

THE EFFECTS OF FAMILY OWNED BUSINESS ON EMPLOYEE ADVANCEMENT: CASE STUDY OF NAKUMATT HOLDING LIMITED

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ABSTRACT

Lack of employee advancement in family owned business is a great area of interest and Concern. The objective of this study was to assess remuneration, performance measurement and management styles on employee advancement in family owned business. The study employed a case study research design where information was solicited mainly through the use of self-administered questionnaires, evaluation of existing records and face-to-face interview guides. Respondents for the self-administered questionnaires were picked through stratified sampling. From each stratum or group, a random sample was selected. Purposive sampling was employed for key informants who were subjected to face-to-face interviews. Data analysis was done using percentages. The study revealed that among other things, low chances of employee advancement are seen in family owned business. The study was carried out at Nakumatt- Karen, Galleria, Prestige and Junction Branches in Nairobi County. Specifically, it was to assess the effects of family owned business on employee advancement, determining the impact of remuneration on employee advancement, examining the effects of performance measurement methods on employee advancement and finally examining the management style on employee advancement at the Nakumatt Cross-road, Galleria, Prestige and Junction Branches. The population of the study comprised of (453) Four Hundred and Fifty Three. The study also took a sample of (45) forty five employees. The data used in the study was obtained from both primary and secondary data. The outcome of this study is presented through frequency distribution charts, graphs and tables with narrations for all. The information collected from this study will be beneficial to the company as well as other organizations like universities, consultancy firms, and other organizations that are family oriented for example sole proprietors and partnerships.

1. INTRODUCTION

1.1 Background of the Study

The largest part of all SMEs consists of family businesses. Kelly (2000) states “family owned businesses are the foundation of the nation’s economy”. It is estimated that 20.3 of the 22 million US businesses are controlled and owned by families. Since family SMEs seem to comprise a significant number of all companies present in a country, one may expect that there are some advantages attributed to operating a family firm. Businesses usually are considered the spirit that drives economic welfare. Irrespective of their size, businesses boost the economy by way of offering employment, merchandise and trade, which in turn result in the success of the business and its owners. There are various types of businesses depending upon the ownership, and family-owned business is considered to be one of them.

Abouzaid (2011) states that Family businesses constitute the world’s oldest and most dominant form of business organizations. In many countries, family businesses represent more than 70 Percent of the overall businesses and play a key role in the economy growth and workforce employment. In Spain, for example, about 75 percent of the businesses are family-owned and contribute to 65 percent of the country’s GNP on average. Similarly; family businesses contribute to about 60 percent of the aggregate GNP in Latin America. Family businesses range from small and medium-sized companies to large conglomerates that operate in multiple industries and countries. Some of the well-known family businesses include: Salvatore Ferragamo, Benetton, and Fiat Group in Italy; L’Oreal, Carrefour Group, LVMH, and Michelin

In France; Samsung, Hyundai Motor, and LG Group in South Korea; BMW, and Siemens in Germany; Kikkoman, and Ito-Yokado in Japan; and finally Ford Motors Co, and Wal-Mart Stores in the United States.

Chrisman (2005) reports that various studies have shown that family and non-family firms differ in terms of goals, ethics, size and financial structure, international structures and strategies, and corporate governance. Family ownership may be seen through different angles, either as an opportunity or a threat, depending on a variety of factors. The family ownership and commitment to the business may be seen as an asset that is value additive provided that the company and the controlling family owners are able to respond to the concerns of the investor community. Regardless of how broadly or narrowly family businesses are defined, it is critical to comprehend that they make significant contributions to the gross domestic product and total wages earned in the country.

In family business, the organization is more flat than in other kind of companies obviously. The board of directors are able to arrive at common decisions or strategy faster, and have got smooth communication among them. This translates to mean that family businesses have more efficient organizational behaviour. In family businesses, the decision-making level often comes from one family, so when they encounter some problems, they are able meet each other more conveniently, even more so overlook the often complex processes often witnessed in meetings. This allows them to agree to a common decision very quickly. In the early stage of a family business, the family always holds the ownership and management together.

The chairman of the board and the CEO always are the same person, because of this special internal organization structure. This means in the family business, decision-making levels always is the management level, instead of two dependant departments (Poutziouris, 2006).

Today an organizations performance is highly dependent on the employees work motivation. It is therefore important for a company to find out what motivates its employees so that it can be able to work out a suitable reward system and gain better results. The right combination of immaterial and material rewards can boost up the employees' work motivation and enhance their commitment to the company (James, 1999).

Family businesses are founded by family members only, and have common values, strong commitment, loyalty, stability and also lower cost than other form of companies' employees. This is because one family is likely to share the same ethos and beliefs on how things should be done. This in turn gives this enterprise an extra sense of purpose and pride, family's own culture and a family business competitive edge. In family business when one family wants to build a lasting family enterprise they are more likely to put in the extra hours and effort needed to make it a success. This is rarely observed in other kinds of companies. Family members may also be more willing to make financial sacrifices for the sake of the business. It may also be observed that family need not buy employees' liability insurance if they only select close family members as employees (Scant, 2010).

Some of the limitations of family companies is that they tend to be short-lived. This is because there exist less management personnel's in the family business and the founder or owner-manager must decide everything in the company himself or herself hence giving room for a flurry of wrong decisions to be made, due to specific reasons. For example succession problems, strategy making and individualism. According to some studies, between two thirds and three quarters of family businesses either collapse or get sold by the founding family business owners during the first generation's tenure. Only 5% to 15% companies are able continue into the third generation in the hands of the descendants of the founder. (Fred & Alden, 1998) The biggest reason that causes this phenomenon is because of wrong succession decision.

Another limitation is that of obstacle to many family businesses is the system of payment by result. Payment by result is historically the most widely used incentive scheme, it rewards employees according to the number of items or units they produce or the time they take to produce them. This scheme has been criticized due to its tendency to reward quantity of output rather than quality which can lead to reduced quality of the product or service. There is a great need to modify and evaluate the effectiveness of this scheme if it is to retain the impact of productivity. (Dessler, 2003). Skills-based pay is often recommended, it is an input-based payment system in which employees receive pay for the skills or competencies which they acquire. This system gives the employees an opportunity to influence their pay by acquiring more skills that lead to pay increases. Skills-based pay encourages multitasking and flexibility, which in turn enables the organization to respond faster and more effectively to the needs of customers (Taylor & Atkinson, 2009).

Although also family members have a significant positive effect on employee development, family business can be a breeding ground for family problems, jealousy, anger, resentment and so forth. In addition there is less reservation about letting feelings out among family members, and family problems can easily spill over into the workplace. If one works for a family business and he/she is an "outsider"- not a member of the family circle- then his/her position can be challenging. For instance, working at a family run business for almost five years, and yet one has never had any kind of performance review, one would not be sure of his/her competencies in the work he/she is doing and also of how it

could be improved to fit the owners' expectations of the company. One would also like to have more responsibilities, but this is always limited by the absence of procedure in place for reviews or promotions.

The manager of a family business may also be unable to resist relatives as employees working for the family company; this is regardless of their lack of qualifications. These relatives who are allowed into the company may abuse family ties and feel that they cannot be held responsible for anything and therefore simply under-perform because they are a relative to the proprietor of the family business. Some family members, especially the elderly, may also find it difficult to retire or quit and let the younger talented members take over. This may also affect the morale of non-family employees who may think they are being undermined since they do not receive enough reciprocity for the efforts or appreciation for their input. (Caroline, 2014)

1.1.2 The Nakumatt Profile

Nakumatt is a wholly Kenyan privately held company, owned by the Atul Shah family and Hotnet Limited. As of May 2014, Nakumatt had nearly 50 stores in the African Great Lakes countries of Kenya, Uganda, Rwanda and Tanzania. It has employed over 5,500, and has a gross annual revenue in excess of US\$450 million. Nakumatt is committed to providing a variety of affordable quality brands as well as excellent and superior quality service to its customers. It prides itself on conforming to local and international laws, policies and regulations governing business. The company endeavours to build on developing skills in its employees and maintaining customer satisfaction through continuously understanding their needs, improving their lifestyles and delivering value. Nakumatt Holdings have, in keeping with global standards, bagged a string of internationally-recognised awards and certifications, confirming world class superiority. Some of these include:

- The Price Waterhouse Coopers East Africa Most Respected Service Sector Award
- Kenya Bureau of Standards ISO 9001:2000 Quality Management System
- Planet Retail Global Ranking
- East Africa Superbrand
- GCR Credit-rating.

Its main competitors include Tuskys Supermarket, Naivas Supermarket, Ukwala Supermarket, Uchumi Supermarket and Chandarana Supermarket, Ondari (2007).

The Government of Kenya is fast-tracking setting up of three special economic zones (SEZs), which would also house apparel factories, Standard Digital reported. About 2,000 square km are already set aside for the three SEZs being established in Kisumu, Mombasa and Lamu, which are expected to create 10 million jobs over the next 30 years. Meanwhile, Kenyan Parliament is also likely to pass a law on establishing SEZs by this month-end. The Government will provide land, tax holidays, duty-free imports and waivers on value-added tax for enterprises setting up their manufacturing activity in the SEZs. The SEZs will focus primarily on industrial activity, particularly textile and clothing production. Enterprises operating in the SEZs will have to pay tax at a lower rate and face fewer regulatory hurdles compared to manufacturing businesses operating outside the SEZs, the report said. The apparel sector in Kenya grew by over 4 percent year-on-year in the first three quarters of 2013, according to the Economic Survey 2013.

1.2 Problem Statement

Employee advancement isn't always a formal promotion, although many times it is an official transfer from one position to another. Advancement also can be a lateral move, such as a litigation attorney making a lateral move from one law firm to another. Generally, a lateral move of this type

presents some benefit to the lawyer who's likely on a partnership track. Therefore, even lateral moves are part of employee advancement. Advancement forces performing employees who move upward or laterally have an obligation to their employers to prove they are worthy of the promotion or demonstrate their skills with another employer (Mayhew, 2014)

There are two main reasons non-family employees will leave: limited growth opportunities and family conflict. Most employees want to advance within a company. Unfortunately, in most family businesses there are often limited opportunities for advancement, because family employees might occupy leadership positions within the company. Without opportunity to advance or take on a leadership role, many talented and ambitious employees will move on. Another problem is that non-family employees will leave because they feel as if they are always in the middle when a family feud breaks out (Indalecio, 2014).

According to Magee (2014), since the early 1980s the academic study of family business as distinct and important category of commerce has developed. Today family owned businesses are recognized as important and dynamic participants in the world economy. According to the U.S Bureau of the census, about 90 percent of American businesses are family owned or controlled. Ranging in size from two-person partnerships to fortune 500 firms, these businesses account of nation's employment and half of her Gross National Product (GNP). Family businesses may have advantages over other business entities in their focus of long term, their commitment to quality (which is often associated with the family name), and their care and concern for employees. But family businesses also face unique set of management challenges stemming from the overlap of family and business issues.

According to a 2006 Canadian Federation of Independent Business Survey, SMEs are not adequately prepared for their business and employee advancement: only 10% of owners have a formal, written succession plans: 38% have informal, unwritten plan and the remaining 52% do not have any succession plan at all. These results are also backed by a 2004 Canadian Imperial Bank of Commerce (CIBC) Survey which suggests that employee advancement and succession planning is increasingly becoming a critical issue. In the early 1990s, it is stated that when the Kenyan modern retail sector was still in its infancy, family ties were crucial to the success young businesses. "You needed someone you could trust to man the cash office as you drove to Nairobi or to the carpenter's to commission new shelves," said Mr Gashwe. But three decades later and with billions of shillings in turnover, things have dramatically changed. The same family bond on which what would later evolve into one of Kenya's biggest retail chains was anchored, have now turned into unpopular susceptibilities.

The power of family establishments is clearly evident in the fact that three of Kenya's four largest retail firms were built and still run by families. But over the last two years, Tuskys and Naivas have exposed the negative side of running a family business, staging fierce court battles pitting sibling against sibling. The third family-run retail chain is Nakumatt, the market leader with an annual turnover of over Sh56 billion. For Tuskys and Naivas, family is both the muscle with which they have grown to dominate the industry and, sadly, the Achilles' heel that threatens their future. So how did the relationships between brothers and business partners deteriorate so dramatically? Tuskys and Naivas are essentially born of the same dynasty. In the 1980s, Joram Kamau set up a supermarket in Rongai. (Daily Nation, 18 December 2013)

1.3 Objective of the Study

The study was guided by the following research objectives

1.3.1 General Objective

To establish the effects of family owned business on employee advancement at Nakumatt holding with concentration of Karen, Galleria, Prestige and Junction Branches.

1.3.2 Specific Objective

1. To determine effect of remuneration in family owned business on employee advancement at Nakumatt Holding- Karen, Galleria, Prestige and Junction Branches.
2. To examine the effects of performance measurement in family owned business on employee advancement at Nakumatt- Karen, Galleria, Prestige and Junction Branches.
3. To examine the management style in family owned business on employee advancement at Nakumatt -Karen, Galleria, Prestige and Junction Branches.

1.4 Research Question

1. How does the impact of remuneration influence employee advancement at Nakumatt- Karen Branch?
2. How does the effect of performance measurement methods influence employee advancement at Nakumatt Karen Branch?
3. How does the management style influence employee advancement at Nakumatt Karen Branch?

1.5 Justification

This research focussed on challenges of family owned business on employee advancement, but particular it was limited to Nakumatt- Karen, Galleria, Prestige and Junction Branches. Although the study was conducted at Nakumatt which is situated in Karen and Dagoretti areas in Nairobi County, it will be beneficially to other organizations. This organization will include other Small Medium Enterprises, institutions, other family run organizations, customers and shareholders by providing them efficient information on how to enhance employee advancement in their organizations. This research will be of great benefit to employers by indicating the significance of employee advancement improvement to their business.

1.6 Scope of the Study

The study strived to establish the challenges of family owned business on employee advancement in the retail industry in Kenya. The study also concentrated on employee advancement policies as a composition of employee advancement, implementation of employee advancement and the views on the employee advancement in organizations.

The study was conducted at the Nakumatt Karen, Galleria, Prestige and Junction Branches in Nairobi County. This study was conducted for a period of six months and it was in response to poor employee advancement reported in family owned businesses in Kenya.

2. LITERATURE REVIEW

2.1 Introduction

The chapter reviews the related literature available on the problem under study according to selected themes that are related to the study. It ends with a conclusion that highlights the research overview of what is involved (methods, importance, theories and facts) in employee advancement through remuneration, performance measurement and management styles.

According to Miller (1996) employee advancement was defined as a way to provide employees an opportunity to grow, especially to those employees who deliver performance. Growth means, to an employee, one or more of the following: climbing up the ladder in the organizational hierarchy, on-going increase in remuneration, acquiring higher level skills & competencies, occupying higher level job positions and having an opportunity to avail of some exclusive benefits.

2.2 Theoretical Review

According to Julio Loiseau (2011) Employees are to an organization the most valuable asset; therefore, management should ensure that employee advancement of people in the workplace is the fundamental part of any of all management process. To understand the critical importance of people in an organization it is necessary to have an inclusive harmonization between the human element and the organization itself. In fact, many well-managed organizations learn to consider an average worker as the root source of quality and productivity gains. Depend on the size; many of such organizations do not look to capital-investment, but to employees, as the fundamental source of improvement.

Dynamic managers with knowledge about what motivates people have at their command the most powerful tool to achieve extraordinary results. When companies are effective in satisfying their employees advancement, Employees arm themselves with an extraordinary level of confidence that induce them to stay longer, make a deeper commitment to the business, recommend ways to improve the company's services or products, and work harder to satisfy the customers and stakeholders.

2.2.1 Herzberg Theory

Frederick Herzberg (1968) shows that satisfaction and dissatisfaction at work nearly always arose from different factors, and were not simply opposing reactions to the same factors, as had always previously been (and still now by the unenlightened) believed. In 1959 Herzberg wrote the following useful little phrase, which helps explain this fundamental part of his theory, i.e., that the factors which motivate people at work are different to and not simply the opposite of the factors which cause dissatisfaction

Herzberg well-known for his formal job analysis methods and his ideas on job enrichment, improvement, enlargement, advancement and rotation. His ideas on motivation in the hygiene-motivation theory were particularly useful to help the average manager understands what motivates people. His theory attempted to explain the factors that motivate individuals through identifying and satisfying their individual needs, desires and the aims pursue to satisfy these desires. His original research was undertaken in the offices of engineers' and accountants rather than on the factory floor and involved interviewing as much as two hundred employees. The goal was to determine work situations where the subjects were highly motivated and satisfied instead of the opposite.

Employee advancement after training leads to the development of new skills and competencies; increased job satisfaction (more challenging work, greater variety etc.) aligning work with personal values and motivations; provides a map for employees to see how they might be able to move laterally or vertically in the organization; provides individuals with a degree of influence and control over the direction of their careers and an ability to identify and plan their development. Indeed it is argued further that employee advancement makes it possible for an organization to have a well-motivated workforce - and this creates among others: improved ability of managers to plan ahead for the staffing of key positions (succession planning); better identification of the organizations workforce planning needs; increased staff morale through a sense of development and feeling valued; lower staff turnover levels and a more stable workforce; increased internal recruitment activity (rather than external), and the associated cost savings; retention of more experienced and skilled staff and improved level of service to people with a disability and families. It should be noted, however, that some organizations prefer external recruitment in a bid to select the best person for the job.

Armstrong (2009) agrees with this and notes that people are motivated when they expect that a course of action is likely to lead to the attainment of a goal and a valued reward - one that satisfies their needs like employee advancement in career. He goes even further to assert that the organization can provide the framework that can facilitate high levels of motivation through the provision of incentives and rewards, satisfying work and opportunities for learning and growth.

The manager's role here, in motivating employees to perform cannot be overemphasized. Nomura Research Institute Ltd (2005) points out that rewards are vital for staff acquisition and retention.

Armstrong (2009) concurs and agrees that promotion is necessary for job satisfaction and that it stands for increased incentives in recognition of the employee's performance and contribution. Nomura Research Institute Ltd (2005) agreed that employee advancement and reward systems are sources of motivation at the work place. It is, therefore, logical to believe that there may be a negative impact on motivation, morale, job satisfaction and performance in

2.2.2 Social Capital Theory

Coleman (1990) defined social capital as any aspect of social structure that creates value and facilitates the actions of the individuals within that social structure. Just as the creation of physical capital involves changes in materials so as to facilitate production, and human capital involves changes in an individual's skills and capabilities, social capital is created when the relations among people change in ways that facilitate instrumental action

A significant aspect of this theory is that the investment in knowledge, skills and health would not only benefit the individual; it could also increase employers or country's human capital resource pool and potential productivity. However, if sufficiently skilled labour was plentiful, such as in developing countries or service industries requiring minimum skills, most employers do not see the need to invest in their employees' education. (Galor & Moav, 2001) However, as the essential skill set for many knowledge worker jobs becomes more complex and the demand for highly-skilled employees rises, employers should see a direct productivity benefit by investing in their employees' capabilities through employee advancement in training programs and the funding of post-secondary education. (Galor & Moav, 2001).

This requires individuals and corporations to evaluate the benefits and disadvantages of general training and specialized training respectively, based on their individual requirements, working

philosophies and goals for the overall employee advancement. For example, a company must consider that when training an employee for general skills that are readily transferable, the employee can also apply these skills in another company. Conversely, the employee must consider that, although the skills may be highly transferable, it is likely that many other people have the same skills and competition for corresponding jobs could be intense. "Most on-the-job training presumably increases the future marginal productivity of workers in the firms providing it; general training, however, also increases their marginal product in many other firms as well.

2.2.3 The human capital theory

According to (Becker 1964; Mincer 1974), the human capital theory says that individuals invest in human capital by way of training and education to improve their competencies and future careers. Thus, the amount of Human capital possessed by an individual would influence his or her level of performance and consequently, receipt of organisational rewards like status and income. Human capital includes education, training, and work experience which in return creates employee advancement.

Becker contends that all human behaviour is not based on the economic self-interests of individuals operating within freely competitive markets. Becker generally supports and promotes the notion that humans are motivated by self-interest and operate freely within markets. Education and training raises the productivity of workers by imparting useful knowledge and skills, hence raising workers' future income by increasing their lifetime earnings.

It postulates that expenditure on training and education is costly and should be considered an investment, since it is undertaken with a view to increasing personal incomes.

Human capital has been central in explaining individual earnings differences (Nerdrum & Erikson, 2001). Employees who invest in education and training will raise their skill level and be more productive than those less skilled, and so can justify higher earnings as a result of their investment in human capital. The high performance management, or high performance work practices, has become an important field. A number of the scholars have studied the depth and breadth of the HR practices, particularly in association with performance. High commitment management aims to go beyond high performance management to include an ideological component - the identification of the employee with the goals and values of the firm, so Human capital and performance inducing commitment (Walton, 1985)

Broadly, the concept of human capital is semantically the mixture of human and capital. In the economic perspective, the capital refers to 'factors of production used to create goods or services that are not themselves significantly consumed in the production process' (Boldizzoni, 2008). Along with the meaning of capital in the economic perspective, the human is the subject to take charge of all economic activities such as production, consumption, and transaction. On the establishment of these concepts, it can be recognized that human capital means one of production elements which can generate added-values through inputting it. The method to create the human capital can be categorized into two types. The first is to utilize 'human as labor force' in the classical economic perspective. This meaning depicts that economic added-value is generated by the input of labor force as other production factors such as financial capital, land, machinery, and labor hours.

Until the monumental economic growth of the 1950's, most of economists had supported the importance of such quantitative labor force to create products. The other is based on the assumption that the investment of physical capital may show the same effectiveness with that of human capital on

education and training (Little, 2003). Considering that the assumption accepts as a premise, the human capital expansively includes the meaning of ‘human as creator’ who frames knowledge, skills, competency, and experience originated by continuously connecting between ‘self’ and ‘environment’

Investments in human capital depend upon the costs of acquiring the skills and the returns that are expected from the investment. Families can influence these variables. Wealthier families, for example, can lower the costs of human-capital acquisition for their children by subsidizing their education and training costs. In addition, wealthier and better-educated parents can shape the tastes and preferences of their children by instilling in them a high regard for education and a desire to perform well in school. This translates into a higher rate of return on knowledge and skills relative to that of children from less-advantaged families. Thus, parents and guardians play an essential role in creating advantages for their children by encouraging them to acquire substantial stocks of human capital. Ultimately, it is human capital which has value in labour markets.

Becker introduced the important distinction between “general” human capital (which is valued by all potential employers) and “firm-specific” human capital (which involves skills and knowledge that have productive value in only one particular company). Formal education produces general human capital, while on-the-job training usually produces both types. To understand investments in human capital by employees and employers, one must pay attention to the different incentives involved.

In all cases, employers are loathing to provide general skills, because employees can use them in other firms. Conversely, employees are less inclined to invest in firm-specific human capital without substantial job security or reimbursement. These issues lie at the heart of many contemporary analyses of employment relations.

2.3 Conceptual Framework

Employee Advancement development is not a mere management responsibility. It is a composite organizational process which involves people, addresses their ambitions, assigns them roles & responsibilities commensurate with their potential, evaluates their performance, and creates Job positions to accommodate growth ambitions of employees (Watts, 2003).

Apart from acquainting employees with new skills, employee advancement serves another important purpose. It motivates employees to work harder, prevent unnecessary anxiety among workers and impart confidence. Watts (2003) argues that career and employee advancement is expensive and this is probably why many organizations don’t embrace it. This may sometimes be myopic view because the destruction of an expensive machine may well be more costly than the part-time employee advancement of an employee in a technical college.

This study of employee advancement looked at how individuals’ manage their advancements within and between organizations and, how organizations structure the career progress of their members, it can also be tied into succession planning within some organizations. In personal development, career development is:-the total constellation of psychological, sociological, educational, physical, economic, and chance factors that combine to influence the nature and significance of work in the total lifespan of any given individual,

The evolution or development of a career, the lifelong psychological and behavioural processes as well as contextual influences shaping one’s advancement over the life span. As such, employee advancement development involves the person’s creation of a career pattern, decision-making style, integration of life roles, values expression, and life-role self-concepts (Williams, 1991).The purpose of

employee advancement in an organization is to; enhance each employee's current job performance, enable individuals to take advantage of future job opportunities, Fulfil agencies' goals for a dynamic and effective workforce (Welch, 1991).

The Employee Advancement Development Process involves the completion of a variety of activities geared to help one to, initially, determine or confirm their desired life direction. During advancement development employees are the driving force behind the process, through gathering of information, setting goals, and making decisions. By self-assessment and reflection employees have to integrate their needs, wants and situations with the ever-changing world of work (Savickas & Lent, 1994).

The study's conceptual framework shows the relationship that exists between the independent variables comprising of Remuneration methods, management style and performance measurements styles and the dependent variable of employee advancement.

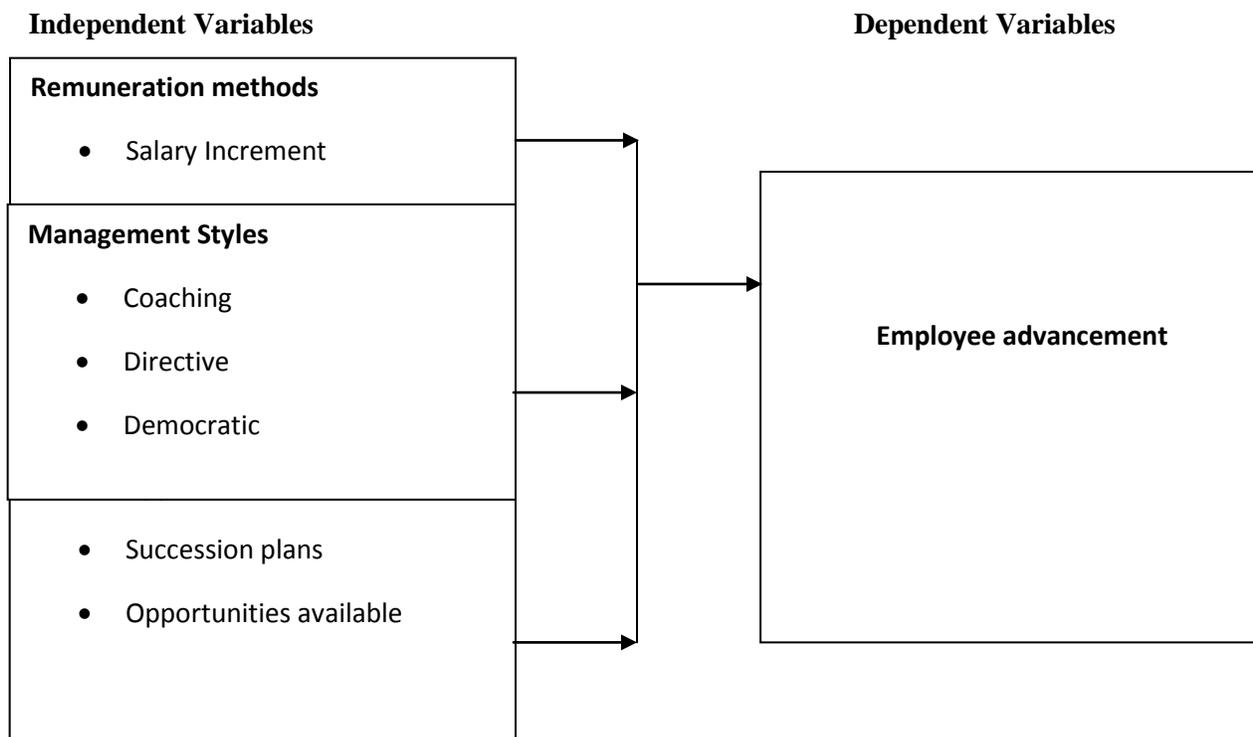


Figure 2.1 Conceptual framework of family owned business on employee advancement.

2.3.1 Performance Measurements and Employee Advancement

A performance measurement is a management-approved expression of the performance threshold, requirement, or expectation that must be met to be appraised at a particular level of performance. Performance measurement standards should be objective, measurable, realistic, and stated clearly in writing (or otherwise recorded). The standards should be written in terms of specific measures that will be used to appraise performance (Cole, 2012).

Mayhew (2014) states that the most successful employers invest in retaining their workers and improving their effectiveness. By constantly and consistently measuring performance, an organization can ensure that their investment pays off. Workers also benefit from performance measurement and appreciate fair productivity assessments, which can help them see how their work compares to others. This can only happen when performance is measured consistently across one's organization. Many workers want to advance in their jobs. A company can help them achieve their goals and move forward on their chosen career path.

Mayhew also states that Performance measurement is one of the best ways to accomplish this and can benefit both the employee and the organization. Employee performance measurements can determine an employee's compensation, employment status or opportunities for advancement. For these reasons, performance management programs must consist of methods that enable fair and accurate assessments of employee performance. To assist with measuring employee performance, employers first establish performance standards.

Performance standards define what it takes for employees to meet or exceed the company's performance expectations. When you measure performance regularly, you can use the information you collect to identify trends in a worker's performance. You can use this data to: help the worker identify their strengths and areas of opportunity for the future, identify potential opportunities for the employee to advance within the company and suggest ways the employee can fill gaps in their skill set. Workers should feel good about their contributions to your workplace. Everyone should view gaps or performance issues as opportunities for improvement that will benefit both the worker and your organization.

In succession plan, promotions appear to be the most important form of pay for performance in most organizations, especially in hierarchical, white-collar firms. They are the primary means by which workers can increase their long-run compensation. They are usually given to the best performers. Therefore, promotions should generate substantial motivation in many settings. Moreover, there often does not seem to be strong pay for performance within jobs, which only increases the apparent importance of promotions for organizational incentives. The diversity and unique requirements of different enterprises suggest that no one-size-fits-all approach will ever do the job. The other most frequently used organizational performance measures include organizational productivity, organizational effectiveness, and industry rankings (Neely, 2002).

It is worth considering why firms might use promotions as employment opportunities available to their already hired employees as incentives. Individualistic schemes, especially ones that do not depend on job assignments, allow more flexibility in providing incentives. In other words, performance measurement like promotions are often used to achieve two goals simultaneously that in principle might be separated: putting employees in the right jobs, and Generating motivation. Thus, it is not immediately obvious why performance measurements should be used as incentives. If effort and ability are substitutes at producing output or ability signals, then the worker has an incentive to improve reputation by increasing effort.

Best performers regardless of how poorly they perform, whereas a standard promotes only those whose performance is high enough. Where there is more uncertainty in the ability distribution of employees, a standard yields better control over the quality of promotees. In more certain environments, the firm will have a better idea of what type of employees a promotion contest yields, and this difference will be less important.

Organizational performance involves the recurring activities to establish organizational goals, monitor progress towards the goals, and make adjustments to achieve those goals more effectively and efficiently. Those recurring activities are much of what leaders and managers inherently do in their organizations, some of them do it far better than others (Nonaka & Takeuchi, 2003).

The Performance Appraisal is a formal management tool used to evaluate the work performance of employees. The Performance Appraisal is a carefully structured system of appraisal that monitors the work performance naturally, formally, informally and not based on personal wishes and perceptions, but on objective facts and reasons. The goal of this structured appraisal system is to help eliminate serious motivational, ethical and legal problems in the workplace.

2.3.2 Remuneration and Employee Advancement

Many of the family-owned companies were managed by the family members. It was found out that the remuneration paid to the directors' family members such as their children, did not commensurate with the actual services performed.

Taxpayers should only claim remuneration that is reasonable having regard to the services performed by the family members as compared to an independent employee with the same qualifications and experience performing the same services. Amount of remuneration paid to the company directors' parents, spouses, children and siblings who are not working in the company or whose remuneration did not commensurate with the actual services performed would not be deductible for tax purposes. Greene (2014) states that opportunities for growth and development help employees expand their knowledge, skills and abilities, and apply the competencies they have gained to new situations.

The opportunity to gain new skills and experiences can increase employee motivation and job satisfaction and help workers more effectively manage job stress. This can translate into positive gains for the organization by enhancing organizational effectiveness and improving work quality, as well as by helping the organization attract and retain top-quality employees. By providing opportunities for growth and development, organizations can improve the quality of their employees' work experience and realize the benefits of developing workers to their full potential. Armstrong (2005) states that Flexibility and competitive compensations are clear drivers for retaining and attracting employees, and they need to form the cornerstone of well-defined compensation and benefits packages.

Remuneration is associated with global satisfaction and even more closely with the facet of pay satisfaction. Although money is important to individuals, research has shown that individuals who earn more are not necessarily more satisfied in their jobs (Spector 2008). In a study by Yang, Miao, Zhu, Sun, Liu and Wu (2008) to evaluate the influence of pay increases on employee advancement in the Chinese military, it was found that pay is an important factor affecting overall job satisfaction and advancement.

Promotions provide opportunities for personal growth, more responsibilities and increased social status (Robbins 1993). Job satisfaction is likely to be experienced by individuals who perceive promotional opportunities to be fair (Robbins 1993; Spector 1997). Spector (1997) divide fringe benefits into monetary and non-monetary benefits. Increasing intrinsic and extrinsic fringe benefits that attract an employee's attention may subsequently increase their performance and induce higher levels of employee advancement (Suliman & Iles 2000). According to Spector (1997), examples of contingent rewards are appreciation, recognition and rewards for good work.

Employee dissatisfaction may result if an employee perceives that their efforts are not recognised or that their rewards are not equitable tied to their performance or tailored to their need for advancement (Robbins 1993). Contingent rewards support the reinforcement theory of motivation, in terms of which performance-relevant behaviours will increase in frequency if rewarded (Spector 2008).

2.3.3 Management Style and Employee Advancement.

Through their education, training, and experience, managers develop their own personal management style (Hersey, 2001). This management style is a fundamental concern of managers and researchers (Wood, 2002) due to its effect on subordinates who, it is suggested, work more effectively and productively when their managers adopt a specific management style (Mullins, 1998). If managers adopt their subordinates' preferred style giving employees the respect and fair treatment they deserve, then this is seen to lead to job satisfaction and finally to employee advancement, which in will affect the functioning of the organisation (Spector, 1997). Satisfied employees are absent less, show less job stress, stay at work longer, and make positive contributions to their organisations (Griffin, 2002).

Organisations in the hospitality and fashion industry are under constant pressure to meet change, develop their structures, and improve employee performance and advancement (Erkutlu and Chafra, 2006). It has been suggested that hospitality organisations need to employ effective management to improve employee advancement. Managers in the fashion industry can improve employee job satisfaction using their management style to motivate employees and to achieve organisational goals (Kavanaugh and Ninemeier, 2001) However, Erkutlu and Chafra argues that a democratic leadership style is deeply rooted in the hospitality industry, due to the unpredictability of demand. Whether this helps or hinders employee advancement is unclear as research into management style in the fashion industry has been somewhat ignored (Erkutlu and Chafra, 2006).

Yousef (2000) showed that leadership behaviour was positively related to job satisfaction and therefore managers needed to adopt appropriate leadership behaviour in order to improve it. Leadership style affects a range of factors such as job satisfaction, performance, turnover intention, and stress (Chen and Silverthorne, 2005) and so contribute to organisational success (Rad and Yarmohammadian, 2006). Yousef (2000) argued that theories developed and tested in Western organisations are still valid for non-Western countries. Hence, the significant impact of leadership style on job satisfaction does not differ between west and east and can be considered an important factor in the success or failure of any organisation.

Coaching as a management skill is one-on-one style focuses on developing individuals, showing them how to improve their performance, and helping to connect their goals to the goals of the organization. Coaching works best with employees who show initiative and want more professional development. But it can backfire if it's perceived as "micromanaging" an employee, and undermines his or her self-confidence, (Coleman, 2002).

2.4 Critique of the existing literature relevant to the study

Employee advancement is an important aspect of the Human Resource Department and it should be researched further in order to ensure that both the employees and organizations are advancing according to their goals and targets. Therefore, in order to effectively and efficiently utilize this strategic asset, I believe managers and the organisation as a whole, must be able and willing to understand and hopefully provide the factors that bring about employee advancement to their employees within the context of the roles and duties they perform.

Mwange (2010) conducted a study of employee advancement in banking sector at Uganda Bank and she concluded that if employers have training, appraisal systems, target plan and promotions systems in place employee's advancement will be achieved especially with regards to their careers. Linge (2010) in her study of women employee advancement in the law Society of Kenya concluded that women have to work as twice as men in order to gain advancement in their careers as employees; this was because most have families. These researches suggested more studies should be done on employee advancement, taking into consideration all employees in an organization since they all have goals and targets towards their own individual advancements.

In the above studies, none has put into emphasis on employee advancement in family owned businesses that may or may not have set structures to enable employees achieve their own advancement. It is very important for the employers to understand the impact of employee advancement in their organizations. This research paper will examine the influence of family owned business on employee advancement with reference to Nakumatt Holding.

2.5 *Research Gaps*

Manager's especially human resource managers in organizations have to deal with employee advancement; however there are challenges of this in family businesses. There have been a lot of studies on career development but none of these researches have elaborated on how family owned business challenge employee advancement.

The studies done on private and public organizations may not show similar reviews in other organizations like the family owned business, as much as it gives a general overview that can be applied by all the organizations.

Most of the research has been done abroad. Not much has been done in Kenya. Furthermore, the literature has failed to identify hindrances to employee advancement.

2.6 *Chapter Summary*

The chapter reviewed literature on career development types and processes. In addition, the section also explored literature on remuneration, management styles and performance measurement on employee advancement.

The HR Managers have to put up various measures to encourage employee advancement in order to attract and retain employees in a family owned business. Mullins (2005) states that one course of action that contributes to a valued goal attainment- that of satisfying employees' needs is employee advancement. Key informants, whose careers had advanced because of training, felt that employees gained from a frame work that facilitated a high level of motivation.

3 RESEARCH METHODOLOGY

Research methodology was the process adopted in conducting the study. The steps involved to conduct the study are described in detail and this will help other researcher's in understanding the study particularly where replication may be desired. Research design aids in the allocation of the perceived limited resources by coming up with crucial choices in methodology (Cooper & Schindler, 2003). The chapter therefore discussed the research design, study areas, target population, sample population,

sampling procedure, and research instruments. It further analysed the instruments' validity and reliability, data collection and analysis procedures; and ethical considerations of these study

The methodology chapter addressed four main areas. First it looked into research design and its relevance. Secondly it addresses the issue of population and sample description. Finally methods of data collection and statistical techniques of data analysis are discussed.

3.1 Research Design

Research design is the plan, structure and strategy of investigation conceived so as to obtain answers to research questions and control variance.

The study used a case study research design with both qualitative and quantitative aspects. The qualitative part supplemented the quantitative part. Case study research design was selected because it will enable the researcher, among other things, to focus attention on a particular group of people within a specific context (Colorado State University, 1993-2009).

The aim of this study, as noted by Stake (1995) in his discussion on case study research, was to "catch" an existing, unique, complex and very interesting single case; and as Yin (2004) noted, a case study focuses on a contemporary issue. In addition, case study research facilitates the in-depth examination of all variables at play with a view of providing rich data and a more comprehensive understanding of issues and problems applicable in a real-life situation (Soy, 1997).

Case study researches have been criticized for subjectivity, high costs and ethical concerns (credibility and integrity). In conducting this study, the researcher was objective. There was no conflict of interest or preconceived notions and the cost was not prohibitive. The findings of the study were based on actual data collected by the researcher. On issues of validity, reliability and generalization, the study combined qualitative (through face-to-face interviews) and quantitative methods (through self-administered questionnaires) in data collection. There was collaboration and consultation with respondents on data provided, that was the key strength of case study research design (Soy 1997). As regards issues of generality, a case study was never meant for general representation or applicability (Garson, 2008). This study will probably be comparable to similar studies in other family owned businesses in the Eastern and Central African region. The validity and reliability of the study's findings was strengthened by checking the validity of data (re-interviewing respondents and then cross checking both interviews) to increase flexibility in settings during collection of data, direct contact with respondents, the use of various techniques (e.g. interviews, questionnaires and observation) and the use of a large sample in the Nakumatt- Holding Branch which reduces sample bias and promotes credible generalization of findings to the wider organization.

Descriptive survey designs were used in preliminary and exploratory studies (Luck and Ruben, 1992) and also to obtain information concerning the current status of the phenomena to describe "what exists" with respect to variables or conditions in a situation.

According to Cooper and Schinder (2000) descriptive statistics discovers and measures the cause and effect relationships among variables. The methods involved ranged from the survey which describes the status quo, the correlation study which investigates the relationship between variables, to developmental studies which seek to determine changes over time. This method was preferred because it allowed for an in-depth study.

The study employed a descriptive study because it seems to have a clear advantage of being an effective way of collecting data from a large sample cheaply and faster. Mugenda and Mugenda (2003) notes that survey research is probably the best method available to researchers who are interested in collecting original data for the purpose of describing a population which is too large to observe properly.

3.2 Target Population

Population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate (Cooper, 2003). The Target was all the family owned businesses with a special reference to Nakumatt- Cross-road, Galleria, Prestige and Junction Branches that have a total of (453) four hundred and fifty three staffs that forms the population of the study. The total number of employees in the four branches of Nakumatt is according to the records on time sheet and the Kenya Revenue Authority –PAYE form.. According to Mugenda & Mugenda a sample size of between 10% to 30 % is a good representation of the target population and hence the 15% is adequate for analysis. The sample size of this study was therefore 68 respondents.

Consequently the study targeted the management staff (policy makers) to represent informed specialist, and the junior staff to represent the users/consumer of employee advancement.

3.3 Sampling Size

According to Mugenda and Mugenda (2003) a representative sample is about 10% - 30% of the population. The research was conducted in Nakumatt Holding- Karen, Galleria, Prestige and Junction Branches with a number of 453 employees. The sampling units included Human Resources department, Finance department, Security department and Administration department. From these selected departments, a stratified purposive sampling technique was used to identify employees to be interviewed. From each department, three categories of target group thus the management team, middle level supervisors and the junior staff.

This enabled the researcher to control the sample size in the strata. This increased statistical efficiency, provided data to represent and analyse sub-groups as well as enabled the use of different methods of strata.

3.4 Sample Technique

A simple random sampling method was applied in this study; the researcher selected randomly until she attain the desired sample size of 68. This therefore means that from a population of 453 employees in the Nakumatt Holding- Karen, Galleria, Prestige and Junction in Nairobi country office, a sample size of 68 was studied. Proportionate Sampling was a sampling strategy used when the population was composed of several subgroups that were vastly different in number. The number of participants from each subgroup was determined by their number relative to the entire population (Kothari, 2005).

Table 1. Sample size distribution

Staff level/position	Actual Population	Sample Size
Senior Managers	36	7
Middle level supervisors	103	11
Junior staff	314	50
Total sample size	453	68

Source: As per the Kenya revenue authority tax form for the company- PAYE (2014)

3.5 Data Collection Instruments

The data was collected from both primary and secondary data sources. According to Mugenda and Mugenda (2003), primary data is data the researcher collects while secondary data refers to data from other sources. Primary data is considered more reliable and up to date.

3.5.1 Questionnaires

The researcher used questionnaires which were the research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. The reason the researcher used questionnaires as an instrument for data collection was to give the researcher a good base to analyse data. Questionnaires were reliable qualitative and quantitative in data collection.

The researcher structured the questions in the questionnaire focusing mainly on perceptions of career development in organizational performance. Each question was set with a target to reveal and give an in-depth on the research issue hence the use of closed and open ended questions. A questionnaire on advancement by the Alaska Psychological Association (2002 – 2006) was adapted and modified so that it could be used to discover and assess the level of advancement, hindrances to advancement and recommendations to remove the hindrances.

The researcher chose this instrument because she wanted to cover a large representative sample of 68 respondents in a short period of time. Face-to-face interviews would have taken too much time and effort to be of any use. As Cano (2000) observed, self-administered questionnaires are cheaper to use and can be distributed on a large scale. In addition, sensitive topics, like the one covered by the researcher, can only be effectively studied or examined using questionnaires. Furthermore, standardized questionnaires used by the researcher in this study eliminated interviewer bias and solicited a very high response rate as Bernard (2006) had observed.

3.5.2 Secondary Quantitative Analysis

According to Bailey (1994), an interview is an instance of social interaction between two individuals, the interviewer and the respondent. The interviewer fills in the instrument as the respondent answers questions he or she asks him or her. The researcher used face-to-face interviews to allow an in-

depth examination of the key informants, who comprised of senior managers and policy implementers, on issues related to employee advancement, remuneration, management styles and performance measurement styles. These informants are rich cases and normally very busy people who did not have time to complete questionnaires.

On the advantages of interviews, Campion and Hudson (1994) observe that face-to-face interviews enable the interviewer to establish rapport with respondents; allow interviewer to observe and listen; permit complex questions to be asked than in other types of data collection methods.

3.6 Data Analysis and Presentation

Data analysis involves the process of estimating values of the unknown parameters of the population and hypothesis testing for drawing inferences. Data analysis method depends mainly on the purpose of the study and the type of data/information collected (Cooper, 2003).

Statistical analysis was used in the questionnaires. The researcher also used descriptive and comparative analysis to show means, modes, frequency and percentages. The data was presented in form of graphs, pie charts and tables.

3.6.1 Qualitative analysis and Quantitative Analysis

Qualitative data was edited, coded and analysed using themes derived from the objectives of the study which are performance measurements, remuneration, and management style on employee advancement in family owned businesses.

In Quantitative the data collected was checked and edited for clarity, legibility, relevance and adequacy. This involved checking for non-response and acceptance or rejection of answers, which was pre-coded by the researcher. These codes eased the process of data entry. The data will be cleaned, tabulated and weighted and percentages will be used to analyse the data.

4. DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

The study sought to investigate the factors affecting employee advancement among the supermarket chains in Kenya. The study was conducted at the Nakumatt holdings. The factors under investigation included remuneration, performance measurement the management style and how they influence employee advancement at Nakumatt supermarket Karen branch. Data editing and reconciliation were done before the data analysis was undertaken. This was paramount to remove any incoherence and irrelevance in data and was also essential to avoid reaching wrong conclusions and drawing wrong inferences. Data was entered into the SPSS V21.0 for windows. The data analysis was supplemented by using other computer software packages as in Microsoft Excel.

4.2 Response Rate

A total of sixty eight (68) questionnaires were produced and administrated to the sampled categories of respondents. At the end of the study forty six (46) questionnaires were returned, coded and analyzed. The overall response rate was therefore 67.6% with the majority of the respondents being the middle management employees that attracted a response rate of 72.7% while the minority was senior management staff that attracted a response rate of 57.1% as recorded in table 4.1 below. The response rate

was impressive among all the categories of the respondents for the study since over half of the respondents responded. This showed their approval and the success of the research.

Table 4.1 Response Rate

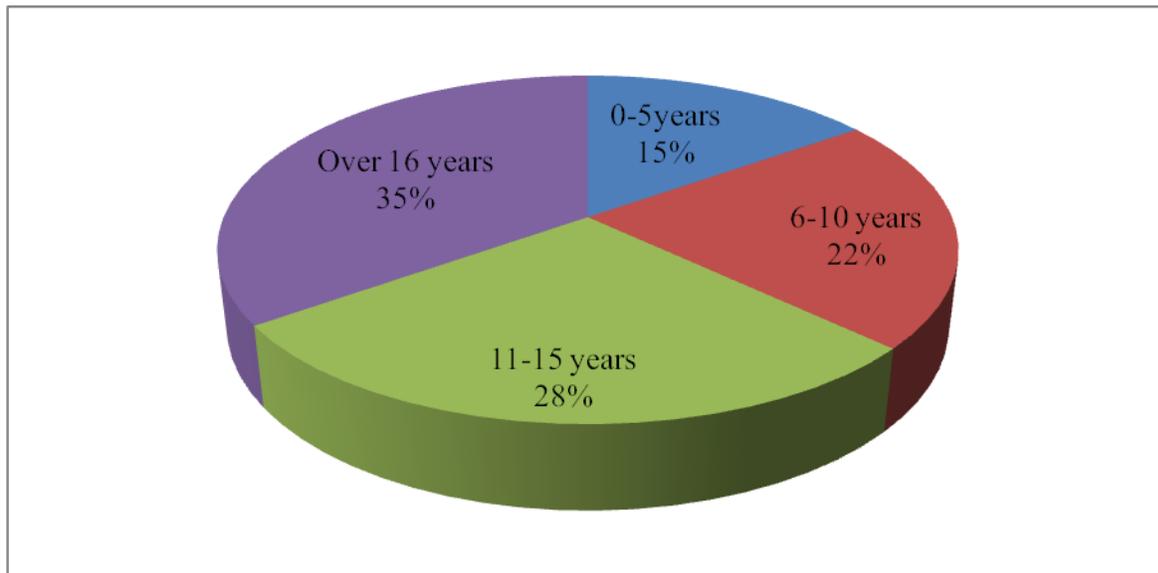
Category of the population	Those sampled	Those who responded	Response rate
Senior Management	7	4	57.1%
Middle Management	11	8	72.7%
Operative	50	34	68%
Total	68	46	67.6%

4.3 Background Information of the Respondents

4.3.1 Respondents' years of experience

Respondents were asked to state their years of experience working at the Nakumatt business holdings. They provided varied responses as indicated in figure 4.1 below

Figure 4.1 Respondents' years of experience



From the results as provided in figure 4.1 above majority 63% of the respondents had served the supermarket for eleven years and above. Among this category of respondents 28% stated to have served the company for between eleven to fifteen years, while 35% stated to have served the company for sixteen years and over. Only 37% of the respondents had served the supermarket for between one to ten years

The high level of experience among the respondents proved valuable to the study. The respondents had the necessary knowledge about the company's operations, operation and systems and were able to provide accurate and informed data about the organizations activities

4.3.2 Department of the Respondents in the Company

Respondents were asked to state their departments at the Nakumatt business holdings. They provided varied responses as indicated in table 4.2 below

Table 4.2 Department of the respondents in the company

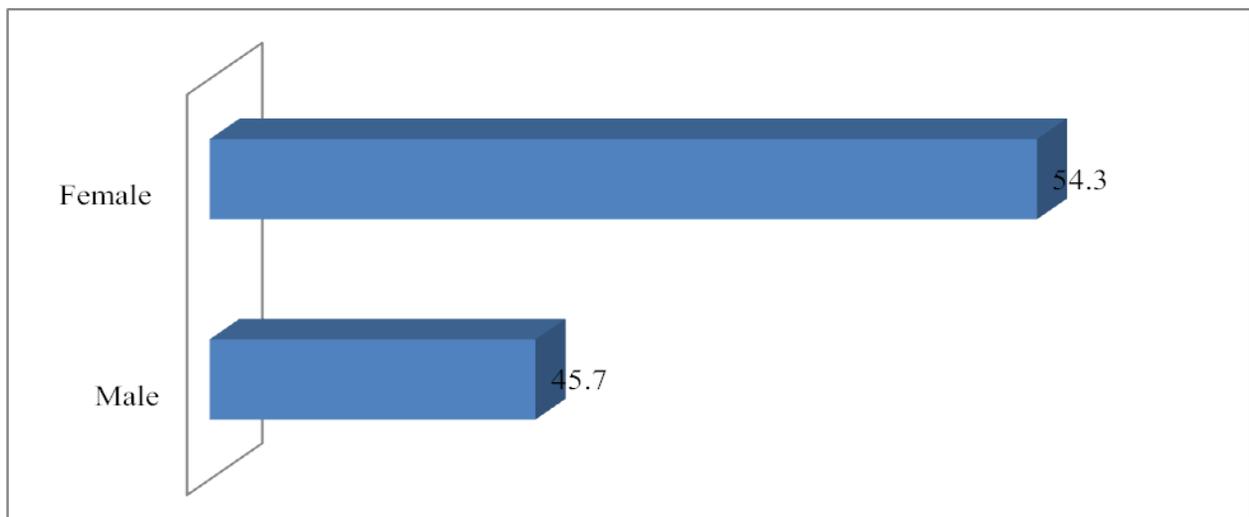
Variable	frequency	percent
Human Resources	17	37.0
Procurement	10	21.7
Finance	6	13.0
Marketing	5	10.9
Administration	8	17.4
Total	46	100

From table 4.2 above 37% were from the human services department. This was followed by the procurement department that attracted a response rate of 21.7% among the respondents. Whereas 17.4 of the respondents were from the administration department, 13% were from the finance department and the rest 10.9% were from the marketing department of the company.

4.3.3 Gender of the Respondents

Respondents were asked to state their gender. They provided the responses as indicated in figure 4.2 below

Figure 4.2 Gender of the respondents

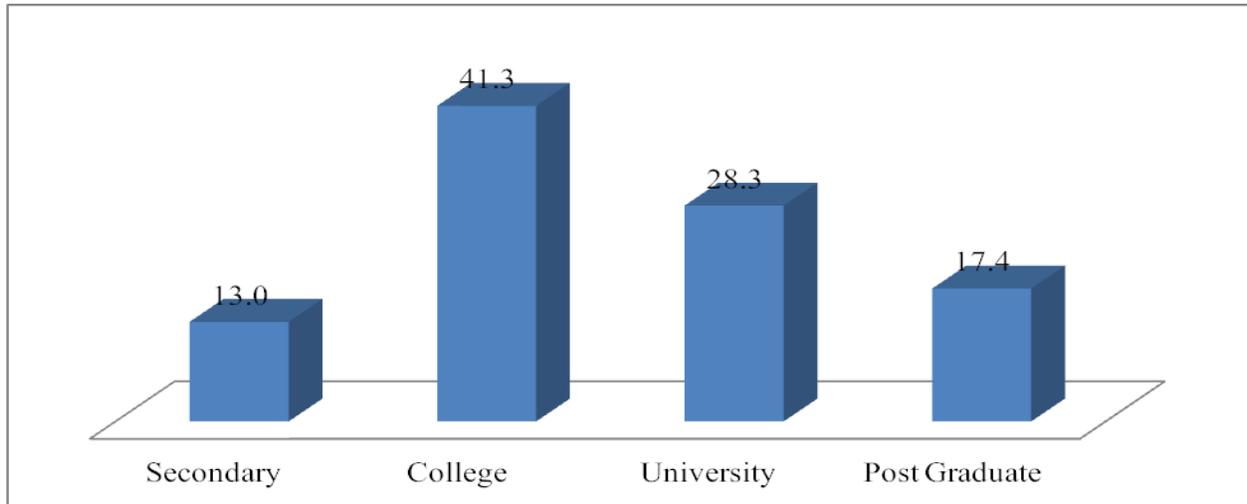


From the results in figure 4.2 above majority 54.3% were female while the minorities 45.7% were male. There was a near gender parity among the respondents to the study. This was positive in that the study was neutral towards both genders.

4.3.4 Respondents level of education

Respondents were asked to state their level of education.

Figure 4.3 Respondent's level of education

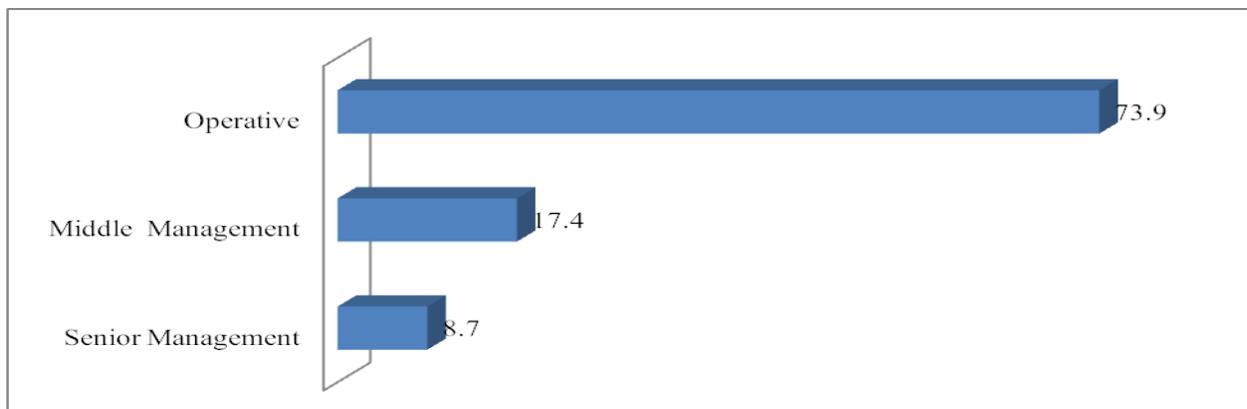


From the results as provided in figure 4.3 above majority 87% of the respondents had attained the post-secondary level of education, 41.3% stated to have attained the college level of education, 28.3% stated to have attained the University level of education and 17.4% stated to have attained the post graduate level of education. Only 13% of the respondents had attained the secondary level of education. The high level of education of the respondents was positive to the study because the respondents were able to clearly understand and respond to the content of the questionnaires

4.3.5 Respondents' Level in the Management Hierarchy

Respondents were asked to state their level in the management hierarchy at the Nakumatt business holdings. They provided varied responses as indicated in figure 4.4 below

Figure 4.4 Respondents' level in the management hierarchy



From figure 4.5 above, 73.9% of the respondents were from the operatives' level, whereas 17.4% the respondents were from the middle management level and only 8.7% were from the senior management.

4.3.6 Ages of the Respondents

They provided varied responses as indicated in figure 4.5

Figure 4.5 Ages of the respondents

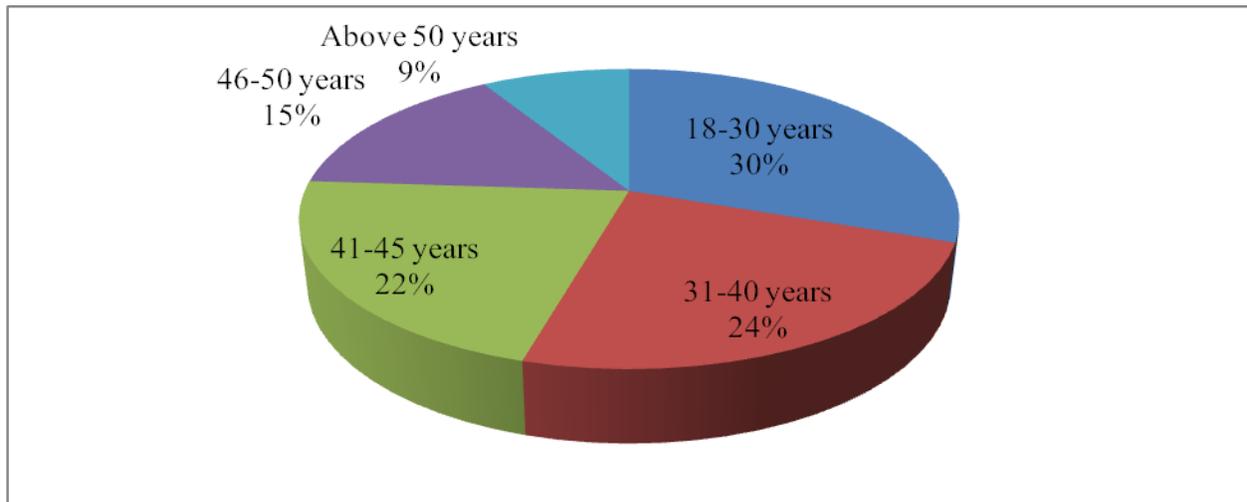


Figure 4.5 it had 54% of the respondents were youthful and were aged 40 years and below. 46% of the respondents were aged forty one years and over. The fact that the respondents were youthful was significant to the study in that they were more mobile, flexible and courageous in the undertaking of the research.

4.4 Factors Affecting Employee Advancements

4.4.1 Factors Affecting Employee Advancements

This study endeavored to establish the factors affecting employee advancements at the Nakumatt holding. The factors selected comprised of the Management Style, Performance Appraisal and Remuneration and their effects on employee advancements at the Nakumatt. From the study it emerged that all three factors had an effect on the employee advancements at the Nakumatt.

With a score of $M= 3.848$; $SD= 1.333$ and Pearson correlation value of 0.929, the factor of Remuneration emerged to have had an effect on employee advancements. Additionally with a score of $M = 3.457$; $SD = 1.516$ Pearson correlation value of 0.726 the factor of Management Style also emerged to have had an effect on employee advancements. Further With a score of $M= 3.283$; $SD= 1.530$ and Pearson correlation value of 0.619, the factor of performance measurement also emerged to have had an effect on employee advancements at Nakumatt.

Table 4.3 Factors affecting employee advancements at the Nakumatt holding limited

Factors affecting advancements	Mean	Std. Deviation	Pearson Correlation	N
Management Style	3.457	1.516	0.726	46
Performance Appraisal	3.283	1.530	0.619	46
Remuneration	3.848	1.333	0.929	46

The finding denotes that the factors selected for the study comprising of the Performance Appraisal, Remuneration and Management Style all have an effect on employee advancements at Nakumatt.

4.4.2 Factor Mostly Affecting Employee Advancements at The Nakumatt Holding Limited

This study sought to determine the factor mostly affecting employee advancements at the Nakumatt holding limited from the three factors comprising of Performance Appraisal, Remuneration and Management Style.

4.4.3 Study Factors Correlation

There was high correlation of the factors of remuneration with the employee advancements practices at the Nakumatt holdings. With a Pearson correlation of coefficient value of 0.929 factors of remuneration emerged has having high and negative correlation with the employee advancements practices at the Nakumatt holdings.

This was followed by the factor of Management Style at the Nakumatt holdings With a Pearson correlation of coefficient value of 0.726 factors of management style emerged has having moderate but also positive correlation with the employee advancements practices at the Nakumatt holdings

Incidentally the factor of Performance Appraisal proved to have had least correlation with employee advancement at the Nakumatt holdings With a Pearson correlation of coefficient value of 0.619 the factors of performance appraisal emerged has having low but negative correlation with the employee advancements practices at the Nakumatt holdings.

4.5 Suitability of Nakumatt Holding as an Employer and Employee Advancement

This study sought to determine the Suitability of Nakumatt Holding as an Employer in the light of the remuneration and rewards managerial styles and performance measurement and appraisal techniques. The Mean was used to get to know the way the respondents feel about suitability of Nakumatt holding. They provided the responses as indicated in figure 4.5 below.

Measure of Employer suitability	STATISTIC		
	M	SD	N
Nakumatt is an excellent employer	2.24	1.39	46
I like working at Nakumatt because it helps employees develop at the work place	2.30	1.38	46
I get a sense of personal satisfaction from my job as a result of career advancement at Nakumatt	2.26	1.41	46
the company rewards me for meeting and exceeding my targets	2.63	1.54	46
Nakumatt encourages employee growth	2.46	1.46	46
I care about Nakumatt because it cares about my future growth	2.35	1.42	46
there is training opportunities at Nakumatt	2.13	1.33	46
promotion and training are fair at Nakumatt	2.43	1.46	46
I see myself staying at Nakumatt	2.13	1.22	46

With a Mean score of 2.63 and 2.46 the majority of the respondents agreed with the view that Nakumatt is an excellent employer felt that the supermarket chain rewards for exceeding set targets and encourages employee growth respectively as per the above table.

4.6 Remuneration and Employee Advancements at Nakumatt Holdings

4.6.1 The Method of Implementation of Employee Rewards at The Nakumatt Holdings

This study endeavored to establish the method commonly used in the implementation of rewards at the Nakumatt holdings. Towards this end respondents were asked to state whether their line managers were involved in the implementation of the rewards. They provide the responses as indicated in table 4.6 below.

Table 4.6 Methods of implementation of employee rewards at the Nakumatt holdings

variable	frequency	percent
Not implemented by line manager	30	65
Fairly implemented by line manager	10	22
Total implemented by line manager	6	13
Total	46	100

From table 4.6 with a majority 65% of the respondents stated that their line managers were not involved in the implementation of their rewards in the company, this finding denotes that the reward implementation process at Nakumatt is non-participative in nature.

Level of Effects of Remuneration Programs on Employee Advancement at Nakumatt Holdings

This study sought to determine the effects of the various remuneration programs on employee advancements at Nakumatt holdings. In this regard respondents were asked to state the level of effects of a range of rewards programs on their advancements in the company. They provided the responses as indicated in table 4.7 below

Table 4.7 Effect of remuneration on employee advancement at Nakumatt Holding.

Measure of Remuneration effects	Statistic		
	M	SD	N
quarterly bonus based on the company achievements in the financial targets	2.46	1.26	46
payments of overtime worked by the organization	2.3	1.23	46
salary evaluation on yearly basis by line manager	2.59	1.24	46
leave payments schedule are done on timely manager	2.5	1.31	46
I am currently happy with my salary at Nakumatt	2.5	1.38	46
I am consulted during salary and bonus increments	2.65	1.27	46
job evaluation done quarterly by line managers	2.72	1.41	46
I feel the job evaluation help with my advancements	2.41	1.27	46
in the company I receive fair and consistent salary increments	2.43	1.24	46
benefits offered according to my satisfaction as an employee	2.61	1.34	46
I would advise someone to come to Nakumatt due to remuneration	2.43	1.29	46
allowances given to all the employees regardless of their ranks and position	2.43	1.29	46

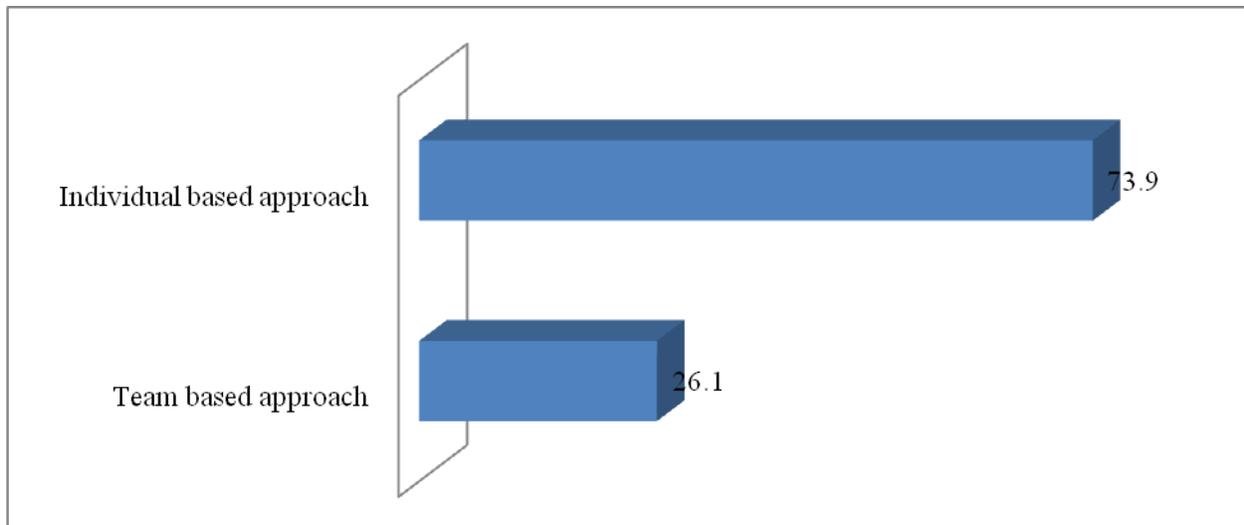
Table 4.7 from the respondents was varied and different with a mean score of 2.72 and 2.65 shows that quarterly job evaluation as well as bonus and salary increments respectively indicates that majority of the respondents indicated that remuneration programs enhance employees advancement at the Nakumatt. This finding denotes that the remuneration all areas at Nakumatt has positive effect on employee advancements in the company.

4.7 Performance Measurements and Employee Advancement

4.7.1 Approaches Used In the Performance Measurements at the Nakumatt

This study sought to determine the approaches used in the performance measurements at the Nakumatt and the effects on employee advancements. Towards this end respondents were asked to state the approaches used in the measurement of their performance in the company. They provided the responses as indicated in figure 4.6 below

Figure 4.6 Approaches Used In the Performance Measurements at the Nakumatt



From figure 4.6 above majority of 73.9% respondents were of the view that the individual based approach was mostly used in the measure their performance. Only 26.1% of the respondents were of the view that the team based approach was mostly used in the measurement of their performance

4.7.2 Effectiveness of the Performance Measurement System Used At Nakumatt Holdings

This study sought to establish the effectiveness of the performance measurement system used at Nakumatt holdings and the effects on employee advancements. In this regard respondents were put to arrange of question ranging from whether the appraisal technique is effective to whether they were given recognition after meeting appraisal standards. They provided the responses as recorded in table 4.8 below.

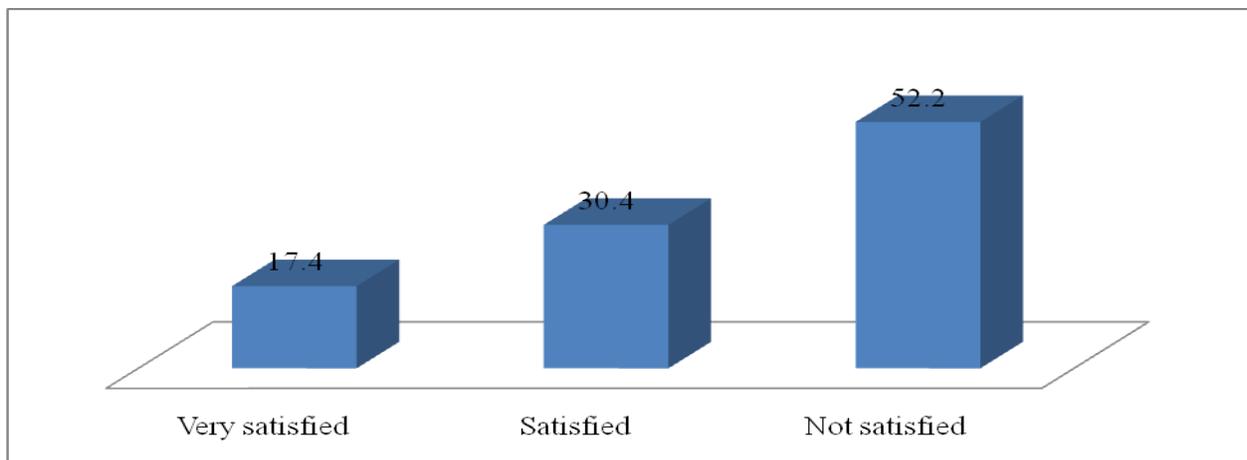
Table 4.8 Effects of performance measurement on employee advancement at Nakumatt

Performance measurement	Statistics		
	M	SD	N
the appraisal technique used at Nakumatt is effective	2.52	1.47	46
appraisal is conducted in a timely manner	2.39	1.44	46
I am given chance at Nakumatt to participate fully in the appraisal process	2.52	1.56	46
promotion is offered at Nakumatt after appraisal session	2.43	1.47	46
the company offers performance appraisal opportunities to all the employees	2.59	1.47	46
management communicates all appraisal results internally for all the employees	2.61	1.54	46
I am given recognition when I meet set targets	2.41	1.47	46

From the results on table 4.8 above shows several but different scenarios emerged with a mean of 2.61 and 2.59 to the suitability of communicated appraisal results and equal performance reviews respectively as key performance measurement on employee advancement at Nakumatt holdings. With Standard Deviation score of above 1.4 majorities of the respondents agreed with the view that the performance measurement is key to employee advancement at Nakumatt holdings.

4.7.3 The Level of Employee Satisfaction with The Performance Measurement Style

The study sought to establish the level of employee satisfaction with the performance measurement style currently in use in the company. They provided the responses as indicated in figure 4.7 below

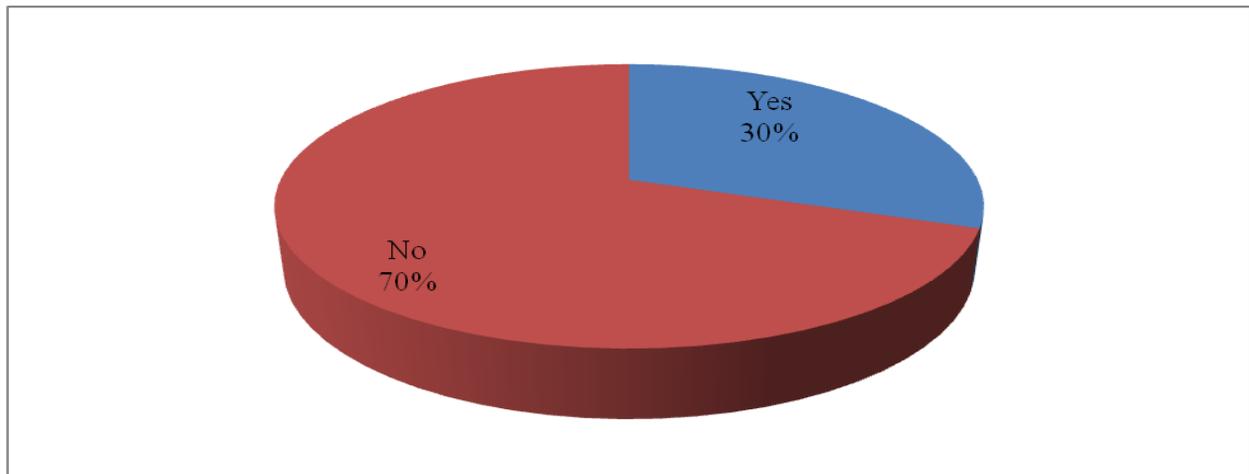
Figure 4.7 Level of employee satisfaction with the performance measurement style

From figure 4.7 above majority 52.2% this finding denotes that the employees at Nakumatt holding were not satisfied with the performance measurement style used in the company because of lack of timely communication and fair review of performance measurements.

4.7.4 Whether Employee Promotion Result From Performance Appraisal Outcomes

This study sought to examine the sources of the promotion opportunities for employees in the light of the performance measurement practices. In this respect respondents were asked to state whether their promotion was the result of the performance appraisal outcomes. They provided the responses as indicated in figure 4.8 below

Figure 4.8 Employee promotion result from performance appraisal outcomes

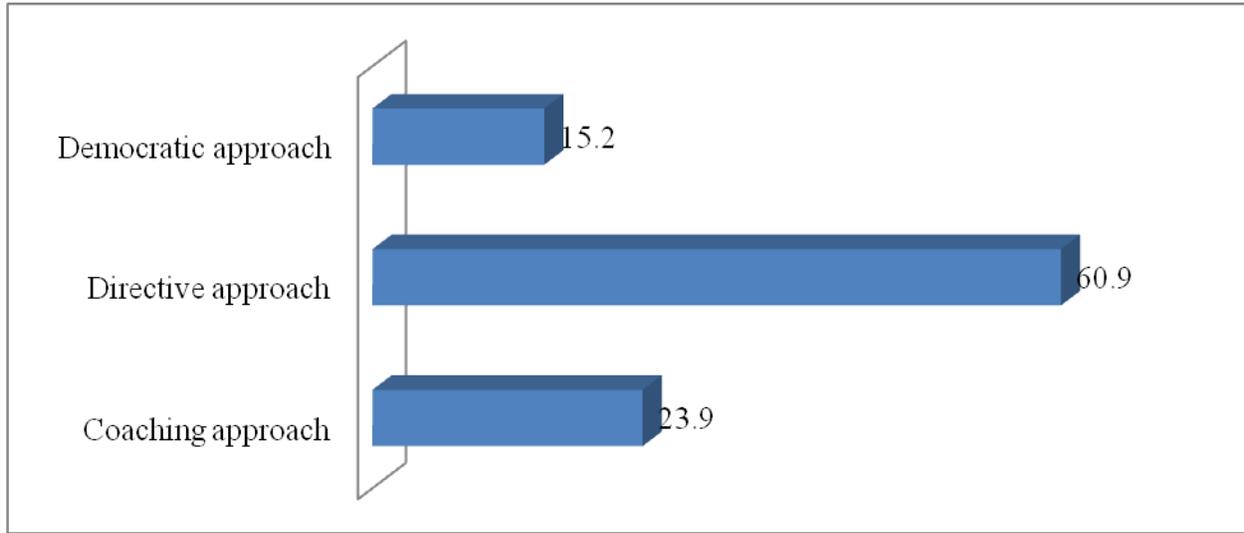


From figure 4.8 above majority 70% of the respondents disagreed that their promotion in their company has been the results of the performance appraisal. This find denotes that the performance appraisal process at Nakumatt has no bearing on the employee rewards and promotional decisions

4.8 Management Style and Employee Advancement at Nakumatt Holdings

4.8.1 Management Style mostly used at the Nakumatt holdings

This study sought to determine the management style mostly used at the Nakumatt holdings. In this regard respondents were asked to state the management style mostly applied on them while in the company. They provided the responses as indicated in figure 4.9 below.

Figure 4.9 Management style mostly used at the Nakumatt holdings

From figure 4.9 above majority 60.9% of the respondents stated that the managerial style mostly used at Nakumatt holdings is the directive approach. Where employees directly report to their managers unlike in democratic and coaching approach the employees and management review to meet both the employees and employers goals.

4.8.2 How Management Styles and Practices Have Had an Effect on Employee Advancements

This study sought to determine how the management styles and practices at the Nakumatt holding have had an effect on employee advancements. In this respect respondents were put to a series of scenarios eliciting their reaction of the application of range of managerial actions on their advancement in the company. The responses are indicated in table 4.9 below

Table 4.9 How management styles and practice have had an effect on employee advancements

Management style and practice measure	Statistic		
	M	SD	N
management of the encourages employee advancement	2.72	1.49	46
management is fair towards all the employees	2.24	1.43	46
management recognizes individual advancement	2.61	1.53	46
management have enhanced and build teamwork spirit among all the employees	2.47	1.55	46
management have ensured that we have a reward system to recognize	2.13	1.34	46

employees who perform beyond expectations			
the management should be more considerate towards the employees	3.59	1.51	46

From table 4.9 above with an aggregate mean score of 3.59 and 2.72 on management being more considerate and management encouraging employee advancement respectively, the respondents acknowledge that management plays a key role in employee advancement in an organization. The finding shows that management at Nakumatt should be more considerate towards the employees.

5. SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 *Introductions*

This chapter comprises of the summary of findings, conclusions and recommendations arising from the study to investigate the factors affecting employee advancements at Nakumatt holding. The summary and conclusions and the recommendations were based on the analysis of returned forty six questionnaires from the respondents.

The purpose of this study was to examine the factors that have hindered employee advancement in family owned business. This purpose was transformed into specific objectives which were: to determine effects of remuneration, performance measurement and management style on family owned business, to identify constraints to employee advancement. This has been done as presented in chapter four of this study.

In this chapter, the study concludes the assessment with a summary of the main findings after which conclusions are drawn and recommendations made.

5.2 *Summary of Findings*

This section discusses the main findings of the study regarding employee advancement on remuneration, performance measurement and management styles constraints to employee advancement.

5.2.1 *Remuneration*

This study endeavored to determine the suitability of Nakumatt holdings as an organization of excellence based its remuneration and rewards practices on employee advancements in the company the aspect under investigation comprised of the method used in the implementation of employee rewards and a host of other issues such the level of effects the rewards of; quarterly bonus based on the Nakumatt company achievements in the financial targets, payments of overtime worked by employees, salary evaluation on yearly basis by line manager, employee salary and other reward programs have on employee advancements in the company.

From the study it was found that over 78% n of the respondents stated that they felt the job evaluation in their advancements at Nakumatt had average effects on their advancement in the company. Only more than 21% respondents stated that the notion they felt the job evaluation help with their advancements Nakumatt has high to very high effects on their advancement in the company. Finally it was found that the reward of allowances given to all the employees at Nakumatt regardless of their ranks and position has average to no effects on employee advancement. Majority 78.3% of the respondents stated that the notion that more than 20% of the respondents stated allowances given to all the employees at Nakumatt regardless of their ranks and position has high to very high effects on employee

advancement. The aspects under investigation comprised of whether Nakumatt was considered as an excellent employer, employees like working at Nakumatt even if it helped employees develop at their work place, Nakumatt holdings does reward employees for meeting and exceeding their targets, employees could not receive a sense of personal advancement satisfaction from their job, Nakumatt encourages employee growth, employees cared about Nakumatt even when it cares about their future growth, promotion and training were fairly conducted at Nakumatt and whether there was training opportunities for employees at Nakumatt among other aspects

5.2.2 Performance Management

This study sought to establish the performance measurement and appraisal practices at Nakumatt holdings and their effects on employee advancements. The aspects under investigation comprised of the approach to performance measurement was mostly used at Nakumatt holdings, whether employees were satisfied with the approach to performance measurement at Nakumatt holdings and whether employees rewards through promotion has been associated with performance appraisal results. Mwenibirinda (1998) had warned that employee performance can only be enhanced by relevant training that addresses weaknesses exposed by an effective staff appraisal process. Performance improvement plans are supposed to focus on training needs assessment.

Majority of 73.9% of the respondents were of the view that the individual based approach was mostly used in the measurement of their performance. It was found that the appraisal technique used at Nakumatt is non effective. This was supported by over 60% of the respondents disagreed with the view that the appraisal technique used at Nakumatt is not effective. Only 32.6% of the respondents agreed with the view that the appraisal technique used at Nakumatt is effective.

Further it was found that the employees were never offered opportunity to participate fully in their appraisal process at Nakumatt. This was supported by majority (65.2%) of the respondents who disagreed with the view that they were being offered opportunity to participate fully in their appraisal process at Nakumatt.

Additionally the study found that there were no rewards (promotion) were offered to employees at after the performance appraisal process. More than 65% of the respondents disagreed that promotion is offered at Nakumatt after the undertaking of performance appraisal after training. This finding supports that of Beardwell, Holden and Claydon (2004) who found that promotion is not automatic as it used to be. It was found that employee at Nakumatt were not satisfied with the performance measurement style used in the company. Majority 52.2% of the respondents stated that they were not satisfied with the performance measurement style used in the company.

It emerged from the study that that the promotion and other contingent reward were not pegged on performance appraisal results. This was supported by majority 70% of the respondents disagreed that their promotion in their company has been the results of the performance appraisal performance.

5.2.3 Management Styles

This study endeavored to determine the effects of management style on employee advancements at Nakumatt holdings. The aspects under investigation comprised of the approach to employee management was mostly used at the Nakumatt holdings and whether management of the Nakumatt Company; encourages employee advancement, was fair towards all the employees, recognized employee individual advancement programs, have enhanced and build teamwork spirit among all the employees

have ensured that the company has a reward system to recognize employees who perform beyond expectations among other aspects. Claydon (2004) argue that for the management development to be effective, focus should be directed to employee advancement paths and openings for promotion and progression.

Lack of recognition for management employee advancement and development was advanced as a constraint; yet Armstrong (2001) argues that the dynamism in today's environment calls for continuous development of professional and managerial abilities. This should, however, be consistent with organizational goals and objectives. As Mullins (2005) points out this involves clear identification of relevant needs and goals for management to support and encourage self-made development

From the It was found that the directive approach to employee management was mostly used at the Nakumatt holdings. This was supported by majority 60.9% of the respondents who stated that the managerial style mostly used at Nakumatt holdings is the directive approach. From the study it emerged that management of the Nakumatt Company does not encourage employee advancement. This was supported by more than 71% of the respondents who disagreed with the view that management of the Nakumatt Company encourages employee advancement. Only 37% the respondents agreed with the view that management of the Nakumatt Company encourages employee advancement.

5.3 Conclusions

This study sought to investigate the factors affecting employee advancement at Nakumatt holdings. The factors under investigation comprised of employee remuneration, management styles and performance measurement techniques. The study proved successful in all stages. All the objectives of the study were fully and compressively examined and addressed. The reaction from the respondents was superb and highly favorable to the study requirements. This was attested to by the fact that all the categories of the respondents had over 55% rate of responses towards the study objectives and instruments.

Collective decision making for mutual consensus relationship was also advanced as a possible strategy. Mullins (2005) confirmed this and called for styles of management that encourage participation. Management was encouraged to try to understand the employees' perception of the situation. A CIMA publication (1995) stated that employee participation in decision making and receipt of regular feedback by employees raises motivation, efficiency and awareness of organizational goals; and it was stressed that lack of participation breeds unenthusiastic and uncommitted employees.

Arising from the summary of findings, this study concludes that all the factors under investigation comprising of employee remuneration, management styles and performance measurement techniques had an effect on employee career advancements at Nakumatt holdings. However the employee rewards and remunerations emerged to have had the greatest effects on employee advancements.

This study also concludes that the current programs and practices at Nakumatt Holding in respect of remuneration, performance measurement and management styles not been conducive to the employee advancement process and negatively affect the employee advancements in the company. They have contributed to such scenarios in which the company is not considered as an excellent employer, employee would not like working at Nakumatt even if and when it helps employees develop at the work place, employee had no sense of personal satisfaction from their job and the fact that the company offers no rewards to employees for meeting and exceeding my targets. Other environmental characteristics that make Nakumatt non attractive comprise of the fact that the company does not encourage employee

growth, there is no training opportunities in the company, promotion and training are fair and that majority of the current employees do not see themselves staying at Nakumatt.

This study further concludes that the remuneration programs currently being used at the Nakumatt has not being undertaken rightly and has had negative effects on employees advancements. The lack of involvements of the line managers in the implementation of the remuneration programs is out of date with the current realities in the reward process. Additionally various scenarios arising from the results of the respondents reaction denotes that the remuneration programs at Nakumatt holdings has had Average To No effect instead of the required high to very high effect on employee advancements at Nakumatt holdings. These include such programs as quarterly bonus based on the company achievements in the financial targets; payments of overtime worked by the organization, allowances given to all the employees regardless of their ranks and position and leave payments schedule are done on timely manager among other reward programs

This study concludes that the employee appraisal process at Nakumatt is being conducted rightly and this had negative affected the employee advancement process in the company. The all individual bureaucratic approach used in the appraisal process has contributed to the process not being satisfactory the employees. This has further been supported by the reactions from the respondents most of whom agreed that the appraisal technique used at Nakumatt is not effective, appraisal is not conducted in a timely manner and that the employees were never given chance at Nakumatt to participate fully in the appraisal process. Other scenarios at Nakumatt that that vindicates its appraisal processes as an advancement comprised the notion that there were no rewards associated with the appraisal processes, the appraisal opportunities are not offered to all the employees and that there is no feedback from management to the employees on the results of appraisal and the fact that

The study additionally concludes that the current managerial style used at Nakumatt holdings has had effects of employee advancements at Nakumatt holdings. The company use of the directive approach in the management of staff has contributed negatively to employee advancements. Additionally the managerial practices at Nakumatt holdings does not encourage employee advancement, management is not fair towards all the employees, management does not recognize individual advancement, management have not enhanced and build teamwork spirit among all the employees and the general feeling that the management should be more considerate towards the employees among other practices have largely contributed to negative advancements.

5.4 Recommendations

Arising from the summary of findings and the study conclusion as shown above this study recommends that Nakumatt holdings redesign in its core programs to make then appealing and valuable to the employees and other stakeholders. The specific programs recommended for redesign comprise of the employee rewards and remuneration, employee performance measurement and appraisal techniques and practices and employee, management and leadership styles

The study also recommends that the company adopts the team based approach to the conduct of employee appraisal and measurement techniques instead of the current individual based approach, since the team based approach has shown to have positive effects on career advancement programs

The study further recommends that the company adopts and embraces an all participative and involving approach in the development and implementation of the employee rewards and remuneration. Both the line managers and the individual employee should be involved in the remuneration and reward

implementation. This will work towards improved motivation and identification towards the company programs and processes, including career advancements.

Additionally the study recommends for the adoption of the democratic approach to managing employees instead of the current directive approach. The democratic approach and its key principles have proved to have positive effects on most organizational programs including customer service, employee identification, commitments and loyalty towards the programs goals and objectives. The application of the democratic approach would contribute to improve employee reactions action and behaviors towards the company and enhance their advancements

5.5 Recommendation for Further Research

This study recommends that further research be conducted to establish the effects of remuneration and reward programs on employee career advancement among the other industries for example public owned companies, airlines and others. The factor of employee remuneration and rewards proved to have had the great effect of employee advancements at the Nakumatt holdings.

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APPENDICES**APPENDIX A****WORK PLAN****Time and Activity**

TIME PERIOD ACTIVITY	May 2014	JULY 2014	SEPT 2014	OCT 2014	DEC 2014	APRIL 2015
Proposal development						
Proposal approval						
Data collection						
Data analysis						
Project compiling						
Project defence						

APPENDIX B**RESEARCH BUDGET**

ITEM	COST IN KSH
Data Collection	3,800
Transport Expenses	5,000
Stationary	1,000
External Hard Drive	2,500
Printing and Photocopy	10,000
Telephone	2,500
Binding the research	4,000
Hidden Costs	5,000
Total Expenses	33,800

APPENDIX C**QUESTIONNAIRE ON CHALLENGES OF FAMILY OWNED BUSINESS ON EMPLOYEE ADVANCEMENT**

Dear Participant,

I am a Masters student of Human Resource Management at Jomo Kenyatta University of Agriculture and Technology. I am conducting research on challenges of family owned business on employee advancement. This is an attempt to assess the factors that hinder employee advancement after training in family business how this is affect employees and lastly to identify strategies that can enhance employee advancement in family owned businesses.

The success of this research depends on the collection of a wide range of views that would make the findings representative. Your views are very important. Please participate in this research, which I believe, is of great interest to all of us at The Nakumatt Holding Limited- Karen Branch in Kenya.

This survey will ensure anonymity and confidentiality. You do not have to indicate your name on this questionnaire. No individual will be identifiable at any stage of this research. Please answer as honestly as you can.

Thanking you in advance,

Yours faithfully,
Cathrine Njoroge

SECTION A: BIO-DATA**1. Rank in the organization**

Senior Management Middle Management Operations

2. Age 31 – 40 41 – 45 46 – 50 Above 50

3. Length of service in Nakumatt Holding Ltd

1 - 2 years 3 – 5years 5 – 10 years 11years and above

4. Sex Male Female

5. Level of Education

Secondary

College

University

Post graduate []

B: EMPLOYEE ADVANCEMENT

Answer below questions with a tick (√) on the appropriate digit for the response given

Strongly Disagree 1	Disagree 2	Neither Agree nor Disagree 3	Agree 4	Strongly Agree 5
------------------------	---------------	---------------------------------	------------	---------------------

	1	2	3	4	5
1. I know Nakumatt is an excellent employer.					
2. I like working at Nakumatt.					
3. I get a sense of personal satisfaction from my job					
4. I like the remuneration packages at Nakumatt.					
5. I like the way my line manager encourages employee growth.					
6. I care about the future of Nakumatt.					
7. I like the trainings given at Nakumatt					
8. Promotions and training are fair to all at Nakumatt.					
9. I see myself working and advancing at Nakumatt.					

C. REMUNARATION ON EMPLOYEE ADVANCEMENT IN FAMILY OWNED BUSINESS

1. In your personal opinion is the remuneration system at The Nakumatt Holding Limited?

Not implemented by your line manager []

Fairly implemented by your line manager []

Total implemented by your line manager []

2. Please rate the following remuneration system by ticking the corresponding box, considering how they enhance your advancement. (1 = no advancement effect, 2 = low advancement effect, 3 = average advancement effect, 4 = good advancement effect, 5 = high advancement)

	1	2	3	4	5
• Quarterly bonuses are given based on the company’s achievement in financial target achievements.					
• There is Payments of overtime worked for the organization					
• Salary evaluation on yearly basis by your line manager					

• Leave payment schedule are done on timely manner					
• Are allowances given to all employees regardless of ranks and Position held in the organization?					
• Are you currently happy with your salary?					
• Are you as an employee consulted during salary and bonus Increments					
○					
• Are job evaluations done quarterly by your line manager?					
• Do you feel that the job evaluations help with your advancement?					
• Do you see your remuneration advancing in the Nakumatt fairly?					
• Would you advice someone to come to Nakumatt due to remuneration?					

3. In what degree do you agree that your remuneration affects your advancement as an employee in Nakumatt?

- Strongly Agree [] Agree [] Neutral []
Disagree [] Strongly Disagree []

D: PERFORMANCE MEASUREMENT ON EMPLOYEE ADVANCEMENT IN FAMILY OWNED BUSINESS

4. What performance measurement tool is used by your line manager in the Nakumatt?

- Individual approach [] Team based approach [] No Approach is used at all []

5. During Nakumatt performance measurement reviews at the end of each quarter, kindly please tick on the below boxes (1- strongly agree, 2- agree, 3 not sure, 4- Disagree, 5- Strongly disagree).

1	2	3	4	5

- Do you feel that appraisals done are equally and fairly?
 - Are the appraisals done in timely way?
 - Does the Nakumatt have succession plan?
 - Do you fully understand the target plans in the Nakumatt?
1. Are promotions offered in the Nakumatt after trainings, Education advancement and seminars?
 - Are trainings and seminars offered by the Nakumatt?
 - Are all the succession plans and target plans fully communicated to You as an employee?
 - Does the Nakumatt recognize employees for goals and targets achieved?
 - Do you think that the right performance measurement tools have been implemented by Nakumatt?
 - Are you happy with your current performance measuring chart?

6. How does the current performance measurement style used by the Nakumatt as a family owned business affect your advancement in the company?

Favourable [] unfavourable [] No influence at all []

7. What is your satisfaction with performance measurement style at Nakumatt?

Very Satisfied [] Satisfied [] Not Satisfied []

8. Have you had a performance appraisal that has lead or equited to advancement?

Yes [] No []

Please explain your answer.....

.....
.....

D: MANAGEMENT STYLES ON EMPLOYEE ADVANCEMENT IN FAMILY OWNED BUSINESS

1. Which of the following management style according to you is used at Nakumatt?
Coaching approach [] Directive approach [] Democratic approach []

2. On a level of 1-5 please answer the below questions in relation to Nakumatt Holding.

(1.Strongly Agree 2. Agree 3. Neutral 4. Disagree 5. Strongly Disagree)

	1	2	3	4	5
• The Management of the company encourages employee advancement					
• The Management is fair towards all the employees.					
• The management recognizes individual advancement					
• The management have enhanced and build team work spirit Among all the employees.					
• The managers have ensured that we have a reward system to Recognize employees who perform beyond expectation.					
• The management should be more considerate towards the employees.					

ABBREVIATION

SMEs	Small Medium Enterprises'
SEZ's	Special Economic Zones
GNP	Gross National Product
CIBC	Canadian Imperial Bank of Commerce.
HR	Human Resource
M	Mean
SD	Standard Deviation
SKN	Skewness
N	Number of Returned Questionnaires.

DEFINITION OF TERMS

Family business is a cultural as well as a purely ownership related concept and understanding the family and its objectives is crucial to the understanding of the family firm (Aldrich and Cliff 2003).

Employee Advancement is gradual improvement, growth and development of employees in knowledge, skills and abilities in their employment, career and as individuals in an organization (Mayhew, 2014).

Small and Medium Enterprises according to Kenya Association Manufacturers,2007 are registered firms with 5 to 10,000 workers with annual turn-over of between 6-10 million

Career development is the proactive planning and implementation of action steps towards your career goals; it involves managing your career either within or between organizations. It also includes learning new skills, and making improvements to help you in your career. Career development is an ongoing, lifelong process to help you learn and achieve more in your career Beardwell I, Holden L and Claydon T (2004)