

## **Job satisfaction and employee performance of SMEs in Cameroon**

### **Satisfaction au travail et performance des employés des PME au Cameroun**

**FOKAM Jeff Astein MBAH Ph.D.**

Researcher, Faculty of Economics and Management Sciences, University of Yaounde 2,  
Cameroon

**jeffastein@yahoo.com**

**NGOATA Sylvanus Diangha Ph.D**

Researcher, Faculty of Economics and Management Sciences, University of Yaounde 2,  
Cameroon

**sdianghasylvanus@gmail.com**

**MAFEU Pousseu Darius TABET.**

Doctorate student, Faculty of Economics and management, University of Dschang,  
Cameroon

**dariustabet111@gmail.com**

**Date de soumission : 05/11/2021**

**Date d'acceptation : 24/12/2021**

**Pour citer cet article :**

FOKAM J A M. et al. (2022) «Job satisfaction and employee performance of SMEs in Cameroon», Revue Internationale des Sciences de Gestion «Volume 5 : Numéro 1» pp : 220 – 235

**Abstract**

Small and medium businesses are critical to a country's economic success (Ariyo, 2005). They are critical to the economies of developing countries like Cameroon, where obstacles such as poverty eradication, corruption, and unemployment are still big concerns for inhabitants, leading to a very high death rate of small and Medium size enterprises. The objective of this research is to analyse the impact of job satisfaction on the performance of employees in Small and Medium Size enterprises in Cameroon. To realise this objective, Primary data was collected using a non-probabilistic sampling technic through a structured questionnaire administered on 50 respondents from selected SMEs in the center Region of Cameroon. The data was analysed using the Pearson correlation coefficient and the ordinary Least Square regression. The results show a positive and significant relationship between job satisfaction (captured using compensation and working environment) and employee performance of SMEs in Cameroon, these results corroborates those of (Alamdar et al.,2012). And from these results, we propose that SMEs in Cameroon should adopt compensation policies based on equity and not equality With respect to the working environment, SMEs should adopt appropriate ergonomically policies so that the health and safety of their workers should be ensured thereby satisfying them physically and psychologically.

**Keywords:** Job Satisfaction; Working environment; Compensation; Employee performance; SMEs.

**Résumé**

Les petites et moyennes entreprises sont essentielles à la réussite économique d'un pays (Ariyo, 2005). Ils sont essentielles aux économies des pays en développement comme le Cameroun, où des obstacles tels que l'éradication de la pauvreté, la corruption et le chômage sont toujours de grandes préoccupations pour les habitants, entraînant un taux de mortalité très élevé des PME. L'objectif de cette recherche est d'analyser l'impact de la satisfaction au travail sur la performance des salariés des Petites et Moyennes Entreprises au Cameroun. Pour atteindre cet objectif, les données primaires ont été collectées à l'aide d'une technique d'échantillonnage non probabiliste à travers un questionnaire structuré administré à 50 répondants de PME sélectionnées dans la région du centre du Cameroun. Les données ont été analysées à l'aide du coefficient de corrélation de Pearson et de la régression ordinaire des moindres carrés. Les résultats montrent une relation positive et significative entre la satisfaction au travail (capturée à l'aide de la rémunération et de l'environnement de travail) et

la performance des employés des PME au Cameroun, ces résultats corroborent ceux de (Alamdar et al., 2012). Et à partir de ces résultats, nous proposons que les PME camerounaises adoptent des politiques de rémunération basées sur l'équité et non l'égalité. En ce qui concerne l'environnement de travail, les PME devraient adopter des politiques ergonomiques appropriées afin que la santé et la sécurité de leurs travailleurs soient assurées en les satisfaisant physiquement et psychologiquement.

**Mots clés:** Satisfaction au travail ; rémunération; environnement de travail ; Performance des employés ; PME.

## **Introduction**

A quick survey of the literature reveals that SMEs have existed since the dawn of time, and that they have primarily taken the form of family companies (Bird, 2002). Their economic supremacy may be shown in pre-industrial (De Roover, 1963) and post-industrial (Colli, 2003) times, and it persists at the country level. (La Porta et al, 1999; Agnblad et al., 2001) and on a worldwide scale (La Porta et al., 1999; Agnblad et al., 2001). (PWC, 2014). A cursory examination, which ignores the likelihood that family firms are SMEs (Bird et al., 2002), yields the same result.

In most economies, SMEs are the most important players. While SMEs account for more than 90% of all businesses worldwide (Savlovski et Robu, 2011), they also account for nearly 100% of all real-sector businesses in the European Union (Schmiemann, 2008) and 99 percent of all businesses in Turkey (Republic of Turkey Small and Medium Enterprises Development Organization, 2012). Despite this glitz, an obscure point emerges quickly: there is no consistency in the definitions of SMEs due to a variety of factors, including variances in development levels (Smallbone et al., 1999; Ruzzier et al., 2006), sectors (Stevenson, 2010), and market size. Technology used in manufacturing (Celik and Akgemici, 2007).

According to Law No. 2015/010 of the 16th of July 2015 on the Promotion of Small and Medium Size Enterprises in Cameroon, businesses are classified as SMEs if they employ between 6 and 100 people and have an annual revenue before taxes of between 15 million and 3 billion FCFA. This means that small businesses with 6 to 20 employees and an annual revenue before taxes of 15 million to 250 million FCFA are classified as small businesses, while medium-sized businesses with 21 to 100 employees and an annual revenue before taxes of 251 million to 3 billion FCFA are classified as medium-sized businesses.

Small and medium businesses are critical to a country's economic success (Ariyo, 2005). They are critical to the economies of developing countries like Cameroon, where obstacles such as poverty eradication, corruption, and unemployment are still big concerns for inhabitants. SMEs are the key economic generators in Cameroon, contributing for around 90% of the country's economic fiber and employing more than 50% of the private sector's manpower (INS, 2016). According to a recent survey done by the National Institute of Statistics (2009), Cameroon has 93 969 businesses, with 99.2 percent of them being SMEs. According to statistics, almost 33 000 businesses have been established in Cameroon since

2010. (CFCE, 2015). SMEs are also thought to make a significant contribution to the country's GDP.

Many well-known corporations, such as Chrysler, Lehman Brothers, and Merrill Lynch, have either vanished or been acquired in recent years. To steer people through unprecedented changes, an organization relies on the devotion of its employees. Even the greatest and boldest initiatives "die on the vine" and their potential is never fulfilled without adequate job analysis and a match between the candidates profile and the socio-technical necessities of the job. The fate of the organization is determined by the workers' satisfaction, ensuring that their strategic initiatives are implemented successfully. It also aids their preparation for an unpredictable future.

One of the most significant aspects of building and improving organizations is job analysis. Organizations increasingly rely more on their human resources, therefore those who do not have the appropriate people in the right location at the right time are putting themselves at danger. A job analysis is a useful technique for matching employees with jobs. "The process through which jobs are separated to identify what tasks, obligations, and duties they involve, their link to other jobs, the conditions under which work is conducted, and the personal capabilities required for satisfactory performance," according to the definition.

Job description is "a written statement outlining why a job exists, what the job holder actually performs, what he'll do, and under what circumstances the job is performed," since it is dependent on managements choice and how the job description will be used, there is no standard format for developing job descriptions. Employment satisfaction, according to Locke, is a "pleasant or positive emotional state coming from an assessment of one's job or job experiences." Job happiness is important to research for a variety of reasons:

Promoting employee pleasure has a humanitarian component to it. It's been argued that a high level of contentment is linked to higher productivity and life satisfaction. And any of these outcomes is desired in the workplace, emphasizing the necessity of researching and understanding job satisfaction.

Job performance can be defined as a method for increasing individual outputs. That is, employee performance can be defined as an employee's capacity to perform successfully in his or her job, as long as he or she possesses and understands a complete and up-to-date job description for his or her position, as well as the work performance standards that he or she is required to meet.

Every company is concerned with what has to be done in order to maintain high levels of performance from its employees. This entails paying great attention to how individuals might be most happy through factors such as compensation, rewards, job stability, and working conditions, among others. Because a satisfied employee is aware of the specific aims and objectives that must be met, it is critical for firms to persuade their employees' satisfaction. One of the most stable and significant challenges for employees is persuading them to execute their best work even in difficult situations, and this may be made possible by gratifying them. One of the most difficult difficulties facing managers in companies is determining how to encourage employees to be content with their work and give their all in order to achieve the organization's goals. It answers questions like why do managers or workers go to work and perform a good job.

This tries to explain what drives people to behave in certain ways, with a particular focus on the workplace. The manager's principal responsibility is to develop and maintain an atmosphere in which workers can work effectively and achieve the organization's goals. Every employee in a firm is unique, and each is motivated to perform well for a variety of reasons. Because of the diversity inside a business, it is critical for a manager to get to know her staff and learn what inspires them to perform well. There are as many various ways to please employees today as there are enterprises operating in the global economic environment.

As a result, employees' identification with the organization is increased, and their degree of involvement rises. Human resource strategy aspects (especially those related to rewards and retention) can be used to mediate the employment contract, guaranteeing an efficient transaction process that allows both parties to become dedicated to the accomplishment of each other's needs. The fundamental problem, dealt with is:

### **What is the impact of job satisfaction on the performance of employees in SMEs?**

Related to the main question, this research work is concerned with the following complementary research questions:

- **What is the impact of compensation on the performance of employees of SMEs?**
- **What is the relationship that exist between the working environment and employee performance?**

The main objective of this study is to assess the extent to which job satisfaction can influence an employee performance in SMEs. More specifically,

- To examine the impact of compensation on employee performance in SMEs,
- To evaluate the relationship that exist between the working environment and employee performance of SMEs.

To respond to the research questions and realize the research objectives, this article is structured into four parts with an introduction and a conclusion. We started by doing a critical analysis of related literature (1) in the domain of job satisfaction theoretically and empirically, from which hypothesis (2) were formulated to deduce empirically using the estimation methodology described in (3) and we ended with the finding of the research (4) as well as the theoretical and managerial implications of the research.

### **1. Literature review**

The value of employee work satisfaction in business organizations has been proven by a significant number of researchers. (Brown, 1996; Peiro, 1999; Hunter & Hunter, 1984) believed the link between job satisfaction and job performance to be a requirement for improved organizational productivity. (Sowmya & Panchanatham, 2011; Argyris, 1964; Likert, 1961; McGregor 1960) argue that contented employees are more productive, more involved, and less likely to resign. "A happy employee is a productive employee," they say. Job satisfaction, according to (Mullins, 2005), is a complicated and varied notion that means different things to different people. He saw it as more of an attitude, therefore it may be an internal state that can be quantified or qualitatively measured. There exist a positive relationship between job satisfaction and the entrepreneurial orientation of employee, this link is even stronger when the employees perceive managerial confidence (Elholoui & ASLI, 2021).

There is a strong and positive association between compensation and job happiness, according to (Siebern-Thomas, 2005; Clark, 1999). According to Adams' Equity Theory, an employee's perceived input-outcome balance determines pay satisfaction. Employees are content when their remuneration is commensurate with their efforts, and vice versa. In his Discrepancy hypothesis, (Locke, 1965) followed suit, stating that employee contentment is determined by the gap between their wishes and their earnings. In his Model of Determinants of Compensation Satisfaction, (Lawler, 1971) added that the difference between actual and expected pay determines pay satisfaction. He recognized two variables: (a) the amount that

should be received, and (b) the amount that was actually received. When a and b are equal, happiness is the result. When  $a > b$  translates to unhappiness, and when  $a < b$  translates to unfairness and discomfort.

Non-financial elements, according to Herzberg, also contribute to happiness. Appreciation, the chance to work on major projects, leadership attention and strong relationships, a high holiday ratio, a rise in family benefits, and so on. Then, according to (Chiang & Birtch, 2009), non-monetary awards make employees happier and more productive. Workers task performance, productivity, contentment, turnover, and organizational citizenship behaviors are all favorably associated with rewards, according to (Simon, 1976; Martin & Hunt, 1980; Jahangir, 2006).

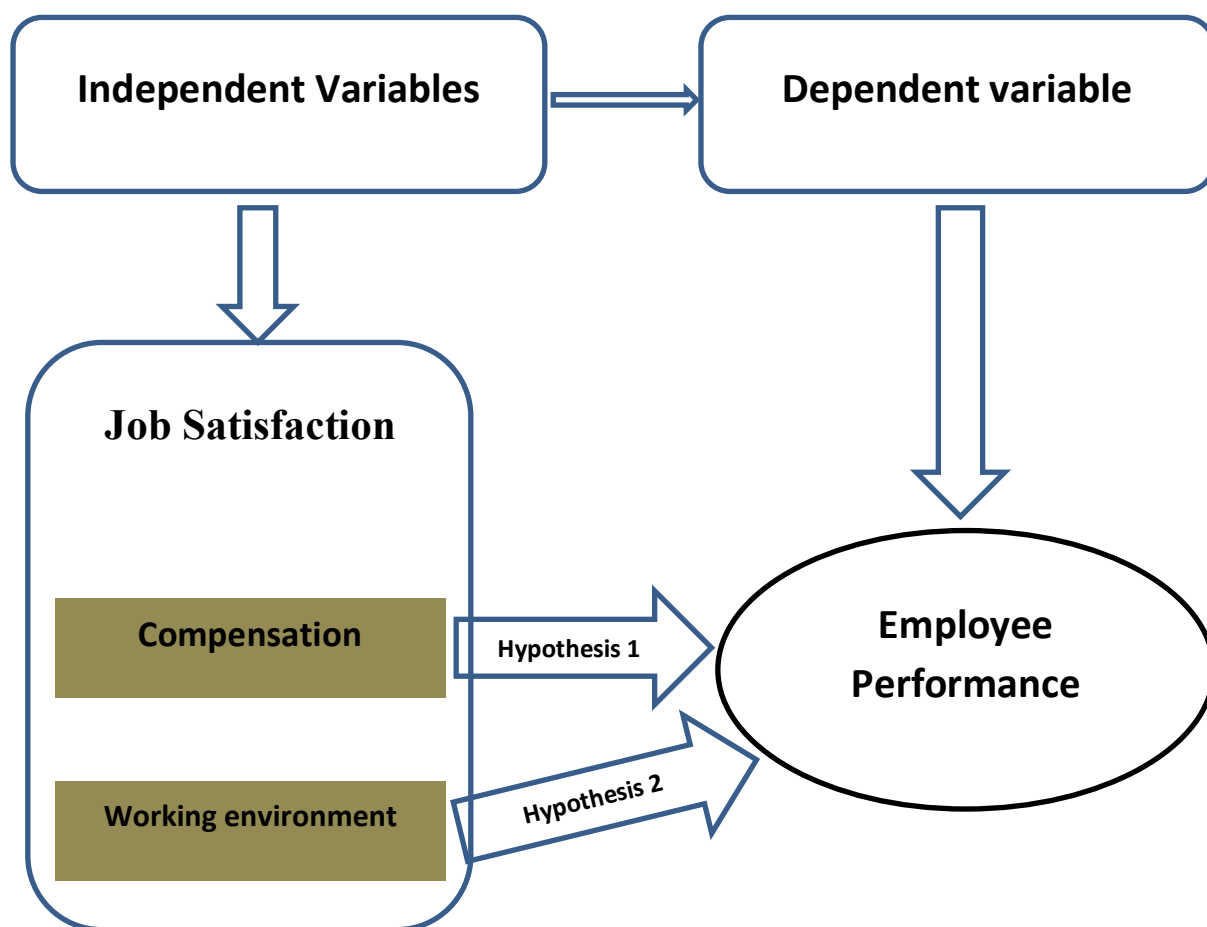
Employees prefer working conditions that are not risky or unpleasant, according to studies on working environments as a factor of job satisfaction (Robbins, 1998). They want workplace situations that are comparable to what they experience at home. In addition, studies have revealed a link between working conditions and job satisfaction (Brill et al., 2001; Newsham et al., 2004; Finnegan & Solomon, 1981; Leather, et al., 1998, Veitch et al., 2005; Newsham et al., 2009; Kinzl et al., 2005). The purpose of this research is to determine the impact of working circumstances on job satisfaction.

The growing research on the relationship between job satisfaction and job performance has revealed that job satisfaction is related to job performance in a favorable way. Companies with fewer pleased employees, according to (Shahu & Gole, 2008), must be developed in order to motivate their staff to offer superior performance.

A conceptual framework can be defined as a set of broad ideas and principles taken from relevant fields of enquiry and used to structure a subsequent presentation (Saunders et al, 2003). A conceptual framework is a research tool intended to assist a researcher to develop awareness and understanding of the situation under scrutiny and to communicate this. A variable is a measurable characteristic that assumes different values among subjects. An independent variable is that variable that which is introduced to effect or determine a dependent variable.



Figure 1: Conceptual model



Source: Authors' conception

## 2. Hypothesis of the research

On the basis of the literature reviewed above, it shows that job satisfaction is a significant mechanism that can be used to attain employee performance of SMEs. This is because workers will always have a high sense of belonging, satisfaction and hence become productive if they believed that their managers compensates them in an equitable manner and if their working environment is conducive and adding to the above conceptual framework, we can present the following hypothesis

**Hypothesis<sub>1</sub>:** Compensation has a positive influence on employees performance in small and medium size enterprises

**Hypothesis<sub>2</sub>:** Working environment is negatively related to the performance of employees in Cameroonian SMEs.

### 3. Estimation method

This research follows a Hypothetico-deductive methodology due to the abundance of literature in this domain which permitted us to bring out some hypothesis and deduce them through an empirical analysis. Primary data was collected using a non-probabilistic sampling technique through a structured questionnaire administered on respondents from selected SMEs in the center Region of Cameroon. The choice of the center region is based on the fact that it constitutes a large portion of SMEs in Cameroon, approximately 28% according to the National Institute of Statistics in 2016. And the secondary data constitutes documentation that is relevant literature from journals, reports, internet and the National Institute of Statistics, which will contribute to the development of this work. The data was analysed statistically using the Pearson correlation coefficient ( $r$ ) which is a measure of the strength of the association between two variables ranging between -1 and 1. And econometrically using the Ordinary least squares and SPSS version 20 software was used to regress the data.

In verifying our hypothesis, the following functional relationship was used:

$$\text{Employee performance} = \alpha + \beta \text{ compensation} - \delta \text{ working environment} + \varepsilon_i$$

Where,  $\alpha$  is a constant,  $\beta$ ,  $\delta$  are coefficients and  $\varepsilon$  the error term

### 4. Findings of the research

The objective at this level is to empirically analyse the feedback obtained from the questionnaire distributed and present the findings with data analysis and interpretation. The data was analysed using the Pearson correlation coefficient ( $r$ ) and the Ordinary Least Square Regression (OLS) to bring out the dependence or the relation between the job satisfaction and employee performance so as to provide a more precise analysis of each objective. We shall start by presenting a demographic representation of our sample.

**Table1: Description of the sample**

Demographical description of the sample		Frequency	Percentage (%)	Cumulative percentages (%)
Gender of respondents	Male	30	60	60
	Female	20	40	100
	<b>Total</b>	<b>50</b>	<b>100</b>	
Marital status	Single	23	46	46
	Married	24	48	94
	Divorce	3	6	100
	<b>Total</b>	<b>50</b>	<b>100</b>	
Level of education	No certificate	2	4	4
	FSLC	4	8	12
	Ordinary Level	10	20	32
	Advanced Level	15	30	62
	HND	8	16	78
	Bachelors	11	22	100
	<b>Total</b>	<b>50</b>	<b>100</b>	
Sector of activity of respondents	Primary	00	00	00
	Manufacturing	14	28	28
	Service	36	72	100
	<b>Total</b>	<b>50</b>	<b>100</b>	
Staff category	Management	14	28	28
	Senior	8	16	44
	Junior	27	54	98
	Contract	1	2	2
	<b>Total</b>	<b>50</b>	<b>100</b>	
Size of the enterprise	Very small Enterprise (0 to 5 workers)	9	18	18
	Small Enterprise (6 to 20 workers)	21	42	60
	Medium Enterprise (21 to 100 workers)	20	40	100
	<b>Total</b>	<b>50</b>	<b>100</b>	

**Source:** Authors, from field study.

Table 1 above shows a demographical representation of the sample population and shows that a majority (60%) of the respondents were male and 40% female, this is due to the fact that male respondents were more receptive than female respondents. With respect to the marital status, 46% were single, 48% married and 6 % were divorced. The results shows that the majority of the respondents were educated since above 75% of the respondents are having above an Ordinary levels. The results equally shows that in function of the sector of activity,

the majority (72%) of the respondents came from the service sector while 28% came from the manufacturing sector. With respect to the staff category of the respondents, the majority above 54% of the respondents are junior workers. The results equally shows that 18% of the respondents came from Very Small enterprises, 42% came from small enterprises and 40% of the respondents came from medium size enterprises.

**Table 2: Correlation between job satisfaction variables and employee performance**

		Compensation	Working environment	Employee performance
Compensation	Pearson correlation	1	.596	.609
	Sig.		0.000	0.000
	N	50	50	50
Working environment	Pearson correlation	.596	1	.670
	Sig.	0.000		0.000
	N	50	50	50
Employee performance	Pearson correlation	.609	.670	1
	Sig.	0.000	0.000	
	N	50	50	50

**Source:** Authors, from field study.

From table 2, we realize that all the variables of job satisfaction are positively and significantly related to the performance of employees given that they all having a positive correlation coefficient ( $r$ ), in a more précised manner, we realize that the compensation policy and the working environment of the enterprise are having positive and significant impact on employee performance of SMEs with a  $r = 0.609$  and  $0.670$  respectively. This implies that employee performance is explained by the job satisfaction with respect to the different coefficients given for the variables. These result are in corroboration with those of (Alamdar et al.,2012) who did an empirical study on job satisfaction and employee performance in Pakistan. From here, we shall proceed to present the results coming from regression analysis,

which will permit us to conclude on the relationship between job satisfaction and employee performance.

**Table 3: Impact of Compensation on employee performance**

Independent variables	Coefficient (Beta)	Standard error	T-stat	significance
Compensation	0.25	0.275	3.639	significant

Dependent Variable: Employee performance

**Source:** Authors

From this regression results on table 3, we realize that compensation policy has a positive and significant impact on the employee performance. In a precise manner, we realize that a unit variation in the compensation policy in favour of the workers will lead to a 0.25 (25%) variation in employee performance. This results can be explained by the fact that workers are always very sensitive to variations in their compensation, be it salary or other kinds of compensation.

**Table 4: Impact of working environment on the performance of employees**

Independent variables	Coefficient (Beta)	Standard error	T-stat	Significance
Working environment	0.288	0.278	4.238	Significant

Dependent Variable: Employee performance

**Source:** Authors

From table 4, we see the relationship existing between job satisfaction (independent variable) captured using working environment and employee performance (the dependent variable). From this results, there exist a positive and significant link between job satisfaction and employee performance with a coefficient of 0.288.

In a functional manner, we can present the following relationship between job satisfaction and employee performance

Employee performance = 0.25 (compensation) + 0.28 (working environment)

$R^2 = 0.502$

This linear relationship implies that a 1% increase in compensation will lead to 25% increase in employee performance. It also shows that a unit variation in the working environment to the favour of the workers, will increase their performance by 28%.

**Table 5: Verification of hypothesis**

Hypothesis	Variables	Coefficient	Impact on performance	Significance	Decision
<b>Hypothesis 1</b>	Compensation	0.25	Positive	Significant	Accepted
<b>Hypothesis 2</b>	Working environment	0.288	Positive	Significant	Rejected

**Source:** Authors, from regression results

The results obtained from the OLS regression and the Pearson Correlation demonstrates that all the variables of job satisfaction exerts a positive influence on the Employee Performance of Small and Medium Size Enterprises. Reasons been that job satisfaction has a positive relation on the dependent Variables (Employee performance). In a particular manner, Compensation exerts positive and significant impact on employee performance, hence the first hypothesis which stipulates that job satisfaction exerts a positive impact of employee performance is verified, **implying that the first hypothesis (H<sub>1</sub>) is accepted or confirmed**

Concerning the second hypothesis (H<sub>2</sub>), which anticipated that job satisfaction will have a negative impact on the performance of employees in SMEs is **rejected**. The table below shows in a simple and clear manner the relationship between Job Satisfaction and the Employee performance of SMEs in Cameroon.

### Conclusion

Employee's performance is crucial for the organization as it is closely linked to workers satisfaction. It is therefore in the best interest of an organization to devote a substantial amount of effort examining ways to improve as well as to maximize the employee's performance in their workplace.

The majority of the studies agreed that job satisfaction is vital for better performance and also to solve an organization's turnover problem. The question of Human resource management and precisely employee satisfaction is an important aspect in the life of an enterprise which is recently receiving attention from managers and business owners in Cameroon. And small and medium size enterprise particularly pay more attention to this phenomenon due to the

fact their survival depends to it, hence the problematic of Job satisfaction is an actuality in this sector due to the fact that most Small and medium size enterprises in Cameroon and in most under developed countries suffer from limited finance due to inaccessibility of running capital, in adapted economic policies, fighting against international competition from sophisticated countries, complex fiscal system .... It then becomes imperative for enterprises to count or depend more on its personnel or workers (human resources) in order create value and competitive advantage so as to ensure its sustainability or survival. This research was intended to show how job satisfaction can be used to ameliorate the performance of small and medium size enterprises in Cameroon.

From the above results, we can propose that Small and Medium Size enterprises in Cameroon should try to work on their remuneration or compensation policy by adopting a policy based on equity and not equality, so that those workers that contribute more in the enterprise should equally have better compensation than others. With respect to the working environment, SMEs should adopt appropriate ergonomical policies so that the health and safety of their workers should be ensured. The adoption of the above suggestions can go a long way to ameliorate the satisfaction of workers in SMEs which will in turn ameliorate the commitment of the workers individually and the performance of the enterprise collectively.

## SELECTED REFERENCES

Adams, G., Schvaneveldt, J., (1991), *Understanding Research Methods*, (2<sup>nd</sup> ed.), New York: Longman.

Ali, A., Hussain, I., Ch, A. and Akram, S., (2018), Level of Job Satisfaction among Employees of Banking Industries at Lahore, *European Online Journal of Natural and Social Sciences: Proceedings*, 7, 3s, 92.

Armstrong, M., (2000). *Performance Management*, New York: Kogon Page Publisher, 2000.

Cranny, C.J, Smith, P.C. & Stone, E.F. (1992). *Job Satisfaction: How People feel about Their Job and how it affects Their Performance*, New York: Lexington Books .

Deng, S., and Gao, J. (2017), The mediating roles of work–family conflict and facilitation in the relations between leisure experience and job/life satisfaction among employees in Shanghai Banking Industry. *Journal of Happiness Studies*, 18, 6, 1641-1657.

Easterby-Smith, M.,Thrope, R. & Lowe,A.(2002), *Management Research: An Introduction*, (2<sup>nd</sup> ed.), London: Sage.

Elholoui. F. & ASLI A. (2021) «La satisfaction au travail et l'intrapreneuriat : l'effet modérateur de la confiance managériale», *Revue du contrôle, de la comptabilité et de l'audit* « Volume 5 : numéro 3» pp : 312- 325.

Fokam, J., (2016). Leadership styles and Performance of SMEs in Cameroon. (Published masters thesis), *Munich personal Repec Archive*. N0 81417, P.131

Haque, S. (1995), Job Satisfaction and Job Involvement of the mid-level Industrial Managers, *Dhaka University Journal of Psychology*, 19(1): 33-42.

Hoppock, R. (1935), *Job satisfaction*. New York: Happer and Brothers.

Jahanbani, E., Mohammadi, M., Noori N., N., and Bahrami, F., (2018), Quality of work life and job satisfaction among employees of health centers in Ahvaz, Iran, *Jundishapur Journal of Health Sciences*, 10, 1.

Rezapour, F., and Sattari Ardabili, F. (2017), Leader-member exchange and its relationship with career adaptability and job satisfaction among employees in public sector. *International Journal of Organizational Leadership*, 6, 425-433.

Saunders M, Lewis P and Thorn Hill A, (2003). *Research Methods for Business students*, Upper Saddle River, Prentice Hall

Yu, Y., Wang, Y., and Zhang, J. (2017), Relationship between work–family balance and job satisfaction among employees in China: A moderated mediation model. *PsyCh Journal*, 6, 3, 194-204.