm growth and profitability (Bartel, 1994) training improves all dimensions of firm's activity ranging from product quality, growth in sales and profitability (Kalleberg and Moody, 1994). Another study by Batt and Moynihan (2004) found out that firms that invested in training and had higher incentives had higher net profit because of improved skill of employees that led to production of higher quality service. The research findings by Harel and Tzafir

(1999) reveal a significant positive link between training expenses and organizational performance. Knoke and Kallebarg (1994) show a significant link with financial returns. However, in a study carried out by Wynarczyk et al. (1993) in United Kingdom it was found out that there was no evidence of link between firm performance and provision of training. Similarly Westhead and Storey (1996) could not find evidence that start-ups where founders received training performed better than those whose founders had no training. Baldwin et al. (1994) also found a negative correlation between amount of money spent on training per employee and firm profitability. In summary there is conflicting findings by scholars on the relationship between training and firm growth. However it appears that a positive relationship is supported.

In a longitudinal research by Morphy (1985) it was found out in a study of 461 executives and in 72 firms that compensations relating to salary and bonus is positively and strongly related to sales growth. Another empirical finding by Gerhart and Milkovich (1990) pay mix is related to firm performance. Similarly, Huselid (1995) and Delaney and Huselid (1996) reveals further that use of incentive compensation gives better result than fixed rewards.

Human resource practices may influence firm growth indirectly, through lower employee turnover. Empirical research findings have proved a significant relationship with high involvement human resource practices and turnover (Arthur 1994; Shaw et al. 1998). Human resource practices such as training and high relative compensation are likely to induce employee attachment and increase organizational commitment (Cotton and Tuttle, 1986). Some empirical researches have also shown

that there is significant inverse relationship between turnover and higher compensation level (Leonard 1987; Powel et al. (1994); Shaw 1998). Similarly, in service industry where customers and employees come in to direct contact, high turnover increase the cost of recruitment and selection and also negatively affect sales growth (Hassket et al. 1997).

Many previous studies concentrated on job attitudes, external factors, job related variables as the antecedent of turnover and intention to leave (Arnold et al 1982; Steel et al. 1984; Shore et al. 1990 and Gheseili et al. 2001). However, Batt and Valcour (2003), Hemdi and Nusridin (2006) have considered human resources as important and immediate predictor of intention to leave. The decision may not be unconnected with the fact that human resources practices affect the employee directly.

Research by Dun and Bradstreet (2001) showed that managerial incompetence; especially in the field of human resource management is the main cause of business failure in the smaller firms. It may therefore be the reasons for upsurge in the attention scholars are giving the study of human resources in small firms (Cassall et al 2002; De Kok, 2003; Dumberly and Walley, 1995; Wager, 1998). Managerial experience can affect the performance of firm through application of better management techniques (Papadaki and Chami, 2002; Cooper et al 1994). The network of the owner/manager is also an important resource for small firm which according to Lee (2001) and Paramaratne (2001) lead to improved performance of the firm. Through personal network of owner/manager small firms get access to other resources in the external environment like information, finance or business related



activities. (Paramaratne, 2001) found out that belonging to a professional body is also considered as a network opening of the owner/manager. Similarly, having entrepreneurial background, count as important factor for success of small firm (Papadaki and Chami, 2002). Entrepreneurial parents form a role model and create management know-how for individual entrepreneurs. Having entrepreneurial parents will also lead to success (Papadaki and Chami, 2002; Cooper et al 1994; Sandberg and Hofer 1987). Hence we hypothesized that:

*H4: compensation will be related to sales growth.*

*H5: Intention to leave will be related to sales growth.*

*H6: Capabilities of owner/manager will be related to sales growth*

## **2.10 Theoretical Framework**

To give this research an approach two theories has been used these are:

Resource Based View (RBV) and Human Capital Theory (HCT).

### **2.10.1 Resource Based View of firm (RBV)**

RBV is one of most used theory in human resource studies (Wernerfelt, 1995). All the studies that used the theory explained the importance of human resources for firms. Human resources are considered important internal factors according to resource based view. The performance of firms, whether large or small, is affected by several factors that are classified either as internal or external. Among the internal factors the most prominent is human resources (Carmeli and Tishler, 2004; De Kok and Uhlaner, 2001). Resource based view of the firm sees human resources and capabilities as strategic resource that organizations have at their disposal to be used to attain organizational objectives.

Resource based view of the firm, according to Barney (1991), Teece et al. (1997) and Wernerfelt (1984), focuses on the link or impact of firm's internal resources and performance. This view has its origin in the work of Penrose (1959). Resource based view is therefore looking at the resources of the firm and contends that such resources can be source of competitive advantage to firm against competitors and other market forces( Teece et al. 1997); Wernerfelt, 1984; Penrose, 1959; Khatri, 2000; Davisson and Wiklund, (2000).

Resources that can provide the firm with competitive advantage have to possess some attributes that makes them central to the firm's competitive response to the market forces. The attributes of the resources should be seen as rare, valuable, and difficult to imitate and have no substitutes (Khatri 2000).

### **2.10.2 Human Capital Theory (HCT)**

The basis of human capital theory implies that the productive capacity of employees can be improved or raised by investing in their knowledge skills and abilities (Becker, 1964). Investments in human resources in areas of knowledge skills and abilities can be justified from economic standpoint if it improves the future returns of the firm in terms of growth. Human capital theory places a strong emphasis on the relationship between economic prosperity and functioning of a nation. Similarly, it identifies a strong reliance of a nation on its human and capital stock. In general terms human capital represents the personal investment people make to achieve personal development that result in positive contribution to the economic development of a nation and organization's productivity or output. The theory generally emphasizes the relationship between investment in education to enhance skills, abilities and human productive capacity as shown by Works of Schultz (1971)

and Sakamoto and Powers (1995). Human capital theorists, rest on believe that, formal education is highly instrumental and even necessary to improve productive capacity of a population. HCT Theorist hold the view that educated populace is a productive populace (Amstrong, 2009). The HCT proponents hold the view that organizations with valuable skill and abilities will perform better (Martin-Alcazar et al., 2005).

Following HCT, we assumed that human resources can influence productivity by changing employee competences and levels of motivation which may result in a quicker and execution of business process (Bertel, 1994; Kotch and McGrath, 1996).

## Chapter 3

### RESEARCH METHODOLOGY

This chapter deals with the research design, sample and size, data collection instrument used and the analytical methods for data validity and reliability of instruments of data collection and methods of data analysis used in this study.

#### 3.1 Research Design

Although it has been proved that human resource practices have influence on the performance of firms (Carmeli and Tishler, 2004) the human resources dimensions that will be used in this study are derived from small business literature. It is therefore obvious that the dimensions do not cover all the human resources practices that are commonly used by large firms due largely to the differences in characteristics between small and large firms that practice full flagged human resource practices. Recruitment in small firms according to De Kok et al (2003) is usually restricted to the use of industrial magazine, and references from current workforce but the use of consultants in small firms is a rare case. The implication of this finding in De Kok et al. (2003) is that small firms do not avail themselves of all the recruitment channels that large firms use for recruitment of employees. In fact only three channels are utilized based on this finding. Training as another variable under study is examined in two dimensions; type and content of the training. The type of training looks at perspective of training given either on the job or off the job and at the same time finds out if the firm values training and whether budget for

training is provided for or not. On the content part, the objective of the training is analyzed to find out whether the training is multitasking and flexible. The content is found out to be relevant in the study of small firms (Cardon and Stevens 2004; De Kok et al. (2003).

Compensation practice is one of the most prevalent human resource practices in all firms due to the fact that it is very important to employees. Small firms experience high employee turnover compared to large firms Storey (1994) and as such to reduce the incidences of loss of skilled and experienced employees and for the firms to attract and retain a skillful workforce it has to provide competitive compensation package and performance related rewards (De Kok et al. 2003; Steiner and Soleim, 1988).

### **3.2 Measurement of Growth**

Definition of growth as a 'change in size' adopted by Davidsson et al. (2004) will be used in this study. Growth is a complex concept that can be measured using several methods that can affect the result (Delmar, 1997). An increase in sales figures, number of employees, or assets of a firm over a specific time is considered as a growth. Similarly, firm's growth can be measured using objective or subjective methods. From the foregoing and based on literature support this study adopts sales growth as a means of measuring changes in firms under study (Delmar, 1997; Storey, 1994; Barkham, 1996; Wiklund, 1998). But among the three indicators sales growth is regarded as the main indicator because with increase in sales, firm can employ more employees and obtain new machineries (Demlar and Devidsson, 1998; Weinzimmar et al. 1998). However, the subjective growth measure is just the perception of the owner/manager about the performance of the firm compared to its

competitor's. Since it is not based on any objective figures or data as the sales growth; it is considered not appropriate for measurement of firm growth in this study (Delmar 1997).

### **3.3 Participants/Samples**

The data for this research were collected from 197 small firms operating in Kano state in north western Nigeria. Kano is the most populous state in the northern region of Nigeria and the second in the whole country. Kano is also the commercial nerve center of northern Nigeria and the second in the country. According to SMEDAN 2013 report Kano state has 7,790 small firms while there are 496 medium firms. The firms were selected based on convenience sampling. The firms surveyed cut across different industries ranging from agriculture, construction, construction, services, and others consisting industries that are not captured in the listed categories. The firms that were included in this study were selected based on the definition of small firms by SMEDAN which designated that firms with more than 10 and less than 199 employees with financial strength of between 5 and 50 million Naira as capital base excluding the cost of land (SMEDAN, 2013).

### **3.4 Research Instruments**

A structured questionnaire was developed and administered to investigate the impact of the human resources on the growth of small firms in Nigeria. Data was collected through self-administered questionnaire to owner/manager of small firms. Owner/manager were selected as respondents because it was established that owner/managers are the most knowledgeable people with adequate information about a firm especially on issues of human resources in small firms (Lyon et al. 2000).

260 questionnaires were administered out of which 200 hundred responded after screening 197 were deemed usable. A 76% response rate is deemed good for the study.

### **3.5 Data Collection**

The questionnaire comprises of two parts; general information about the firm and the owner/manager, specific information about human resources practices and the sales growth figures. The questionnaire has 18 item likert scale of 1 to 5 with 1 “strongly disagreed” and 5 “strongly agreed”. Four questions regarding the demographic data of the respondents. Respondents were asked question about annual sales growth figures was also asked. Four dichotomous questions with “Yes” or “No” options regarding the human resource capital of the owner/manager were asked. Human resources and capabilities scales is composed of availability of human resources such as training, recruitment, compensation and an intention to leave and sales growth figures.. The questions were derived from studies by Steiner and Solem (1988). Recruitment is adopted in studies of De Kok et al (2003) .while training is adopted from Cordon and Stevens (2004) Compensation is adopted from Khatri, (2000 ) and De Kok et al(2003) and performance measurement is based on Walley and De Kok et al(2003) and also measurement for growth by sales was proposed by Weinzimmar et al. (1998).

## Chapter 4

### DATA ANALYSIS

#### 4.1 Results

In this chapter all the data collected will be tabulated and subsequently analyzed to give the details of data collected.

##### 4.1.1 Industry Composition of Sample

The composition of the respondents is represented in table1 agriculture has 20 or 10% of the responses. Construction firms constitutes 32 or 16.2% and manufacturing has 31 or 15.7% and services has 81 or 41% of the responses analyzed while 33 or 16.8% were from respondents outside the four industries listed which is listed as others

Table 1: The composition of the respondent's industry

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	Frequency	Percent
agriculture	20	10.2
construction	32	16.2
manufacturing	31	15.7
services	81	41.1
others	33	16.8
Total	197	100.0

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#### 4.1.2 Respondents' Profile

Table 2 is a presentation of the demographic profile of the sample. Out of the 197 respondents 166 or eighty five percent (85.8%) are male and the remaining 28 or fourteen percent (14.2%) are female. Marital status results in the table also indicated that 24 or twelve percent (12.2%) of respondents are single, 156 or seventy nine percent (79.2%) of the respondents are married, 17 or eight percent (8.6%) are divorced. On educational level of respondents those with primary education only are 2 or one percent (1%) of the sample, secondary school respondents are 8 or four percent (4.1%) while those with 2 year diploma 88 or forty four percent (44.7%) Majority of the respondents are bachelor's degree holders with 92 or forty six percent (46.7%) and finally the last category is graduate degree holders who are 7 or three percent (3.6%). In age category, Table 1 shows that respondents between the ages of 21-30 years are 18 or nine percent (9.1%) while category 31-40 years are 87 in number or forty four (44.2%) of responses. Table 1 also shows that are 41-50 years or thirty eight (38.6%) of respondents and those over 50 years are 16 or eight percent (8.1%).

Table 2: Demographic Representation of Respondents

	Frequency	percentage
<i>Marital status</i>		
single	24	12.2
married	156	79.2
divorced	17	8.6
<b>total</b>	<b>197</b>	<b>100.0</b>
<i>Gender</i>		
male	169	85.8
female	28	14.2
<b>total</b>	<b>197</b>	<b>100.0</b>
<i>Educational level</i>		
primary	2	1.0
secondary	8	4.1
2 year diploma	88	44.7
bachelor's	92	46.7
graduate degree	7	3.6
<b>total</b>	<b>197</b>	<b>100.0</b>

**Table 3: Scale items reliability**

Scale items	$\alpha$
<i>Training</i>	
we aim to give training on multi-tasking	.769
Our firm values training	
We give formal in house training by professionals	
There is budget available for training	
<i>Compensation</i>	
we give bonuses on annual bases to our employees	.695
we provide additional financial benefits to our employees	
we give incentive for individual incentive accomplishments	
<i>Intention to leave</i>	
our employees often think about leaving the organization	.717
It would not take much to make our employees leave	
our employees will probably be looking for another job	

Note: the reliability coefficient of the scale items with cronbach's alpha of .7 is considered reliable but .69 was accepted because other studies accept a .60 coefficient alpha hence its acceptance and analysis. All scale items under recruitment failed the reliability test and was dropped from analysis. Similarly two scale items from training were also removed because reliability deficiency.

Table 3 has scale items reliability coefficient of human resource practices and intention to leave scale. Training scale with .76 reliability coefficient had 6 items but 2 were deleted because of reliability, compensation has 3 items with coefficient of .69 and the intention to leave scale also has 3 items with a .71 coefficient. Similarly, recruitment scale was completely removed because of low reliability coefficient.

Table 4: Means, standard deviation and correlation results

Variables	Mean	SD	1	2	3	4
1. Training	3.265	.897				
2. Compensation	3.165	1.043	.729**			
3. Intention to leave	2.659	1.059	-.692**	-.680**		
4. Sales growth	27.9	4.88	.253**	.183**	-.221**	

*Note:* composite scores for each variable were computed by averaging respective item scores. SD denotes standard deviation.

\*\*correlations are significant at the .05 level

#### 4.1.3 Correlation Analysis

Table 4 is the result for correlation analysis carried out on the variables under study. Table 4 has result for the highest and lowest significant correlation among the variables under study. The result in the Table 4 therefore shows that the constructs were reliable as depicted training and sales growth ( $r = .253$   $p < .05$ ) are positively, significantly and moderately correlated. The result also shows training and intention to leave ( $r = -.692$   $p < .05$ ) a negative, significant and high correlation between the two variables. Also as seen in Table 4 compensation and intention to leave ( $r = -.680$   $p < .05$ ) had a negative, significant and high correlation. Compensation and sales growth ( $r = .183$   $p < .05$ ) had a positive and significant and weak correlation between the variables. Sales growth and intention to leave ( $r = -.221$   $p < .05$ ) the result indicated a negative, significant and weak correlation between the variables.

## Chapter 5

### DISCUSSIONS/CONCLUSION

In this chapter findings from data analysis carried out in the previous chapter will be discussed and conclusion will be made at the end of the discussion.

This research has analyzed what impact or influence human resource practice and capabilities have on the sales growth of small firms in Nigeria. Based on the research questions and hypotheses outlined in the previous chapters, analyses were run and results were obtained organized in tables with subsequent explanations.

#### **5.1 Discussion of Results and Conclusion**

In this study, hypothesis 1 and 2 answered research question 2 which sought to find out if human resource practices related negatively with intention to leave.

H1: Training will be related to intention to leave.

The correlation result has a there significant negative relationship between training and intention to leave. The finding indicated that when there is increase in training in small firms the level of turnover among the employees in that small firms will decrease. The issue of high turnover in small firm has been among the reasons why small firms have not given training a priority (Storey, 1994; Kotey and Slade, 2005). The result, for the relationship between training and intention to leave, in this research has shown that when workers are adequately trained the intention to leave

the firm will reduce there by leading to an increase in the retention of experienced and qualified employees by small firms. Small firms in Nigeria especially the study area of this research, which is Kano state, should use training as a means to reduce the employee turnover in their small firms. This finding has therefore made it imperative for small firms that hitherto take training as waste of scarce resources because of high turnover rate among employees of SMEs to change their approach and use training as a means to retain their employees.

H2: Compensation will be related to intention to leave.

Compensation has a negative relationship with intention to leave. The result means that with increase in compensation there will be decrease in intention to leave among employees of small firms. the implication of this finding is that firms that have a competitive compensation policy that included benefits other than basic pay has a chance to retain its employees (Leonard, 1987;Powel et al., 1994). Employees that attach high importance to compensation will remain in the employment of the small firm. SMEs that take compensation with the seriousness it deserves will be able to attract and retain qualitative employees. Moreover, employees with requisite character will apply and work for the firm. The result of this study has therefore revealed that firms that took compensation package as important practice and put in place pay structures that are attractive and motivating to employees will keep their best employees intact. Nigeria has a large pool of working population that is looking for job but the best among them are attracted only to the firms with good compensation package.

Hypotheses 3, 4 and 5 will answer the research question 1 which sought to find the human resource practice effect on growth of small firm.

H3: Training will be related to sales growth.

The result of the correlation analysis for this hypothesis is that there is significant positive relationship between training and sales growth. SMEs that have training policies and program, have shown better growth rate than firms that are otherwise interested in training of employees. Small firms can do better in terms growth if they pay adequate attention to training their employees through provision of training budget, design a multi-tasking training programs and on the job training for the employees. It was reported in many research findings that training has positive relationship with firm growth. Small firms in Kano can take advantage of this finding by making sure that the firm has adequate training policy and funds for training is made available.

H4: Intention to leave will be related to sales growth.

The research findings have shown that intention to leave has a negative relationship with intention to leave. Firms that have reported growth in their operations have lower turnover incidences. The implication of this outcome is that firms whose growth rate is positive have lower intention to leave among the employees of the firm. So small firms that want to improve their sales performance must, therefore work towards reducing the intention to leave.

H5: Compensation is related to sales growth

The research findings of relationship between compensation and sales growth indicated positive relationships. When firms take adequate measures to put in place compensation practices that are attractive it will lead to better performance of employees which will result in growth of the firm. A small firm that has a compensation package has the chance to attract well trained and experienced workers who will remain and continue to give their best for the firm. It is therefore regarded as the best policy for firms to put in place a compensation policy that will attract experts and other professionals to small firms especially in Nigeria as well as Kano.

The compensation between small firm and large firms for competent staff can be won by small firms if only they will provide adequate and competitive pay structure that will entice employees to apply for jobs in small firms which will enable such firm to have access to competent employees to grow. Desphande and Golhar (1994) identified compensation as a tool that is within the reach of the small firm management cut down on the of employees leaving small firms for greener pasture in the larger firm with well-structured compensation system.in this study compensation is positively related to sales growth (hypothesis) Faems et al (2005) also found compensation to have significant positive impact on productivity and profitability.

## **5.2 Limitation and Future Research Suggestion**

This research was conducted on small firms in Kano state one of the 36 states in Nigeria. For the purpose of generalization of findings to all states in Nigeria there is the need for further studies in other parts of Nigeria. In the studies involving growth process longitudinal research is most suitable but due to time constraint considering the fact that this is master thesis with limited time frame another study that can be undertaken with enough time to do longitudinal studies on the impact of human

resources and capabilities on the growth of small firms. Also in this study sales growth is the only growth indicator used instead of using multiple indicators like assets and number of employees which supported by scholars (Delmar, 1997; Weinzimmer et al., 1998; Delmer et al., 1998). This is a limitation that can corrected by carrying out s study using the multi- dimensional aspects of small firm growth.



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## **APPENDICES**

## **Apendice A: Questionnaire**

Dear participant,

I am a graduate student of Eastern Mediterranean University, Famagusta, North Cyprus. Department of marketing management undertaking a research on **the Impact of Human Resources and Capabilities on the Growth of Small Firms: Evidence from Nigeria.**

The research is aimed at revealing the contribution or impact of human resources and capabilities on the growth of small business in Nigeria. The inadequate literature on human resources and capability and their impact on growth of small firms will be reduced by through the findings of this study. Considering the fact that you are an owner/manager of a small firm your response is vital to the study. Questions are asked about the human resources and capabilities of owner/manager, I therefore seek to request for your patience and cooperation in providing responses to questions in this questionnaire. The questionnaire will take approximately 25 minutes to complete. If you choose to participate please there is no right or wrong answer but your honest response will be highly appreciated.

I will treat any information or data collected with outmost confidentiality. Data will be strictly used for the purpose of this research and respondents' identity will also be protected and data collated will not be revealed or use for any purpose other than the academic research for which it was intended.

**Yours faithfully,**

**Mohammed Yahya Murtala**

<b>Please read each statement carefully and indicate your response by placing a circle or tick</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
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### HUMAN RESOURCES CAPABILITIES

<i>Training</i>						
<b>1</b>	We aim to give training that focuses on multitasking to our employees.	1	2	3	4	5
<b>2</b>	Our firm values training.	1	2	3	4	5
<b>3</b>	Generally formal in- house training by professionals is provided to our employees.	1	2	3	4	5
<b>4</b>	There is budget available for formal training in our company.	1	2	3	4	5
<b>5</b>	Generally we send our employees to training	1	2	3	4	5
<b>6</b>	Generally formal in-house training by internal staff is provided to our employees.	1	2	3	4	5
<i>Recruitment</i>						
<b>7</b>	Our organization has recruitment and selection office.	1	2	3	4	5
<b>8</b>	We use temporary employment agencies for recruitment.	1	2	3	4	5
<b>9</b>	We use magazines for the purpose of employment	1	2	3	4	5
<b>10</b>	We recruit through internet.	1	2	3	4	5
<b>11</b>	Use referrals by employees to recruit	1	2	3	4	5
<b>12</b>	References from other workers.	1	2	3	4	5
Compensation Management						
<b>13</b>	We give bonuses on annual basis to our employees.	1	2	3	4	5
<b>14</b>	We can provide additional financial benefits.	1	2	3	4	5
<b>15</b>	We give incentives for individual accomplishments to our em	1	2	3	4	5

**Intention to leave**

<b>16</b>	Our employees often think about leaving this organization.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>16</b>	It would not take much to make our employees leave organization.	1	2	3	4	5
<b>17</b>	Our employees will probably be looking for another job soon.	1	2	3	4	5

**Annual sales growth**

- a. Total gross sales revenue for year 2011
- b. Total gross sales revenue for year 2012
- c. Total gross sales revenue for year 2013
- d. Total gross sales revenue for year 2014
- e. Total gross sales revenue for year 2015

**Demographics** – Kindly place a thick ( ✓ ) in the appropriate alternatives.

1. Your gender?

Male [ ]                  Female [ ]

2. How old are you?

Under 20 [ ]      21-30 [ ]      31-40 [ ]      41-50 [ ]      Over 50

[ ]

3. What is your marital status?

Single [ ]      Married [ ]      Divorced [ ]

4. What is your education level?

Primary school [ ]      Secondary and high school [ ]      Two-year college degree [ ]

Four-year college degree [ ]      Graduate degree [ ]

[5]. which of the following industry does the firm belongs to:

[1] Agriculture

[2] Manufacturing

[3] Services

[4] Construction

[5] Others please specify