Temporary Work and Small Business Sustainability in Cleaning Services Companies in Lagos State, Nigeria

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Abstract

Contemporary studies have disclosed that small businesses inclusive of cleaning services companies in Nigeria hardly survive 5 years after inception, which is an impediment to economic growth. Small businesses account on average, for about 50% of the Gross Domestic Product of all countries and for 63% of their employment. This study assessed the effect of temporary work on small business sustainability. The study adopted a quantitative approach, using descriptive design and a well structured questionnaire to elicit data from a sample size of 400 in the selected cleaning services companies in Lagos State. Findings revealed that temporary work influence small business sustainability. In other words, the human factor as it relates to work environment, work flexibility, job security and training which has largely been ignored enhances productivity, employment stability, work life balance and job satisfaction – a prerequisite for business sustainability. This study therefore recommends that small businesses should provide conducive workplace in which employees can self actualize their goals and align it with the sustainability of the business.

Keywords: Temporary work, Deviant behaviour, Business sustainability, Small businesses, Employers and Government agencies

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Background to the Study
As well as being the major source of job creation in developed economies, small businesses inclusive of cleaning services companies are critical to driving economic growth in developing countries through innovation and market expansion. Economies thrive when their most ambitious, innovative and productive small businesses are able to grow (Goldman Sachs 10,000 Small Businesses UK programme, 2012). In many countries small businesses – with both its informal and formal components – have increasingly been seen as a means of generating meaningful and sustainable employment opportunities, particularly for those at the margins of the economy – women, the poor and people with disabilities (ILO, 1998). In many ways, small businesses are accountable for driving economic development in many countries. Large and multinational organizations depend particularly on small businesses for numerous goods and services. Small businesses are essential not only for an economy, but also for the quality of life that the citizenry enjoy.

Small businesses such as cleaning services companies, fruit juice making companies, cement block making businesses, bottled and sachet water producing companies, snail and poultry farming businesses, restaurant/eatery businesses and cake, cream and soap making companies, to mention just a few are practically driving the Nigerian economy, creating jobs and other economic activities. These small businesses, often referred to as Small and Medium Enterprises (SMEs), depending on their capital base and number of employees, are represented in all sectors of the Nigerian economy be it manufacturing, agriculture, trade and commerce, shipping and maritime services. There have also been fiscal incentives, grants, bilateral and multilateral agencies support and aids as well as specialized institutions such as Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), all geared towards making the SMEs sub-sector vibrant.

Due to the cosmopolitan nature and huge population of Lagos State, Nigeria, small businesses inclusive of cleaning services companies are spouting the landscape on daily basis, creating a beehive of economic activities and employment opportunities for the populace. The magnitude of success and level of flexibility of small businesses especially at inception stage has encouraged employees in the formal sector of the economy to join the bandwagon. In fact, small businesses are the bedrock of developing economies, taking cognizance of the employment opportunities, economic growth, dynamism and their flexibility in operations. Therefore, they are critical sector of the economy and the engine of Nigeria’s economic growth (Regha, 2016).

Small businesses amplifying influence in terms of employment creation has been an aftermath of organizational restructuring, outsourcing and downsizing, facilitated by forces of globalization, trade liberalization and technological change. In recent years, many businesses have in the process of saving cost, outsource some of its traditional work functions like marketing, cleaning and security services to outsourcing companies or labour brokers who in turn employ workers as contract staff without adequate benefits as enjoyed by permanent staff (Uwem, Kabuoh & Alagbe, 2015). This may have resulted in decline in permanent jobs and the consequent growth of temporary and fixed contract work. Small businesses inclusive of cleaning services companies employ more number of temporary, part-time, home-based and other types of contingent workers than large businesses.
Danesi (2011) opined that temporary work arrangement was hitherto predominant in the construction industry and agricultural sector and it was mainly for unskilled workers in Nigeria. However, recent events have shown that both the skilled and the unskilled are engaged as temporary/casual workers in the informal sector, the organized private and public sectors of the economy. More so, unions that are supposed to protect employees have largely gone out of extinction as years of sustained labour attrition by both government and employers have exposed vulnerable workers to all kind of exploitation. Potential employees may have no choice but to accept what the Nigerian labour market is largely offering- contract work, contingent work, temporary work and fixed term work.

According to Uwem, Akpa, Magaji, Ukaegbu and Kabuoh (2016), there are challenges of sustaining cleaning services companies in Lagos State a few years after inception, in terms of return on investment, stability of employment and consistency of service delivery. Cleaning services companies are mostly afflicted with inconsistency in government policies, inability to recruit personnel with requisite skills and competence, job insecurity, employment instability, unconducive work environment, work life conflict, lack of access to finance, foreign exchange rate, import tariff, inflation, multiple taxation and unconducive business environment leading to premature closure.

**Statement of the Problem**

While some argue that any job is a good job, temporary work which is a form of precarious work come with significant individual and social costs making them less advantageous than permanent full-time employment (Lewchuk & Lafleche, 2014). To buttress this, Fapohunda (2012) noted that, more workers in permanent employment are losing their work and are being re-employed as or replaced by temporary workers. Also, Eroke (2013) opined that the massive shift from regular employment into temporary work or jobs through agencies and labour brokers is negatively affecting all workers, their families, and the society leading to both conflict at home and the workplace.

Workers in precarious work or temporary work engage in irregular hours/long shifts and multiple jobholding in order to augment pay. The likelihood of being precariously or temporarily employed is still greatest for low income earners in small businesses, a likelihood that falls as income increases. Other studies undertaken in a range of countries including Republic of Korea have linked temporary employment and other types of precarious employment to depressive symptoms and even suicide respectively (Jang, Jang, Bae, Shin & Park, 2015; Min, Park, Hwang & Min, 2014).

Uwem, Kabuoh and Alagbe (2015) observed that many employees in small businesses such as cleaning services companies in Lagos State suffer from insecure, uncertain, and unfavorable working conditions. The authors also argued that employees in temporary work who are disenchanted due to low income, wage disparity, unfavourable working conditions and uncertainty of job duration, may nurse ill feelings of being unappreciated. This may trigger deviant behaviour, leading to conflict and employment instability at the workplace.

Harmonious employer-employee relationship which facilitates the ease of doing business and effective value chain management in the workplace are hindered, if there is an expression of behaviour or attitude that negates the rules of engagement. It is most likely that such deviant behaviour especially if it has negative connotation such as aggressive behaviour, sexual
harassment, sabotage, embezzlement, insubordination, rumour spreading, could create employment instability which in a long run may mitigate business sustainability. Larry-Izamoje (2016) opined that this kind of behavior may create a lackadaisical attitude in employees and even theft as some may work with the “after all the management can’t pay us this month” mentality. Furthermore, employees 'lackadaisical and deviant attitude may be responsible for the failure of many small businesses and this may be a threat economic growth.

However, if a business is to succeed, according to Arasti (2011), management must be mindful to all concerns which are likely to have a material impact on its viability such as not taking cognizance of the human factor, and must then demonstrate skills both in exploiting opportunities and mitigating threats. Thus, this study intends to examine the effect of temporary work on small business sustainability in selected cleaning services companies in Lagos State.

Objective of the Study
The main objective of this study is to investigate the effect of Temporary work on Small business sustainability in selected cleaning services companies in Lagos State, Nigeria.

Research Questions
The study seeks to answer the following question:

1. What effect has temporary work on small business sustainability in cleaning services industry in Lagos State?

Hypothesis
Ho1: temporary work has no significant effect on small business sustainability in the cleaning services industry in Lagos State, Nigeria.

Literature Review
This section also consists of the conceptual review, theoretical and empirical review.

Conceptual Review
Temporary work
Temporary work is possibly the most prominent category of precarious work and can be described as any job for which the employee is hired via a labour broker or temporary help agency and then placed into a client organization (Current Population Survey, 2005). Use of temporary workers has been on the rise as organizations seek flexibility to deal with short-term external fluctuations in the business market (Davis-Blake & Uzzi, 1993; Schilling & Steensma, 2001) as cited in (Boyce, Ryan, Imus, &Morgeson, 2007), to reduce costs associated with human capital such as health insurance and pension benefits (Nollen & Axel, 1998) in (Boyce, Ryan, Imus, & Morgeson, 2007), and to possibly improve workforce knowledge.

According to Vosko, Thomas, Hick& Chun (2013), four key dimensions shape the nature of precarious work and associate it typically with particularly forms of employment (part-time and temporary paid work) which consist of high levels of uncertainty; low income; lack of control over the labour process; and a lack of access to regulatory protection.

Furthermore, temporary work implies insecurity, which in addition to changing the experience of work, generally relates to limited access to training and career paths (Burgess & Connell,
resulting in negative outcomes beyond work at the individual (e.g., stress and education), social (family community), and political (e.g., stability, democratization) levels (Kalleberg, 2009; Standing, 2011). When work is less secure, risk is transferred to the employee, and the employer bears fewer of the hidden costs associated with regular employment, including compensation for redundancy or reduced working hours (Benetia, 2001; Connell & Burgess 2006; Hewison & Kalleberg, 2013).

Workers with uncertain job tenure tend to withdraw from work roles, causing them to be less committed and less productive (Dekker & Schaufeli, 1995; Karasek & Theorell, 1990: Probst, 2005). The threat of job loss may create insecurity, and in turn strain, due to the threat of loss of fundamental needs such as income, social contact/support, help with structuring time and opportunities for personal development (Scott-Marshall & Tompa, 2011). In Lagos State, employees in small businesses inclusive of cleaning services companies are mostly employed through a triangular arrangement with labour brokers acting as labour intermediaries and are subjected to working conditions that are precarious in nature. This cost saving arrangement ensures labour is recruited at a cheap price; issues of pension, adequate compensation in cases of industrial accidents and health benefits are not included in the terms and conditions of employment.

Temporary work arrangement in cleaning services companies in Lagos State has an uncertain duration, job in security and low income especially as many owners are sole proprietors who fire and hire employees at will (Uwem, Kabuoh & Alagbe, 2015). What is predominant is individual bargaining with workers individually bargaining on terms and conditions of employment. Unionism is gravely avoided (Akinbode & Uwem, 2013). Hence, employers often use or adopt a system of paternalism.

**Small Business Sustainability**

Sustainability is simply ensuring that economic, environmental and social developments go hand in hand (Dee, 2010). Sustainability refers to an organization's activities, typically considered voluntary, that demonstrate the inclusion of social and environmental concerns in business operations and in interactions with stakeholders (van Marrewijk & Verre, 2003). In addition, Balser (2013) opined that businesses typically implement sustainability programs because they want to improve the business culture, encourage employees to contribute to positive change and increase profitability by reducing costs. Yet even when the commitment is there, implementation can be challenging, especially in small businesses where resources are limited and time is at a premium.

Business sustainability seeks to create long-term shareholder value by embracing the opportunities and managing the risks that result from business economic, environmental, and social responsibilities. Business sustainability must meet the needs of the business and its stakeholders today while also protecting, sustaining, and enhancing the environmental, social, and economic resources needed for the future (Pojasek, 2007). According to Miller (2010), businesses face increasing problems in trying to achieve profitability and are looking for ways to survive by decreasing costs of operation while still maintaining quality products and services. However, mere survival skills will not give a business much hope for the future. This is where the idea of sustainability becomes important.
Sustainability is a good choice for businesses, the environment, and society. In common practice, the primary strategy of businesses is to do whatever it takes to earn a profit. While profit is germane to the success of any business, it is not the primary concern of the sustainability entrepreneur. Instead, these business owners focus on environmental health and social concerns (Gibbs, 2009).

**Relationship between Temporary Work and Business Sustainability**

Malentacchi (2008) in a research Precarious Work–What needs to be done argued that precarious work which is characterized with temporary work, contract work, fixed term work, not only disrobes employees of basic human rights, but compromises workplace health and safety standards, erodes working conditions and wages, and creates work life conflict for employees and their families. In addition, employers are also beginning to understand the price that they are paying for precarious work. Some businesses would welcome a more stable environment that could enhance business sustainability, rather than see precarious work make their enterprises precarious too. Businesses want to minimize risk, but simply shifting risk to workers will not guarantee sustainability – in fact, it may make strong growth and steady progress impossible. Furthermore, employees in temporary conditions may have challenges exercising their legal rights, have little or no benefits and limited workplace training (Lewchuk et al. 2006: Standing 2008).

In a study conducted by Titus (n. d) for the Institute for Independent Business (IIB) on Key Reasons Why Small businesses fail, it was found that a business possess resources such as an employee's skills, knowledge and competence that could enable it to appraise opportunities and threats and act accordingly. Hence, businesses should take cognizance of the needs of employees so as to avoid pitfalls such as employee deviant behavior that could create employment instability and impede business sustainability. In addition, Henle, Giacalone and Jurkiewicz (2005) in a study-The Role of Ethical Ideology in Workplace Deviance, observed that employees who are affected by interpersonal workplace deviance may suffer from anxiety leading to high turnover rate. Hence, it is expedient for organizations to brace up, preempt, and truncate to a reasonable extent any negative workplace deviance that may arise from challenges of temporary work within the workplace.

**Theoretical Review**

**Social Exchange Theory**

This study is anchored on the Social exchange theory which was postulated by George Homans in 1958. Social exchange proposes that the relationships we choose to create and maintain are the ones that maximize our rewards and minimize our costs (Long-Crowell, 2014). Social exchange theory assumes that humans are rational beings that seek rewards and avoid punishments and the standards that humans use to evaluate costs and rewards vary over time and from person to person (West & Turner, 2007).

Miller (2005) noted that some of the challenges of the social exchange theory are, human communication is reduced to a purely rational process that arises from economic theory and it also assumes that intimacy is the eventual goal of a relationship when this might not always be the case. In any Employer–Employee relationship, employers are more egocentric and definitely not concerned with equality. Employees are likely to keep and value relationships for a long term which give them the most benefits for the least amount of effort which means they will prefer to stay in a work arrangement that they perceive could help them to their goals and
objectives. Creating a synergy by aligning the interests of both employers and employees will minimize workplace conflict and help achieve higher organizational performance.

Workplace conflict can also be minimize if risks like industrial accidents, illnesses as a result of deplorable working conditions and job insecurity involved in temporary work, are relatively equated with benefits like adequate pay, recognition, provision of window for multiple job holding and freedom of workers to participate in decision making process. Workers in temporary work arrangement who are stressed and under pressure to provide family needs, may likely move to another job due to unfavourable imbalance between risks and benefits at the workplace, leading to employment instability. Cherry (2014) opined that positive relationships are those in which benefits outweigh the costs, while negative relationships occur when the costs are greater than the benefits.

Social exchange theory explains the effect of temporary work on small business sustainability since it is all about rewards and costs. In a workplace that is characterized with low wages, low benefits, job instability and does not meet the self-actualization of cleaners, there is bound to be destructive deviant behaviour such as performing work without due diligence, embarking on improper work breaks, abusive attitude towards co-workers, not sharing vital information, gossiping, undermining fellow employees and destroying properties of the business (Akikibofori & Akikibofori, 2014). All this retards business sustainability as business survival is predicated on having competent employees who expected to enhance achievement of organizational goals and objectives.

**Marxist Theory**

High unemployment rate in Lagos State and employers incessant enthusiasm for profit at the detriment of workers have led to an imbalance employer-worker relationship as workers have no choice but to accept temporary employment and face deplorable working conditions, resulting in workplace conflict and consequently employment instability. This is in line with the prediction of (Marx, 1973, cited by, Woods, 2013, p.3), of how the inherent conflict between capital and labour would manifest itself. As Karl Marx wrote in his book Das Kapital, businesses' pursuit of profits and productivity would naturally lead them to recruit fewer and fewer employees, creating an industrial reserve army of the poor and unemployed: Accumulation of wealth at one pole is, therefore, at the same time accumulation of misery.

**Empirical Review**

Kalleberg (2008) in a study -Precarious Work, Insecure Workers: Employment Relations in Transition, contended that precarious work and its features such as temporary work, contingent work and fixed-term work are the dominant issues of the social relations between employers and workers in the contemporary world. Studying temporary work arrangement is essential as it leads to significant work-related such as job insecurity, economic insecurity, inequality and non–work related such as individual, family, community consequences. By investigating the changing nature of employment relations, we can frame and address a very large range of social problems: gender and race disparities, civil rights and economic injustice, family insecurity and work–family imbalances, identity politics immigration and migration, political polarization, and so on.

According to Uwem, Kabuoh and Alagbe, (2015), empirical studies like the Hawthorne experiment have shown that taking cognizance of the human factor and nature of work positively affects the attitude and enthusiasm of employees and this enhances business
sustainability. This is also in line with a study - Can better working conditions improve the performance of SMEs- conducted by (Croucher, Stumbitz, Quinlan & Vickers, 2013) for International Labour Organization. The research using descriptive survey approach ascertained that there is suggestive evidence of working conditions, safety and health, and skills development increasing positive outcomes which are creative innovations of employees, customer satisfaction and improved productivity.

In a study to determine the relationship between office design and productivity by Sehgal (2012), it was found that the quality of the employee's workplace impacts on employee's performance. That is, the long-term cost benefits of a properly designed, user-friendly work environment should be factored into any initial cost deliberations. as business sustainability is not predicated on skill acquisition alone. Also, the study found that about 86% of productivity problems reside in the workplace which has effect on the performance of employees.

However, it could be contended that 86% of productivity challenges does not exist at the workplace, especially in small businesses in Lagos State, as other variables such as nature of work arrangement, work life balance and opportunity for self-actualization may to an extent if not appropriately managed, mitigate employees' performance and by extension impede business sustainability. In other words, despite the rise of temporary work with its attendant job insecurity and low wages, small businesses could create an all-encompassing environment to assist in retaining competent employees in order to sustain their businesses for a long period of time.

Methodology
This study conducted an empirical examination and seeks to add to the existing empirical literature on temporary work and small business sustainability in selected cleaning services companies in Lagos State. The total population of this study consisted of 1535 personnel working with 3 major cleaning services companies (Opel cleaning services Ltd, Mahut cleaning services Ltd and Dan cleaning services Ltd), registered with Cleaning Practitioners Association of Nigeria (CPAN) and based in the 3 senatorial zones(Lagos-east: 495, Lagos-west: 515 and Lagos central: 525) in Lagos States offering janitorial services only.

This study adopted survey research design and used RAOSOFT web based sample size calculator to determine the sample size which represents the total population of the cleaning services companies under study. Instrument for the study is a well-structured questionnaire. This study made use of a 6 point Likert scale for responses to specific items; Strongly Agree, Agree, Partially Agree, Partially Disagree, Disagree and Strongly Disagree. Descriptive statistics such as mean, percentage distribution and standard deviation was used to determine the effect of temporary work on small business sustainability in the selected cleaning services companies in Lagos State.

Based on the 1535 personnel of the target population, an alpha level of 5% and a confidence level of 95%, the sample size for this study from the strata is 308 samples. In addition, to take care of non-response from the respondents, 30% of the sample was added to increase the sample (Isreal, 2009).

Therefore, 30% OF 308 = 92.4
The appropriate sample size is 308 + 92.4 = 400.
Research Hypothesis

Hypothesis 1 ($H_0$): temporary work has no significant effect on small business sustainability in the cleaning services industry in Lagos State, Nigeria.

The hypothesis was tested using simple linear regression analysis. The results of the analysis are presented on Table 1:

Table 1: Linear Regression Analysis between Temporary work and Small Business Sustainability

<table>
<thead>
<tr>
<th>Mode</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.340*</td>
<td>.115</td>
<td>.113</td>
<td>4.44096</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Temporary work

ANOVA*

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>1</td>
<td>934.103</td>
<td>47.363</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>363</td>
<td>19.722</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>364</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Small Business Sustainability
b. Predictors: (Constant), temporary work

Coefficients*

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>19.884</td>
<td>1.704</td>
<td>.340</td>
</tr>
<tr>
<td></td>
<td>Temporary Work</td>
<td>.329</td>
<td>.048</td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Small Business Sustainability

Interpretation of Result

The result from the table above is presented as follows: The effect of temporary work on small business sustainability indicates a positive significant effect, as the coefficient of temporary work (0.329) shows that temporary work is positively related to small business sustainability. In addition, the p-value of 0.000 which is less than 0.05, shows that temporary work has a significant effect on small business sustainability in the selected cleaning services companies in Lagos State.

Conclusion

Business should be guided by human values, oriented towards treating workers fairly and with respect. The success of both developing and developed economies in many countries in terms of employment generation, dynamism and flexibility is anchored on small businesses. Nigerian government and employers of labour should be concerned why small businesses which are the major drivers of the economy and contributors to the gross domestic product, have a life expectancy of five to ten years according to some scholars. The grasp of the concept of temporary work and its pitfalls especially as it relates to the Nigerian environment should be considered to ensure sustainability of small businesses, economic growth and development.
Recommendation
The study recommends that small businesses in Lagos State should understand that temporary work has come to stay due to the intrigues of globalization and trade liberalization which is beyond their immediate control. They should create an enabling environment through a social exchange process in which employees can self-actualized their goals and align it with that of the business in order to achieve the keys goals of employment stability and business sustainability. There is need for more important industrial legislation and protection to support employees right to effect a change in their work schedules. The ability to make these changes such as adjusting the hours of work, how these work hours are arranged or the location of work has a substantial effect on enhancing business sustainability. Policy makers should ensure strict adherence to Nigerian extant labour laws by employers of labour some of who have the propensity to sack workers at their whims and caprices without recourse to lay down rules and regulations.

References


