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An Evaluation of the Effects of Corporate Governance Practices on Employee Performance and Job Satisfaction: A Case of SMEs in Harare Metropolitan Province

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Abstract
The study sought to evaluate the effects of corporate governance practices on employee performance and job satisfaction, by examining Small and Medium Enterprises (SMEs) in Harare Metropolitan Province.Seventy-five respondents drawn from SMEs were selected using stratified randomsampling. The study used quantitative and qualitative research methodologies. Structured questionnaires and interviews were used as research instruments to collect primary data from respondents. The reliability of research instrument was tested using Cronbach alpha.The results indicated that good corporate governance practices such as having a board of directors, internal controls, adherence to codes of ethics, disclosures, setting clear performance measures, consulting employees and allowing for autonomy in decision-making stimulate job satisfaction and improved employee performance in SMEs. It was the finding of the study that contrary to literature, transparency in SMEs did not lead to job satisfaction and improved employee performance. The study recommended thatSMEs should have functional boards of directors to improve on oversight, accountability and to promote generation of new ideas. SMEs should strive to improve access to information and should ensure that communication is two-way. It was further recommended that SMEs should improve their internal controls by adopting corporate governance best practices in order to achieve job satisfaction and improve on employee performance.
***Keywords**: Corporate governance, SME, Small and Medium Enterprises, job satisfaction, employee performance*

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I. Introduction

Present day economic challenges require organizations to be competitive. Recent studies have shown that employee performance plays a pivotal role in the competitiveness of any firm. The research sought to evaluate the effects of corporate governance practices on employeeperformance and job satisfaction in SMEs.Good corporate governance contributes to sustainable economic development by improving the performance of companies (Sarbah & Xiao, 2015). Due to duality of ownership and control in SMEs, the concept of corporate governance has been a highly debated issue. The study realized that all SMEs desire to grow into big companies one day and it was for that reason that corporate governance practices should be interrogated to see if they cannot spur the fortunes of SMEs to become a normal way of doing business regardless of size, ownership or turnover.

1.1 *Background of the study*

Ologbo, et al. (2012) commented that the greatest asset of any organization is its people. In the military, they argue that the pilot is more important than the jet fighter because you cannot easily replace a good fighter pilot but you can easily replace a jet (Duke II &Kankpang, 2011). The issue of employee job satisfaction has continued to be of paramount importance among the many proponents of theories of employee motivation. On the backdrop of employee job satisfaction is the issue of governance of the entities in which the employees work. Theories of motivation and job satisfaction have been promulgated but in recent times, the issue of corporate governance is beginning to steal the limelight in human resources management. Brown *et al (*2008) argues that money is not everything. Physiological needs, the need for safety and so forth are understood to be losing traction as workplace governance issues take centre stage. An employee can be hard working yet they are not satisfied at the job.

Global job crisis has worsened as evidenced by lower job quality, high unemployment, higher job market inequalities, increased time to secure employment and high levels of uncertainty (Njanike, 2015). In many African countries including Zimbabwe, this has led to many citizens leaving their countries of birth in search of greener pastures in the Diaspora. In an attempt to address this problem, governments have used a multi-faceted approach towards business growth and job creation. Ibid (2015) argues that one such effective way has been to improve and support the SME sector that employs a huge population and has potential to employ more if corporate governance best practices are entrenched.

In Zimbabwe, the operating environment over the years has resulted in structural shift in the economy from predominantly large corporates to SMEs. The SME sector is playing a critical role in economic development through job creation and poverty alleviation, contributing more than 60% of the country's GDP (Dr. Mangudya, 2017). According to the FinScope MSME Survey of 2012, SMEs in Zimbabwe employ approximately 5.7 million people (made up of 2.8 million business owners and 2.9 million employees), representing 73% of the total workforce of 7.8 million. Uchehara (2017) posits that the existence and importance of SMEs cannot be overstated and the absence of proper governance mechanisms may lead to failures in their planning and growth. The culture of SMEs is characteristically consistent with that of the owner and this usually has important implications on constructing appropriate governance systems. A healthy governance system is not only needed to resolve principal and agency conflicts but it is in the interest of all stakeholders for it to exist, especially more so for the employees of the organization to perform well. The majority of the economically active citizens have survived through operation of small businesses (Nyathi et al. 2018).

1.2 Statement of the problem

In spite of the fact that 99% of business enterprises in developing countries are SMEs, the sector is yet to exploit its potential in terms of growth and contribution to the economy. This has largely been linked to the way SMEs are run (Njanike, 2015). Given their dominance and critical role, there is no doubt that if run well, SMEs have a potential to change the fortunes of developing economies. Studies have been carried out on corporate governance but very few researchers haveinvestigated the impact of good corporate governance practices on employee performance and job satisfaction in SMEs. Various studies have examined the relationship between corporate governance and organizational performance, and corporate governance and customer satisfaction (Al-Qudah, 2012; Duke II &Kankpang, 2011) but the effects that good corporate governance practices have on employee performance and job satisfaction in SMEs has not been interrogated. In some instances, well remunerated employees have left their organizations in search of employment in low paying organizations, which are perceived to have better corporate governance practices and better corporate brand. This in a way proves that employee job satisfaction in the present day has evolved to include other dynamics of employment life. The theories advanced by the likes of Herzberg, Maslow, Macgregorand others now need to be further interrogated. This study therefore sought to evaluate the effects of good corporate governance practices on employee performance and job satisfaction by scrutinizing SMEs in Harare Metropolitan Province.

1.3 Research objectives

1.3.1 To establish whether good corporate governance practices stimulates job satisfaction in SMEs.
1.3.2 To ascertain the relationship between internal controls and employee job satisfaction in SMEs.
1.3.3 To investigate the relationship between employee performance and corporate governance best practices in SMEs.

II. Literature Review

Contemporary scholars in the research world are now inundated with the concept of corporate governance. The successful performance of organizations has been attributed to good corporate governance (Love, 2011). Since employees constitute the lifeblood of organizations, effective corporate governance creates employees who have corporate conscience to be able to exhibit the kind of behaviour required to produce good organizational results (Nmai and Delle, 2014). The European corporate governance mechanism stresses the relevance of employees in the corporate governance landscape of organizations by stating that employees should be considered within the ambit of the 'best interest of the company' (Donald and Dowling, 2001). Employees in SMEs should be given the opportunity to be part of the decision-making process of companies (Supra, 1987).

Corporate governance practices such as board appointments, senior management appointments, internal controls, corporate structures and adherence to codes of ethics have a bearing on employee motivation, morale and effort on the job and ultimately on organisational success. Corporate governance issues have become crucial in contemporary organisational performance, with literature widely endorsing that organisational performance is hinged on good corporate governance practices (Love, 2012). Poor corporate governance practices tend to demoralise employees resulting in substandard job performance (Magaisa, Duggal, and Muhwandavaka, 2013). Failures by many SMEs in Zimbabwe are attributed to the way these organizations are run. It is against this background that this study was conducted in order to better understand the effects of corporate governance practices on employee performance and job satisfaction among the SMEs sector in Harare Metropolitan Province, given the important space employees occupy in organizations.

2.1The concept of corporate governance

Transparency International Report (2015) defines the corporate governance element of transparency as a feature of companies, governments, and individuals that is open, in terms of clear disclosure of information, administrative plans, processes and procedures. Transparency is further defined as the increased flow of timely and reliable economic, social and political information with accessibility to all stakeholders (Viswanath and Kauffman, 2002 in Transparency International Report, 2015). Accountability is defined as the extent to which institutions, people or groups are able to hold other power holders responsible for their actions (Transparency International, 2015).

In this study, corporate governance is a system of rules, practices and processes by which a company is directed and controlled. Corporate governance is concerned with balancing the interests of a company's many stakeholders (Cadbury Report, 1992).Shleifer and Vishny (1997) supported by Love (2011) define corporate governance as consisting of mechanisms to ensure that suppliers of finance to corporations will get a return on their investment.A number of definitions have been provided to facilitate understanding and meaning of corporate governance. Magdi and Nedareh (2002) as quoted in Nmai and Delle (2014) defined corporate governance as everything about the day-to-day operations of an organization in a way that guarantees that its owners or stockholders receive a fair return on their investment, while the expectations of other stakeholders are also met. In view of the above, this study views corporate governance as the building block of organizations as well as the stimuli of good employee satisfaction.

Coyle (2004) defines corporate governance as the management system by which corporations are directed and controlled. Maune (2015) says that the concept of corporate governance is the way by which organizations conduct themselves. Kiew-Heong (2015) comments that corporate governance is an entire set of rules taken by organisations in order to produce favourable economic performance, generate profit and to distribute the wealth created among stakeholders. According to Kane (2007) as cited in Radebe (2017), corporate governance is not all about board issues, but it is about good business practices at all levels and that companies should be accountable and transparent regardless of their ownership structure.Corporate governance has become a critical issue because of its massive contribution to economic growth and development of nations (Uchehara, 2017 as cited in Meressa, 2017). The governance structure lays down the spread of rights and responsibilities among the board of directors, managers, shareholders and other stakeholders and stipulates rules and procedures for decision-making.In essence, corporate governance ensures equitable, fair and just treatment for all stakeholders.

In Zimbabwe, several companies faced difficulties associated with corporate governance weaknesses (Sifile et al, 2014). Air Zimbabwe, Premier Service Medical Aid Society (PSMAS), Zimbabwe Broadcasting Corporation (ZBC), various banks that were forced to go under curatorship during the 2003-2005 Zimbabwe Banks crisis, ZIMRA, ZUPCO and most parastatals to name but a few corporates which faced corporate governance challenges. The term corporate governance is therefore tantamount to establishing rules and procedures to govern all aspects of business operation in order to promote healthy growth and weaken corruption.

2.2Corporate governance best practices

Best practices are procedures that are accepted or prescribed as being correct or most effective. Best practices are methods or techniques that have been generally accepted as superior to any alternatives because they produce results that are superior to those achieved by others. Corporate governance best practices were developed after studies of successful organisations to find out what made theorganisations successful.It is creating a healthy public image for the organisation based on the culture, beliefs and practices in the whole firm which leads to transparency, fairness, accountability and outperformance. It involves creating a diversified board of directors with a wide range of expertise and evaluating their efforts, defining roles and responsibilities. It is when the board practices and holds good ethics and integrity in high regard. Corporate governance best practices include tying compensation to performance and actively working towards effective risk management**.**

2.3 Small and Medium Enterprises (SMEs)

The definitions of SMEs are often contradictory. Burns (2001) in Gwatsvaira and Mtisi, (2016) highlighted that there is a lack of consensus on a universal definition of SMEs and this is supported by Sibanda (2005), Kayanula and Quarterly (2000), Chirisa*et al.* (2012) and Mtisi*et al.* (2013). The definitions of SME vary from author to author and country to country. This arises mostly due to the erraticism in the classification of what is considered 'small' or 'medium' in different industries and economies. Definitions, which are objective in nature, consider size metrics such as the number of employees, sales, profitability and net worth at sectorial level (Storey, 1994).

The Organization for Economic Cooperation and Development (OECD) concludes that statistical definition of SMEs varies by country and is usually based on the number of employees, and value of sales and or value of assets. Due to ease of collection, the number of employees is the one most commonly used. A large number of developing countries set the upper limit of the number of employees in SMEs between 200-250. Simpson *et al.* (2010) advance that the SME sector has been fraught with the problem of definitional clarity. Zimbabwe Revenue Authority (ZIMRA) defines Small to Medium Enterprises in terms of points scored based on employment levels, or turnover levels and or total assets values.

In Zimbabwe, according to the Small Enterprises Development Corporation Act (2011), small businesses are categorized as either micro, small or medium enterprises (MSMEs) and this definition is linked to the number of their employees as follows:

- Micro businesses (0 to 5 employees),
- Small businesses (6 to 30 or 6 to 40 employees depending on the sector),
- Medium size businesses (31 to 75 or 41 to 75 employees depending on).

This study did not concern itself with micro enterprises since most of them serve as family businesses run and operated by the owner or his/her spouse and children who are normally not paid, as such they have zero employees, suffice to state that these make up 95% of the MSMEs in Zimbabwe according to FinScope (2012).

2.4 Job satisfaction

Many definitions have been proffered on job satisfaction. Simply put, it is the attitudes and feelings people have about their job. Job satisfaction or employee satisfaction has been defined in different ways. Some believe it is simply how content an individual is with his or her job, in other words, whether or not they like the job or individual aspects or facets of jobs, such as nature of work or supervision or workplace governance systems(Social Responsibility Journal, 2012).The basic requirements for job satisfaction may include fairly higher pay, an unbiased payment system and opportunities for promotion, sympathetic and participative management, a reasonable degree of social interaction at work, interesting and diverse tasks and a high degree of autonomy such as control over work pace and work methods. Armstrong (2009) and other scholars have now included the way companies are run (corporate governance) as a huge determinant of job satisfaction.

2.5 Corporate Governance in SMEs

Corporate governance has traditionally been associated with large, public companies that by law are required to have formal policies on how executives take decisions and disclose information associated with the business. Existing literature concurs on the notion that corporate governance practices should be entrenched in any business undertaking more so because SMEs desire to grow and become big one day (Meressa, 2017; Asiimwe, 2017 and Colley, Stettinius, Doyle and Logan, 2005).

SMEs can be in the form of sole proprietorship, partnership or company. Corporate governance is fundamentally about effective leadership and SMEs need that badly. It can be used as a tool to create appropriate processes, systems and controls along with a suitable behavior to ensure sustainability and long-term continuity of an organisation.

The adoption of corporate governance practices in SMEs has the potential to significantly boost productivity, growth and job creation. Adoption of corporate governance creates a lot of benefits that include, among other things, improved leadership, decision-making, strategic vision, improved mechanisms to monitor and manage risks and confidence of internal and external stakeholders such as actual and potential financiers, employees, customers and local communities. This helps the SME to secure the commitment of financiers of capital and providing assurance to other stakeholders that the SME is being run in a proper and responsible manner and that its interests are being safeguarded.

In order for corporate governance to be effective in SMEs, the key decision-makers in the organisation (i.e. shareholders or owners) must be convinced of the benefits of implementing a governance framework because their commitment is essential for governance to work. Corporate governance remains a passing acquaintance for the majority of SMEs despite its prevalence in large organisations (Asiimwe, 2017). This is largely due to the belief that compliance is costly and that corporate governance exclusively refers to publicly listed and owned companies that are governed through state recognized codes. For most SMEs, corporate governance is concerned with the roles of shareholders who act as owners and managers as well as laying out rules and procedures related to ensuring the integrity of financial results. The ultimate goal of every small business is to grow and be able to compete with larger and more established firms. Various scholars agree that integrating corporate governance practices sets models for future growth and lays a strong platform for potential investments and partnerships.

For less developed countries, SMEs are an important component of their economies. Most of these SMEs however do not have board of directors. The separation of ownership and management is not as pronounced in SMEs as it is with larger firms. This makes some people to argue that corporate governance is not relevant in the SMEs context. Another argument is that because SMEs have few employees who are mostly related to the owner of the business and for that reason, there is no separation between ownership and control, there is therefore no need for corporate governance in their operations (Afande, 2015). Another argument is that accountability by SMEs to the public is non-existent since they do not depend on public funds. It is also argued that the sole proprietorship of businesses does not necessarily need to comply with any disclosure requirement, and hence is in little or no need of corporate governance principles (Abor and Adjasi, 2007). Such positions are now being challenged.

Notwithstanding all the above arguments, a strong case has still been made for the adoption of corporate governance principles by SMEs. Most SMEs have business partners and various stakeholders with extensive interest in sustainable growth and long-term success. Good corporate governance strengthens market confidence, integrity and efficiency. It promotes economic growth and financial stability. External board members bring into the firm expertise and knowledge on financing options available and strategies to source such finances, thus dealing with the credit constraint problems of SMEs. External board members are also able to challenge strategies by management (Pettigrew and McNulty, 1995) and are thus able to inject better management practices to attract resources. When fully implemented, good corporate governance practices would ensure that SMEs are well run in order to earn the confidence of investors and lenders. The process safeguards against mismanagement, (CIPE, 2002). Benchmarking with large, listed companies and following their best practices is vital and a good step towards responsible accounting and setting the standards for future employees and investors.

Corporate governance of SMEs ensures that all business processes are run with discipline. Corporate governance comprises rules that direct the roles and the actions of key personnel and it focuses on procedures and policies. It focuses on creating better management for SMEs and fewer ethical or legal problems. It is on this premise that this research focuses on how small and medium businesses can use corporate governance practices to their benefit. Many reasons have been identified for the lack of growth of small enterprises and the key reasons relate to managerial skills and governance.

Stewardship theory sees managers as stewards of the firm. Their motives are aligned to the owner’s interests and there is no conflict between the separation of ownership and control (Arosa, Iturralde, and Maseda, 2010). For SMEs, the focus shifts from aligning shareholder and manager interest to motivating the manager (also the owner) into introducing a balanced governance system determined by reason and not personal interests. Owners of SMEs have more autonomy and flexibility in how they govern their organisations and it therefore becomes important to ensure that their governance systems do not cause inefficiency. For SMEs, the type of entrepreneur not only influences the organisational culture, but also has a direct impact on the structure of the governance system. Corporate governance improves efficiency of management and helps succession planning for family owned businesses.

Small and medium enterprises (SMEs) are more exposed to losses by employees throughtheir activities and are unable to bear these losses than large corporations. This is mostly because they often do not have internal control systems. “Controls protect weak people from temptation, strong people from opportunity and innocent people from suspicion’’as quoted in Oseifuah & Professor Gyekye (2013)

III. Research Methodology

The research approach for this study was centered on pragmatism to help gain insights and discover relationships between the variables. Pragmatism is an approach that aims to understand people by using both qualitative and quantitative research methodologies (Babbie& Mouton, 2008:28). This approach was preferred because the two methodologies minimized each other’s deficiencies.

The population of the study comprisedemployees of Small and Medium Enterprises in Harare Metropolitan Province. The study selected a sample of 75randomly selected employees of SMEs mainly based on manageability. A structured questionnaire with pre-formulated written set of questions was used during the study where respondents recorded their answers within closely defined alternatives.

3.1 Reliability and Validity

Kothari (2004) comments that for a research instrument to be effective, it needs to measure what it intends to focus on in order to attain its objectives. To ensure this, a pilot testing of the research instrument was carried out using 20 questionnaires. Computations of the pilot test results achieved the Cronbach’s alpha score of 0.763 as shown on Table 1a and 1b below:

Table 1a:*Case Processing Summary*

		N	%
Cases	Valid	20	100.0
	Excluded[a]	0	.0
	Total	20	100.0

Table 1b:Reliability Statistics

Cronbach's Alpha	No. of Items
.763	41

IV. Data Presentation and Analysis

4.1 Demographic characteristics

Out of 75 respondents, 44 were male and 31 were female. The proportion of male to female in the SMEs in Zimbabwe is dynamic and continues to change.

4.2 Good Corporate Governance and its impact on the level of job satisfaction

In response to whether good corporate governance has any impact on job satisfaction,80% of the 75 respondents indicated ‘Yes’ while 20% indicated ‘No’.This was in line with the view that SMEs should exercise corporate governance practices in their day-to-day operations.

92% of the respondents indicated that their SMEs did not have a board of directors, 1.3% were neutral and 6.7% agreed that their organizations had a board of directors. While this response was expected since some SMEs are family owned companies which employ relatives, evidence from literature shows that SMEs should have boards so that they may emulate listed companies if they intend to grow.

The study sought to explore the relationship that existed between a company having a board of directors and having clearly laid down objectives. The findings of the study are as shown on the table below:

*T**able3**: Testing the relationships between an organization having board of directors and clearly laid out SME objectives*

		Organization has board of directors	Company objectives clearly laid out
Organization has board of directors	Pearson Correlation	1	.385**
	Sig. (2-tailed)		.001
	N	75	75
Company objectives clearly laid out	Pearson Correlation	.385**	1
	Sig. (2-tailed)	.001	
	N	75	75

**. Correlation is significant at the 0.01 level (2-tailed).

The findings of the study showed that there is a weak positive relationship between an SME having a board of directors and having clearly laid out objectives. This is supported by the conclusions reached in a study by Magaisa, Duggal, and Muhwandavaka (2013). Boards of directors are specifically designed to bring in new ideas, facilitate in the formulation and implementation of strategies and account for the way the corporate is run. This will not be achieved if most SMEs operate without boards. An organization with a board of directors is most likely to have clearly laid out objectives.

4.3 Independence of management in executing duties

The study found it important to determine if management of SMEs were independent in executing their duties. Independence of management from direct control of the owners of the organisation is a critical component of corporate governance. The findings showed that 64% of the respondents disagreed that their management was independent from the owners of the organizations and 36% agreed. It is clear that there is no separation of powers between the owners of SMEs and their managers. Such practices are not good for the growth of SMEs.

4.4 Relationship between having a board of directors and independence of management

The study looked at the relationship between organizations that had boards of directors and the independence of management in executing their duties. The findings of the study are shown below:

Table 4:*Testing the correlation between an organisation having a board and management independence*

		Organisation has board of directors	Management is independent from owners interference
Organisation has board of directors	Pearson Correlation	1	.353**
	Sig. (2-tailed)		.002
	N	75	75

**. Correlation is significant at the 0.01 level (2-tailed).

The results show that there is a weak positive correlation between the two variables. Management is more independent in executing its duties when the organization has a board of directors.

The study also looked at the relationship between having a board and how respondents would feel about their jobs and the results of the study are as shown below in Table 5:

Table 5: *Testing the relationship between management independence and job satisfaction*

		Management is independent from owners interference	Feel positive and favourable about job
Management is independent from owners interference	Pearson Correlation	1	.396**
	Sig. (2-tailed)		.000
	N	75	75
Feel positive and favourable about job	Pearson Correlation	.396**	1
	Sig. (2-tailed)	.000	
	N	75	75

**. Correlation is significant at the 0.01 level (2-tailed).

The computations show that there is a weak positive correlation between an organization which has a board of directors and the employees feeling satisfied about the job. This relationship shows that having a board of directors to some extent positively contributes towards the level of job satisfaction.

4.5 Decision-making

Involving employees in decision-making is also a critical component of good corporate governance practices. The results of the findings show that 56% of the respondents either disagreed or strongly disagreed that management involves employees in decision-making. 20% were neutral and 24% of the respondents agreed or strongly agreed that management involves employees in decision-making. This collaborates with the findings ofDzama & Sibanda (2015) who concluded that decision-making is highly centralized in most SMEs.

Table 6: *Testing the correlation between job satisfaction and employees involvement in decision-making*

		Feel positive and favourable about job	Management involves employees in decision-making
Feel positive and favourable about job	Pearson Correlation	1	.657**
	Sig. (2-tailed)		.000
	N	75	75
Management involves employees in decision making	Pearson Correlation	.657**	1
	Sig. (2-tailed)	.000	
	N	75	75

**. Correlation is significant at the 0.01 level (2-tailed).

The study revealed that there is a strong positive correlation of 0.657 between management's involvement of employees in decision-making and the employee's job satisfaction. Involving employees in decision-making makesthem feel positive on the job.

4.6 Management's Respect for Employees

The study sought to assess how respondents would view management's respect for employees and its relationship with job satisfaction. The results of the findings are shown in Table 7 below:

Table 7: *Testing the correlation between job satisfaction and management's respect for employees*

		Feel positive and favourable about job	Management respects employees
Feel positive and favourable about job	Pearson Correlation	1	.776**
	Sig. (2-tailed)		.000
	N	75	75

Management respects employees	Pearson Correlation	.776**	1
	Sig. (2-tailed)	.000	
	N	75	75

**. Correlation is significant at the 0.01 level (2-tailed).

The results proved that there is a very strong correlation between management's respect of employees and job satisfaction. These results concur with the study done by Lee (2016) who in a research report on top five contributors to employee job satisfaction noted that if management respects employees, they will reciprocate and feel wanted.

4.7 Disclosure of financial position by management

The study sought to evaluate how respondents would view their organisations in terms of management's disclosure of company's financial position. The results of the study show that 44% of the respondents disagreed that management disclosed company financial position. 22.7% of the respondents were neutral and 33.3% agreed that management disclosed company financial position. The results of the study showed a weak positive correlation at 0.491 between the two variables. The more management discloses the company's financial position the more the employees are motivated to stay on in the organisation.

Table 8: *Testing the correlation between job satisfaction and clear performance measures*

		Feel positive and favourable about job	Clear performance measure and employee contribution recognised
Feel positive and favourable about job	Pearson Correlation	1	.751**
	Sig. (2-tailed)		.000
	N	75	75
Clear performance measure and employee contribution recognised	Pearson Correlation	.751**	1
	Sig. (2-tailed)	.000	
	N	75	75

**. Correlation is significant at the 0.01 level (2-tailed).

The results of the study revealed that there is a very strong correlation between setting clear performance measures and recognition of employee contribution and job satisfaction. Perry, Mesch, & Paarlberg (2006) make reference to the goal-setting theory which advances that conscious and well-specified goals positively affect the actions of employees. The study findings are therefore supported by the goal-setting theory.

4.8 Clear Responsibilities

The findings of the study showed that 33.4% of the respondents disagreed that employees in their SMEs had clear responsibilities. 36% of the respondents were neutral while 30.6% agreedthat the employees in their SME had clear responsibilities. Employees without clear responsibilities tend to dislike their jobs. It is the role of managers to ensure that responsibilities are clarified for every employee in SMEs.

The results of the study showed that 42.7% of the respondents disagreed that employees in SMEs received feedback from management. 17.3% of the respondents were neutral while 40% agreed that the employees in SMEs received feedback on their performance, concerns and contributions. The results of the study also show a weak positive relationship between employees receiving feedback and job satisfaction. This is shown onTable9 below:

Table 9: *Testing the correlation between job satisfaction and feedback*

		Feel positive and favourable about job	Employees receive feedback on performance and contributions
Feel positive and favourable about job	Pearson Correlation	1	.471**
	Sig. (2-tailed)		.000
	N	75	75
Employees receive feedback on performance and contributions	Pearson Correlation	.471**	1
	Sig. (2-tailed)	.000	
	N	75	75

4.9 Work autonomy

The study sought to determine how employees' job satisfaction is affected by work autonomy. Respondents were asked whether they get the chance to make decisions on the execution of their job roles. After collating the responses, the study then sought to establish the relationship between work autonomy and job satisfaction and the results of the study are as shown in the table below:

Table 10: *Testing the correlation between job satisfaction and work autonomy*

		Feel positive and favourable about job	Chance to take decisions on how to execute duties
Feel positive and favourable about job	Pearson Correlation	1	.407**
	Sig. (2-tailed)		.000
	N	75	75
Chance to take decisions on how to execute duties	Pearson Correlation	.407**	1
	Sig. (2-tailed)	.000	
	N	75	75

**. Correlation is significant at the 0.01 level (2-tailed).

The results indicate that there is a weak positive relationship between work autonomy and job satisfaction. This finding is consistent with prior literature byAl-Mobaydeen (2009) and Theofanis et al. (2011) which concluded that when employees experience autonomy at the workplace, it intrinsically motivates them and thus leads to the development of positive feelings towards the job.

4.10 Internal controls and job satisfaction

The research sought to find the link between internal controls and job satisfaction. The results of the study on the 75 respondents who were asked if their level of job satisfaction is affected by the internal controls in their SME. 52% responded 'Yes' and 48% 'No'. In their study, Nmai&Delle (2014) concluded that corporate structure, internal controls and corporate code of governance significantly and positively predict employee job satisfaction

The study sought to establish the effects of corporate governance best practices on the performance of employees in the SMEs sector. The focus of the study was on four critical elements namely transparency, fairness, integrity and accountability of management and how these affected employee job satisfaction. The findings showed that 36% of the respondents disagreed that their management upheld integrity. 41.3% were neutral and 22.7% agreed that their management upheld integrity. The study then sought to interrogate the relationship that existed between the variables upholding of integrity by management and job performance. The results are shown in Table11 below:

Table 11: *Testing the correlation between management integrity and motivation to perform better*

		Management upholds integrity	Employee motivated to perform better
Management upholds integrity	Pearson Correlation	1	.638**
	Sig. (2-tailed)		.000
	N	75	75
Employee motivated to perform better	Pearson Correlation	.638**	1
	Sig. (2-tailed)	.000	
	N	75	75

The results showed that there is a strong positive correlation between upholding integrity by management and performance of employees in the organization. This result resonates well with the conclusion reached by Yudhawati (2007) and JokoPurnomo (2011) as quoted in Awaludin, Adam, & Mahrani (2016) who concluded that integrity has a significant and positive impact on performance.

4.11 Accountability by management

The study sought to establish the effects of accountability by management on the performance of employees in SMEs. Respondents were asked whether their performance was affected by the accountability of management. 54.7% agreed that their performance was affected by how accountable their management is. 10.7% remained neutral while 34.7% disagreed that their performance was affected by accountability of management.

4.12 Transparency and its effects on performance

The research sought to find out the relationship that existed between transparency and employee performance. The results of the study are shown in table below:

Table 12: *Testing the relationship between motivation to perform better and transparency*

		Employee motivated to perform better	Performance is affected by transparency
Employee motivated to perform better	Pearson Correlation	1	-.111
	Sig. (2-tailed)		.344
	N	75	75
Performance is affected by transparency	Pearson Correlation	-.111	1
	Sig. (2-tailed)	.344	
	N	75	75

The results show that there is a weak negative relationship between transparency and motivation to perform better. The more transparency there is in anSME, the less motivated to perform the employees become. This finding is not supported by literature as most literature has concluded that transparency usually leads to a feeling of inclusiveness, which raises the morale of employees as well as their level of organisational commitment. The finding could be linked to the economic environment in Zimbabwe, where transparency could trigger some sense of insecurity and hopelessness due to macro-economic fundamentals which are beyond the control of management and employees.

V. Summary of Findings

The results of the study showed that good corporate governance practices stimulates job satisfaction in SMEs. Involvement of employees in decision-making also drives employees' job satisfaction. The findings of the study also revealed that SMEs with boards of directors have better governance practices. The study also revealed that there is a weak positive relationship between an SME having a board of directors and the employees feeling satisfied about their jobs. This relationship shows that having a board of directors positively contributes towards the level of job satisfaction.

The findings of the study also showed that having internal controls in an SMEcauses job satisfaction among employees. Employeesin SMEs agree that their level of job satisfaction is affected by the controls that are there in the SME. The study also found out that disclosure of an SME's financial position as an internal control measure motivates employees to stay. It was also concluded that disclosure of a company's financial position in linked to employee job satisfaction. The more the management discloses the company's financial position, the more the employees are motivated to stay on in the SME. The results of the study also revealed that setting clear performance measures and recognition of employee contribution causes job satisfaction. It was concluded that when employees receive feedback they become satisfied on the job.According to the findings, when employees have autonomy at work, they will gain job satisfaction. The results of the study reflected that all the internal control variables that were considered in the study had a positive link with the level of job satisfaction.

The results indicated that adherence to corporate governance elements is positively related to employee performance. The results show that there is a strong positive correlation between upholding of integrity by management and performance of employees in the SME. The study revealed that transparency caused motivation among employees to diminish and that negatively affected their performance. The more transparency there is in the organization the less motivated the employees to perform. This finding is not supported by literature as most literature concludes that transparency usually leads to a feeling of inclusiveness, which raises the morale of employees as well as their level of organisational commitment.

VI. Recommendations

The study recommended that:

6.1 SMEs should have functional boards of directors to improve on accountability and promote the generation of new ideas. Existence of boards of directors is crucial in upholding good corporate governance.

6.2 SMEs should strive to have clearly laid down objectives and involving employees in decision-making.

6.3 To improve the effectiveness of the control environment, access to information should be made easy and communication should be two-way in SMEs.

6.4 SMEs should improve on internal controls as they affect the level of satisfaction of the employees. Controls can be improved through adoption of corporate governance best practices.

6.5 SMEs should implement good corporate governance practices because they cause employees to develop job satisfaction and it improves employees' performance.

VII. Suggestions for Further Studies

There is need for further study on the predictive relationship between adoption of corporate governance practices by SMEs and its impact on employee performance in Zimbabwe.

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