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## Workplace Environment in Selected Multinational Companies (MNCs) in Kampala, Uganda

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### Abstract

The study investigated the levels of workplace environment in selected MNCs operating in Central Uganda under the dimensions: (1) workplace arrangement; (2) attitudinal atmosphere; (3) work conditions and (4) manager's/supervisor's practices. The ex post facto/retrospective-prospective and descriptive strategies were employed. Data were analyzed using summary statistics (i.e. mean and rank by construct). The findings revealed that managers'/supervisors' practices were ranked one while work conditions was ranked last from among the 4 constructs on level of workplace environment. The overall mean illustrated a satisfactory level of workplace environment although this was not the highest level. The null hypothesis of no significant differences in the level of workplace environment among MNCs was rejected. Inferences were made that MNCs in Central Uganda had differing workplace environment and that such environment had impact on the operations of MNCs thus authenticating the Contingency theory by Fiedler (1964). It was recommended that there was need to elevate the level of workplace environment.

### 1. Introduction

While no one doubts the economic success and pervasiveness of MNCs, their motives and actions have been called into question by social welfare, environmental protection and labor organizations and government agencies worldwide.

Multinational companies (MNCs) some times referred to as Multinational enterprises (MNEs) include enterprises, whether public, mixed or private ownership, which own or control production, distribution, services or other facilities outside the country in which they are based.

In the context of developing countries more so, in the Ugandan context, MNC development for quite a long spell has been hampered by a number of factors (Bureau of Economic, Energy and Business Affairs March, 2011). Despite the government's effort to the revamp the situation by way of amending the laws as well as regulations which with the motive of puffing up its accountability, opening more markets, improving its infrastructure and more so, creating an attractive environment for investors from other countries, realization of such is still in obscurity given the fact that the country is happily sailing in a legroom of corruption, regrettable infrastructure, high cost of factors of production, unreliable and embarrassing power supply as well as government intervention in the cardinal undertakings of the private sector. With all such in place, Uganda continues to be an economy with a challenging investment climate and this drives one into an inquiry as to whether the workplace environment in the handful of MNCs operating in Uganda which is dependent on the economic climate of the country is congenial or not.

## 2. Purpose of the Study

This study was conceived to test the null hypothesis of no significant differences in the level of workplace environment among MNCs.

## 3. Research Question

1. What is the level of workplace environment of selected MNCs in this study under the constructs?
  - 1.1 Work Arrangement?
  - 1.2 Attitudinal Atmospheres?
  - 1.3 Work Conditions?
  - 1.4 Manager's/Supervisor's Practices?

## 4. Research Hypothesis

$H_{01}$ : There are no significant differences in the level of workplace environment among MNCs

## 5. Review of Related Literature

### 5.1 Workplace Environment

Stoner et al (1989), Griffin and Moorhead (1989); Jones (2003); Kelly (1974) and many of the other well known scholars in management all mutually agree that the bulk of management's attention should be given to the organization's specific environment since the elements in an organization's specific (task) environment can become part of its general environment and vice versa. Therefore, focus under this study was put on the specific (workplace) environment which is a sub component of the general environment since this greatly affects the performance of the company. The workplace in this current period is unlike and persistently changing in that the emblematic relationship between the employer and the worker and/or employee of the past has been overturned. With the growing economy, employees have been subjected to inexhaustible job opportunities thereby creating an environment whereby the business needs its employees centrally to the opposite. Workplace environment in this study has been conceptualized to include among other factors: (1) Work place arrangement which embraces the office furniture, workspace availability, amount of light and the warmness or coolness of the workplace; (2) attitude; (3) workplace practices (conditions); and (4) practices of the manager/boss/supervisor. Analogous to such factors, Nowier (2009) argues that downscaling expensive labor while hiring from out a cheaper version has impact on productivity of workers. The concern is that the morale as well as enthusiasm of such workers who remain on the job is greatly affected which lowers their level of productivity. He further observes that work-related accidents as well as employee physical conditions and/or vigor may greatly affect the individual workers, their families, as well their corporations and the general public.

Santhapparaj, Srini and Ling, 2005; Payne and Morrison, 2002; Redfern, 2005 and Denizer, 2008; Gellatly, 2005; Sagie, 2002 as cited in Anthonia (2011) mutually consent that whenever the worker observes that his or her expectations cannot be realized in a particular job setting, discontent materializes which may lead to a fall in the employees' level of productivity and devotion to work and subsequently, the end result is the escalation in the rates of optional withdrawal from the job.

Malcolm et al (April, 2004) asserted that a rather different reason to expect job satisfaction and related forms of affect to be associated with work performance arises from the correlation between job (and other forms of) satisfaction and a range of personality attributes. The argument in this regard was that more satisfied workers possess personality characters which are in most instances cited in good work performance. Judge and Bono (2001) as cited in Malcom et al (April, 2004) reviewed previous studies which indicated that traits such as self-esteem, self-efficacy, locus of control and emotional stability were significantly associated with both job

satisfaction and job performance. More satisfied employees thus tend to differ from others in attributes that may themselves give rise to better performance.

The impact of emotional stability/ neuroticism seems to be related to the ability to form and maintain positive relationships in one's work environment. Jain, and Verma (1996) found that high levels of emotional stability contributed to social cohesion in teams, and high levels of neuroticism predict anger and neglect in relationships (Benson,1975). Emotional stability in this regard is considered to be appended on the dimensions of work environment.

In a world of imperfect and asymmetric information, the role played by managers in enhancing productivity accounts for a greater for a significant percentage of firms' disparity in the level of output. The organizational manager/supervisor in the current era has turned to be the outstanding aspect which instigates low productivity. The majority, if not all workers, in major setups have a level of commitment which is anchored on their association with the immediate supervisor. In this regard, supervisors and/or managers who do not keep promises, never acknowledge and guide their subordinates whenever they fault will always subject such subordinates to low level of morale and consequently, low productivity.

## 6. Methodology

Engaging the ex post facto/retrospective-prospective and descriptive comparative strategies, data were collected using standardized questionnaires with items on workplace environment of multinational companies. Given the target population of 444 employees of the selected MNCs, using Sloven's formula, the minimum sample size of 210 was arrived at, nonetheless 300, questionnaires were administered to the respondents where 254 (close to 85%) of the questionnaires were salvaged. Purposive, systematic as well as simple random sampling were employed to select from the sample of 254 retrieved questionnaires. The Cronbach's alpha was utilized to measure the interval consistence or coefficient of reliability of the questionnaires indicated that the questionnaires were acceptable with the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy coefficient of 0.906 being interpreted as being superb. Data were analyzed using summary statistics (means and rank by construct).

## 7. Findings

**Table 1**  
**Summary on the Level of Workplace Environment**  
 (n=210)

Constructs on Workplace environment	Average Mean	Interpretation	Rank
Managers'/supervisors' practices	2.98	Satisfactory	1
Attitudinal Atmosphere	2.82	Satisfactory	2
Workplace Arrangement	2.67	Satisfactory	3
Work Conditions	2.60	Satisfactory	4
<b>General Mean</b>	<b>2.76</b>	<b>Satisfactory</b>	

Source: Primary Data, 2012

### Legend

Mean Range	Response Mode	Interpretation
3.26-4.00	Strongly agree	Very satisfactory
2.51-3.25	Agree	Satisfactory
1.76-2.50	Disagree	Fair
1.00-1.75	Strongly disagree	Poor

Based on the average mean, the managers'/supervisors' practices were ranked first (1) while work conditions was ranked last (4) from among the 4 constructs on level of workplace environment. The general mean illustrated a satisfactory level of workplace environment although this was not the highest level implying that there was need to elevate the level of workplace environment. Because of the insecure workplace environment in most of the MNCs operating in Central Uganda and in the entire country as a whole, majority of the multinational companies operating within having continued to register sluggish growth which is attributed to low productivity in such firms. In a similar study, Nowier (2009) further observes that fruitless working environment crops up from a multiplicity factors and such may include the immediate supervisor or manager, employees' attitude at the workplace, arrangement and/or composition of the workplace, the job/task demands and employee expectations as well as the potentials of workers.

**Table 2**  
**Significant Differences in the Level of Workplace Environment among MNCs**

Constructs	MNC	Mean	F	Sig	Interpretation	Decision on Ho
Workplace Arrangement	UCL	3.0016	71.17	.000	Significant difference	Rejected
	UGM	2.0715				
	MGL	2.8988				
Attitudinal Atmosphere	UCL	3.0922	45.20	.000	Significant difference	Rejected
	UGM	2.2971				
	MGL	3.0595				
Work Conditions	UCL	2.7067	25.64	.000	Significant difference	Rejected
	UGM	2.2805				
	MGL	2.8163				
Managers'/Supervisors practices	UCL	3.1464	37.60	.000	Significant difference	Rejected
	UGM	2.4750				
	MGL	3.3452				

Source: Primary Data, 2012

**Legend**

If the significant (Sig.) value is equal or less than 0.05 level of significance, the interpretation is **significant**.  
 If the significant (Sig.) value is more than 0.05 level of significance, the interpretation is **not significant**

## 8. Results, Implications and Discussions

Table 2 portrayed that the level of workplace environment (embraced under the constructs; workplace arrangement, attitudinal atmosphere, work conditions and managers' practices) among MNCs significantly differed. The findings were in accord with the findings in the German Technical Co-operation Financial System Development (GTCFSD) Project report (2000) where it was reported that private sector competitiveness in Uganda had been impeded by the high costs of utilities, especially electricity and telephone services as well as poor infrastructure and that such had been intensified by the landlocked geographic location of Uganda which increased transportation costs widening the gaps in the operations of the few existing firms in the country.

## 9. Conclusions

Multinational companies in Central Uganda have differing workplace arrangements under the dimensions of office furniture, temperature at workplace/office, lighting and space for multipurpose functions; differing attitudinal atmosphere which embraced aspects like job satisfaction, employee flexibility as well as employee recognition; and differing managerial/supervisory practices which also embraced such aspects like innovative, accommodative and inspirational managers and/or supervisors. The Contingency theory by Fiedler's (1964) was validated and proven genuine in view of the findings of this study. The Contingency theory postulates that the optimal course of action is contingent (dependent) upon the internal and external situation and that organizational structures and control systems managers choose depend on the characteristics of the environment in which the organization operates.

## 10. Recommendations

A noticeable satisfactory level workplace environment as implied by the findings of the study calls for further improvement in the workplace environment (i.e. improve workplace arrangement, attitudinal atmosphere and managers'/ supervisors' practices). Studies which have been undertaken of recent convey that the Ugandan policies, laws, and regulations are suiting mostly the foreign investors since the ongoing massive campaigns are focusing on private sector-led growth (2011 Investment Climate Statement – Uganda, March, 2011). Modifications are pertinent to improving the country's economic atmosphere as well as streamline the likely possibility of bureaucracy. Since the economy is more anchored on land as its salient productive natural resource, there seems to be an urgent need to refurbish the land registry system, renovate the country's business registration service, amend the commercial legislation, widen capacity and skills in the private sector as well as strengthening private sector productivity all aimed at improving the investment climate.

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