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Human resource management practices and employees' engagement in small and medium enterprises in Tanzania

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ABSTRACT

Employees' engagement is a very important concept in business management. It plays a vital role in determining the performance of business organizations including small and medium enterprises (SMEs). Despite its importance in business management, there is limited knowledge on how human resource management (HRM) practices influence the two major categories of employees' engagement: job engagement and organizational engagement. This study examined the influence of HRM practices on employees' engagement in Tanzanian SMEs. Data were collected from 483 SMEs using survey method and analyzed using Structural Equation Modeling (SEM). The results revealed that employees' communication had positive influence on both organizational engagement and job engagement. Also organizational support had significant influence on both organizational engagement and job engagement. The conclusion is that the presence of support and communication are the only HRM practices which have a significant influence on both job engagement and organizational engagement. Hence, SMEs can use employees' communication and organizational support to influence organizational engagement.

Key words: Human Resource Management Practices; Employees' Engagement; Job Engagement; Organizational Engagement.

INTRODUCTION

Today's business environment is more challenging, unpredictable, uncertain, and more subject to rapid changes and surprise (Schuler, 2000). This may require effective human resource management (HRM) practices which are associated with attention to such priorities as improving (staff) employees' engagement (Becker & Cropanzano, 2011; Hakanen *et al.*, 2008; Michie & West 2004; Toh *et al.*, 2008; Wright *et al.*, 2007; Witemeyer, 2013; Wright & Cropanzano, 2000). In this regard, Small and Medium Enterprises (SMEs) are not exceptional to the changing and unpredictable business environments that require more engagement of employees in order to achieve the business goals.

In Africa, the business sector is dominated by SMEs that act as pillars of economic development (Nyang'ori, 2010). In addition, SMEs are considered to be the key employment providers (Stevenson, 2005) and thus significantly contribute to the advancement of African economies. For instance, in Tanzania, SMEs play an important economic role in poverty alleviation and employment creation where about 5.2million people (23.4%) contribute to the total labor force of 18.8 million people who are employed (NBS, 2012; URT, 2011; Stevenson, 2005), although, most

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of them operate informally (NBS, 2012). With this fact, the focus on SMEs in the developing countries including Tanzania is inevitable.

SMEs are seen as an avenue of both employment and income generation to many Africans including Tanzanians. However, the sector is said to be at the infant stage with weak ability to compete in the market, high failure rate and high labor turnover (Lochhead & Stephens, 2004; Olomi, 2009). In addressing the mentioned business challenges, SMEs need to engage its employees (both on job and organization) (Mushipe, 2004). Employees' engagement promotes employees' commitment, innovation and creativity, and productivity in the SMEs. Employees' engagement can be perceived to be the cornerstone of SMEs' financial and non-financial performance. One of the ways of promoting employees' engagement is to have HRM practices that promote it. HRM practices have direct impact on work organization thus managers cannot ignore them if they are to operate competitively (Michael, 2009; Stavrou-Costea, 2005).

HRM practices play a vital role in engaging employees (Swarnalatha & Prasanna, 2013). Therefore, employees' engagement seems to be the main focus in HRM practices. With this fact, how a business engages its employees determines their commitment and membership to the organization and hence success or failure. This is supported by Lochhead & Stephens (2004) who argue that when a business loses employees, it loses skills, experience and corporate memory.

Given the importance of employees' engagement in an organization, several studies (e.g. CIPD, 2006; Development Dimensions International, 2005; Mariammal, & Gowri 2012; Muthuveloo, Basbous, Ping & Long 2013; Saks, 2006) identified HRM practices that predict employees' engagement. Despite the fact that employees' engagement may be determined by both internal and external environments of an organization, the internal environment seems to play a major role (Holbeche & Springett, 2003; May *et al.*, 2004; Rich *et al.*, 2010). Considering the internal business environment, HRM practices have been receiving significant attention due to their influence in managing the attitudes and perceptions of employees towards the organization and job they perform (Luthans & Peterson, 2001).

Saks (2006) identified several factors, namely job characteristics, reward and recognition, organization support, supervisors support, perception of procedural justice and perception of distributive justice. Other HRM practices that also predict employees' engagement in an organization are employees' communication, employee development, extended employee care, employee commitment, job satisfaction, recruitment and selection process, job designing, employee training and development (Muthuveloo *et al.*, 2013; Mariammal & Gowri, 2012; Sundaray, 2011).

In addition, Anbuoli & Devibala (2009) argue that, the key HRM practices that predict employees' engagements are financial reward or benefit and fairness and equity in the job. Robinson, Perryman & Hayday (2004) argue that the key drivers of employees' engagement are the sense of feeling valued and involved while Chartered Institute of Personnel and Development (2006) considered employees' communication to be the top priority. From the mentioned studies, it seems that there are many HRM practices that predict employees' engagement. That is why it is important to focus on the key ones only.

Despite the fact that there are several factors, employees' communication, employees' development, reward and organization support are the key HRM practices which predict employee's engagement (Anbuoli & Devibala, 2009; Chartered Institute of Personnel and Development, 2006; Lochhead & Stephens, 2004; Muthuveloo *et al.*, 2013; Robinson *et al.*, 2004; Saks, 2006). Hence, this article considered employees' communication, employees' development, reward and organization support as HRM practices that influence employees' engagement.

Studies consider employees' engagement as a unidimensional variable. However, employees' engagement is categorized into two groups, namely, organization and job engagement (Saks, 2006; Welch, 2011). Considering the classification of employees' engagement, it is not likely that the predetermined HRM practices have the same influence on job and organization engagement which has not been considered by the reviewed studies.

Additionally, the reviewed studies did not consider the unique characteristics of SMEs. Most of the reviewed studies put forward the findings without considering the contextual characteristics of SMEs. It is likely that the HRM practices in SMEs and large firms are not the same due to differences in degree of specialization, division of labor and size (Albrecht *et al.*, 2015). It is therefore important to consider the specific and unique contextual characteristics of SMEs in practicing HRM. Albrecht and his colleagues further argue that there are only a limited number of studies that have considered the contextual characteristics in studying employee engagement hence more studies are required.

With the presence of the mentioned gaps, it is important to conduct a study on the influence of HRM practices on job and organization engagement in the SMEs setting using Social Exchange Theory (SET). This theory (SET) is used to explain the factors that influence employees' engagement because it is among the most influential conceptual paradigms for the understanding of work place behavior (Cropanzano & Mitchell, 2007). Social exchange theory is based on the premise that human behavior or social interaction is an exchange of activity, tangible or intangible particularly rewards and costs (Zafirovski, 2005). In this fact the study hypothesized that HRM practices positively influence employees' engagement.

LITERATURE REVIEW

Anbuoli & Devibala (2009) define employees' engagement as the degree to which an employee is emotionally bonded to organizations. Employee engagement is also seen as being part of organizations, having pride and loyalty in a company, being committed, and going above and beyond the call of duty (Sundaray, 2011). Employee's communication is one of the important factors that determine employee's engagement. For instance, Mishra, Boynton, & Mishra (2014) argue that if the organization shares information widely, employees feel a sense of belonging and a shared mission with their employer. This develops a bond of trust between the organization and the employee, which leads to employees' engagement. It has been argued that, concise and honest communication (Shafi *et al.*, 2013), methods of communication the company employ (Dicke *et al.*, 2007) and good communication (Clampitt, 2009) is important tools for enhancing the employees' engagement.

Nevertheless, reward is a factor that may lead to employees' engagement. According to Nengwaya *et al.* (2013), appropriate reward is essential for employees' engagement. Rewarded employees are

more likely to have positive attitudes or feeling towards a particular job. Saks (2006) argues that employees have the same perception towards rewards that influence their engagement in the job and organization without considering the specific types and quantity of rewards.

Employees' engagement in an organization also can be enhanced by Perceived Organization Support (POS) (Knight, 2013). Organizations have a responsibility of ensuring that employees' welfare is protected. Once employees perceive that the organization cares about them and obtain the required support, they are likely to be more engaged in the organization. This is supported by Dawley, Houghton & Bucklew (2010) who assert that POS assures employees that the organization stands behind them as they perform their job and handle stressful conditions. Hence, there is a positive relationship between perceived organization support and employees' engagement (Biswas & Bhatnagar, 2013; Pati & Kumar, 2010; Zacher & Winter, 2011).

However, employee development is an important dimension or factor in the process of engaging employees (Rashid, Asad & Ashraf, 2011). When the organization has an employee development program it is likely to have employees' growth and employees understand what is expected of them which in turn helps the organization to achieve its goals by displaying and engaging in the appropriate behaviors for success and they derive satisfaction from mastering new tasks (Anitha, 2013; Sundaray, 2011).

Theoretical Foundation

Social Exchange Theory (SET) has been widely used to explain the relationship between employers and employees at the work place. SET argues that when employees are provided with economic and socio-emotional resources by their organizations, they perceive that they have a liability to respond in kind and payback the organization (Choo, & Al-Omari, 2013). This means that there is an obligation and interdependence between the parties in an organization in developing employees' engagement. Robinson *et al.* (2004) supported the statement above by arguing that employee engagement is a two-way relationship between the employer and employee.

SET argues that HRM practices contribute to positive exchange relationships between employee and employer – especially when the needs of individual workers are considered – to which employees reciprocate with favorable attitudes and behavior (Gould-Williams & Davies, 2005). Therefore, humans may choose a behavioral pattern that maximizes the possibility of meeting their individual expectations in the social group.

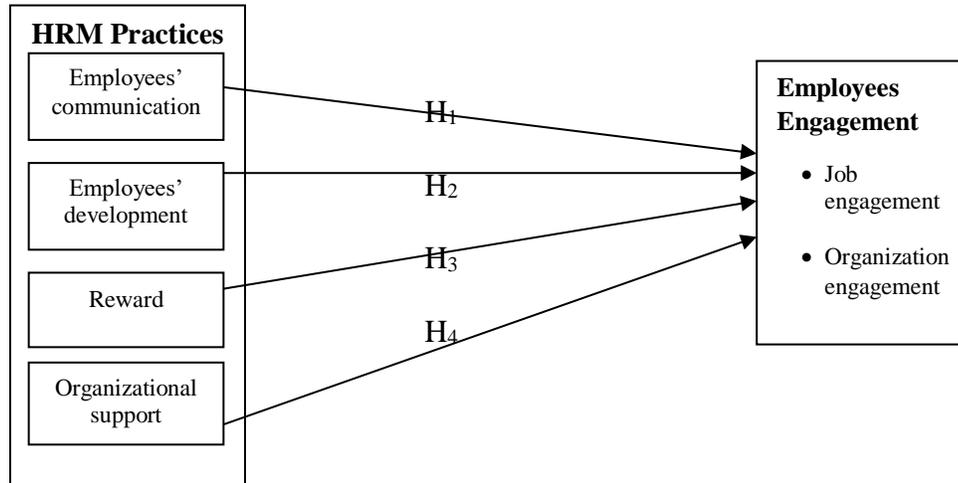
The basic assumption of the social exchange theory is that individuals establish and continue social relations on the basis of their expectations that such relations will be continually advantageous (Zafirovski, 2005). Therefore, the way an organization invests in employees' development, employees' communication, organization support and rewards itself may benefit employees and the organization at large.

Conceptual Framework

The conceptual framework has been adapted from Saks (2006). This paper deals with HRM practices and employees' engagement as the independent and dependent variables, respectively. The conceptual framework indicates that HRM practices influence employees' engagement. In

detail, the framework shows that employees’ communication, employees’ development, reward and organizational support influence both job and organizational engagement.

Figure 1: Conceptual framework on the relationship between HRM practices and employees’ engagement



Source: The Modified Model from Saks (2006)

Hypothesis development

The study examined the influence of HRM practices on employees’ engagement. Four major hypotheses were made, each of which had two sub-hypotheses. Hypothesis 1a states that employees’ communication positively influences job engagement while H_{1b} states that employees’ communication positively influences organizational engagement.

Hypothesis 2a states that employees' development positively influences job engagement while H_{2b} states that employees’ development positively influences organizational engagement. H_{3a} hypothesizes that rewards positively influence job engagement and H_{3b} states that rewards positively influence organizational engagement. H_{4a} states that organizational support positively influences job engagement and H_{4b} states that organizational support positively influences organizational engagement.

Research Methods

The study applied cross sectional design based on a survey that involved 483 SMEs. It was conducted in Dar es Salaam, Manyara, and Morogoro regions of Tanzania. Employees of SMEs were the units of inquiry because they were the ones who should be engaged through HRM practices. The population/sampling frame was stratified into two strata: one for small enterprises and another for medium enterprises. Data were collected using questionnaire and were analyzed using Structural Equation Modeling (SEM) because the dependent variable, employees’ engagement, was measured by two indicators; job engagement and organization engagement. The reliability and validity tests were also examined.

STUDY FINDINGS

Descriptive results

This paper uses six variables which include employee communication, reward, perceived organizational support, employees' development, job engagement, and organizational engagement. The following are the descriptive results of each variable, using percentages and mean scores. According to Oxford & Burry-Stock (1995), the Mean Score of 1.0 to 2.4 indicates low application, 2.5 to 3.4 (Medium) and 3.5 to 5.0 (High) assuming the five (5.0) points Likert scale.

Employees' Communication and Employees' Engagement

Employee communication had seven (7) items and the mean scores ranged between 3.68 and 3.85 which indicate high acceptance by the respondents on having adequate information on business issues. This is justified by the percentages which indicated that 83% of the respondents agreed that they had an access to information they needed and 79% of the respondents agreed that the communication is done in accordance with the organization needs. Further, 81.6% of the respondents agreed that the business objectives are clear and well understood. Meanwhile, 82.2% of the respondents agreed that the used communication channel was friendly.

Basing on receiving comments from the co-workers, 83.9% of the respondents agreed to receive comments while 76.4% of the respondents agreed to receive feedback on their progress. Furthermore, 82.6% of the respondents agreed to know where they could get information useful for performing their jobs. This indicates that the majority of the contracted SMEs employees were comfortable with the way they communicate and get information relating to their job and organizational performance.

In the case of inferential results, the study had two hypotheses coded as H_{1a} and H_{1b} . H_{1a} stated that employees' communication positively influences job engagement and H_{1b} stated that employees' communication positively influences organizational engagement. The results reveal that employees' communication had significant positive influence on job engagement. The standardized regression weight was 0.185 and it was significant at 0.001. This indicates that employees' communication enhanced employees' job engagement. This means that, employees' communications enabled employees to value and find their jobs more meaningful and concentrate on their jobs. It also enabled employees to be more committed towards performing their jobs. Hence, employees' communication significantly improves employees' job engagement and therefore H_{1a} was supported.

Furthermore, the results also showed that employees' communication had significant positive influence on organizational engagement. The standardized regression weight was 0.162 and significant at 0.004. This means that the more the organization enhanced its communication with its employees, the more it promoted employees' organizational engagement. It may be further elaborated that, employees' communication enabled employees to identify themselves as members of the organization; being excited when involved in accomplishing organizational issues; and feel 'alive' for being members the organization. In this case H_{1b} was supported. With this fact, it can be generally said that H_1 was supported because employees' communication had a significant positive influence on both job and organizational engagement.

Employees' Development and Employees' Engagement

Employees' development had five (5) items and the Mean scores indicated that the majority of the respondents accepted that they were developed in terms of skills and knowledge. The Mean Scores ranged from 3.50 to 3.74 that shows high acceptance. The majority of the respondents (M=3.74) agreed that they had an opportunity to learn followed by the organizational efforts towards encouraging employees to continuously develop their skills (M=3.56). In addition, relatively few respondents also agreed that the designed job made good use of skills and abilities (M=1.52), having an opportunity to use their strengths (M=1.21) and being supported to continuously improving their competence at work (M=3.50).

The percentages also supported the Mean results. It was found that 71.4% of the respondents agreed that the assigned job made good use of their skills and abilities and 31% of the respondents agreed that they had an opportunity to use their strengths. Further, 73.3% of the respondents agreed that they were encouraged to continuously develop their skills. Meanwhile, 39.7% of the respondents agreed to have an opportunity to learn and 71.2% of the respondents agreed that they were supported to improve their competence at work.

However, 78% of the respondents argued that the employee development initiatives were internally conducted, especially on the job training that limits their exposure to the external environment. Further, 81% of the respondents agreed that there was no clear connection between the employee development initiatives and where the organization wanted to go.

This paper had also two hypotheses that explain the possible relationship between employees' development and employees' engagement coded as H_{2a} and H_{2b}. H_{2a} stated that employees' development positively influences employees' job engagement, while H_{2b} stated that employees' development positively influences organizational engagement. The results revealed that employees' development had insignificant influence on job engagement hence H_{2a} was not supported. The standardized regression weight was 0.183 but insignificant at 0.113. This means that even though the organization tried to develop its employees, improvement on job engagement by employees was relatively insignificant.

Further, it was found out that employees' development had insignificant positive influence on organizational engagement, hence H_{2a} was not supported. The standardized regression weight (estimate) was 0.32 and insignificant at 0.790. This means that employees' development had insignificant influence towards the improvement of employees' organization support. Generally, H₂ was not supported because employees' development had insignificant influence on both job and organizational engagement.

Reward and Employees' Engagement

Reward had seven (7) items and the mean scores ranged from 3.5 to 3.84 which indicate that the majority of contracted SMEs employees agreed that they were rewarded basing on their performance. Recognition for job well done (M=3.84) and value as well as respect of job achievements (M=3.80) were the leading factors; while assignment of challenging work assignment (M=3.75) and, allowing more freedom and opportunities to employees (M=1.72) were the least factors.

The descriptive statistics also indicate that 90.3% of the respondents agreed that the organization was treating them as a valued asset however, 20.8% agreed that they were trusted and given the autonomy in performing their responsibilities. The findings further revealed that 90.5% of the respondents agreed that they were considered as a source of competitive advantage while 89.7% of the respondents agreed that there was trust and collaboration through participation. Moreover, 90% of the respondents agreed that they were treated fairly.

Moreover, only 30% of the respondents agreed that rewards were linked to the employees' attitudes towards job, while only 29% of the respondents agreed that rewards were connected to the organizational targets. The descriptive results revealed that rewards were well considered in the contacted SMEs. However, there was a problem of connecting rewards with job requirements and organizational targets.

The study also tested the relationship between rewards and employees' engagement and developed two hypotheses named as H_{3a} and H_{3b} . H_{3a} stated that rewards positively influences job engagement while H_{3b} stated that rewards positively influences organizational engagement. The results revealed that rewards had insignificant influence on job engagement which means that H_3 was not supported. The rejection of H_{3a} indicated that rewards cannot be one of the selected HRM practices that can be used to promote job engagement. The standardized regression weight was -0.249 and insignificant at 0.147.

In addition, the results also indicated that rewards had insignificant influence on organizational engagement, hence H_{3b} was not supported. The standardized regression weight was 0.018 and insignificant at 0.920. This indicated that rewards cannot be used as one of the HRM practices that can be used to significantly enhance employees' organizational engagement. Generally, H_3 was not supported because rewards had insignificant influence on both job and organizational engagement.

Perceived Organizational Support and Employees' Engagement

Perceived organizational support had eight (8) items and the mean scores generally showed that employees were comfortable with the support they got from their organizations. The mean scores ranged from 3.48 to 4.03. Issues like being given a special consideration when needed ($M=4.03$) and forgiveness on the honest mistake ($M=4.01$) were the leading factors. Further, employees accepted that the contacted SMEs cared for their opinions ($M=3.99$) and receiving help from the organization when needed ($M=3.97$). These were among the leading factors under the perceived organizational support.

The percentages also justify the acceptance of receiving organizational support by the majority of the respondents. For instance, 81.2% of the respondents agreed that the organizations strongly considered their goals and values and 71.5% of the respondents agreed that the organizations considered employees' goals. Moreover, 86.8% of the respondents agreed that the organizations cared about their opinions, while 85% of the respondents were being given a special consideration when needed. Further, 85% of the respondents agreed to receive assistance from the organization when needed while 88.7% of the respondents accepted being forgiven for the honest mistake.

The study had two hypotheses, i.e., H_{4a} and H_{4b}. H_{4a} stated that organizational support positively influences job engagement, while H_{4b} stated that organizational support positively influences organizational engagement.

The findings revealed that organizational support had significant positive influence on job engagement, hence H_{4a} was supported. The standardized regression weight was 0.694 and significant at 0.001. This indicated that the more the organization supports its employees, the more the employees became engaged in their jobs. Issues like consideration of the organization on employees’ goals, values and opinions, help from the organization in case of any problem, forgiveness on the honest mistake, just to mention but a few, enhanced employees’ engagement on their jobs.

The results also revealed that, organizational support had significant positive influence on organizational engagement, hence H_{4b} was supported. The standardized regression weight was 0.816 and significant at 0.001. This means that the more the organization supported its employees, the more it engaged its employees in the organization. In addition to the organizational support issues previously mentioned, willingness to care about employees’ well-being, and showing concern on supporting employees to perform their responsibilities significantly contributed to the organizational engagement by employees. Generally, H₄ was supported because organizational support was found to have a significant influence on both job and organizational engagement. Table 1 provides summarized results based on hypothesis testing and the influence of HRM practices on employees’ engagement.

Table 1: Results on hypothesis testing

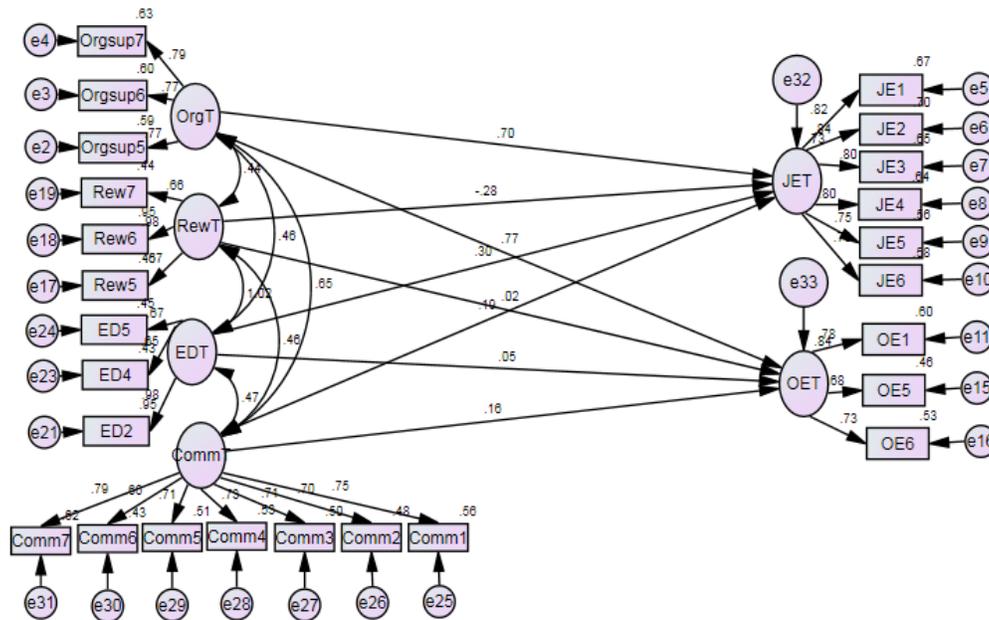
Hypothesis	Estimate	S.E	C.R	P	Label	Remarks
COMM → JE	.185	.049	3.792	***	Par_7	Significant
COMM → OE	.162	.057	2.863	.004	Par_8	Significant
ED → JE	.183	.115	1.587	.113	Par_1	Insignificant
ED → OE	.032	.121	.267	.790	Par_2	Insignificant
REW → JE	-.249	.172	-1.451	.147	Par_5	Insignificant
REW → OE	.018	.181	.101	.920	Par_6	Insignificant
ORGSUPP → JE	.694	.060	11.501	***	Par_3	Significant
ORGSUPP → OE	.816	.071	11.538	***	Par_4	Significant

Figure 2 shows the direct relationship between HRM practices and employees' engagement, which has been categorized into two groups, namely job engagement and organizational engagement. The model shows that the additional unit in the standard deviation of employees’ development resulted to the increase of job engagement by 0.30 but insignificant. In addition, the unit increase in the standard deviation of employees' development resulted to increase in organizational engagement by 0.05 and it was also insignificant. Furthermore, the unit increase in the standard deviation of organizational support resulted to the increase in job engagement by 0.70 and it was significant. The additional unit in the standard deviation of organizational support was also found to influence the increase in organization engagement by 0.77 which was significant.

On the other hand, the unit increase of the standard deviation of rewards led to the increase in job engagement by -0.28 which was insignificant. Likewise, the additional unit in standard deviation of rewards led to the increase in organization engagement by 0.10 which was also insignificant.

Furthermore, the additional unit in standard deviation of employees’ communication resulted to the increase in job engagement by 0.19 which was significant. The additional unit in the standard deviation of communication also resulted to the increase in organizational engagement by 0.16 which was also significant. Figure 2 presents the summarized information.

Figure 2: Direct Model for Human Resource Practices and employees’ engagement



Source: Field data (2017)

DISCUSSION

The paper examined the influence of employees’ communication on employees’ engagement focusing on job engagement and organizational engagement. The descriptive results showed that the majority of the respondents agreed that they had an access to organization information and was done in accordance with the organizational needs. Also, the respondents agreed that the business objectives were clearly understood by the employees and the communication channels were friendly. More important, it was revealed that employees received feedback on their progress. This implies that employees in SMEs had business information that prompted their engagement to the organization. They knew what is to be done and received feedback on what they had performed. This served as an important role in enhancing employees’ engagement.

This is supported by the inferential result which showed that employee’s communication significantly influenced both job and organizational engagement. It is therefore not surprising that employee’s communication significantly and positively influenced job engagement despite the fact that the descriptive results showed that there was little focus on job engagement by SMEs. The significant influence of employees’ communication can be attributed by the fact that the respondents agreed that they had an access to organizational information. Also, it was found that employees had received feedback on their progress and clearly understood the business objectives accompanied by friendly communication channels. Based on this fact, the inferential results and descriptive results supported each other. This implies that employees of the contacted SMEs

clearly understand their progress and business objectives; access organizational information, and there is presence of friendly communication channels that promote employee's engagement.

In the case of less educated and experienced employees, employees' communication become of great importance because employees need to be supervised and guided properly to perform their responsibilities. This has been revealed in this study where the majority of the respondents in the SMEs were relatively less experienced and not highly educated. The findings are supported by Mirsha *et al.* (2014), who argue that employees' communication enhances employees' attachment and commitment to the organization mission. It is also supported by other studies on employees' engagement such as of Dicke *et al.* (2007); and Shafi *et al.* (2013) who argued that employees' communication promotes employees' engagement. But the findings of this study went further by explaining the influence of employees' communication, specifically on job and organizational engagement. This is because the aforementioned empirical studies mainly focused on employee engagement in general and not the specific categories of employee engagement; job engagement and organizational engagement.

Employees' Development and Employees' Engagement

The paper further examined the influence of employees' development on employees' engagement. In this case, the study had the hypothesis which stated that employees' development positively influences employees' engagement, namely job engagement and organizational engagement. The descriptive results revealed that the majority of respondents agreed that employees were developed in terms of skills and knowledge and being given an opportunity to learn. However, the majority of the respondents disagreed that the designed job does not make good use of their skills and they did not have an opportunity to use their strengths. This implies that employees may not engage themselves into their jobs and organization at large. This is justified by the inferential results. The inferential results revealed that employees' development had no significant influence on job engagement and organizational engagement.

Most of the SMEs focus on-the-job employee development however, the job structuring in selected SMEs did not allow employees to use their strengths or match the acquired skills and experiences with the new job responsibilities. This is due to the fact that most of SMEs operate in the informal environment with limited formal job design despite the fact that there is limited specialization and division of work. Due to this, an employee may not have an opportunity to acquire a new job with specific responsibilities in the SMEs setting to match with his/her abilities. This is a relatively big challenge to SMEs, especially when the larger part of their employees is youngsters who in most cases focus on career development and green pastures. In this study, most employees were aged between 20 to 45 years and had the desire for growth in terms of career development.

This indicated that employees' development did not have significant influence on employees' engagement. This was contributed by the negative employees' perception towards their jobs and organization at large. The majority of the respondents argued that their jobs did not make the good use of their skills because they did not have an opportunity to use their strengths.

The findings are not in line with Anitha's (2013) argument that employees' development promotes organizational engagement. Anitha argues that engaged employees attach themselves to organizational goals and display appropriate behavior for the success of the organization.

However, Sundaray (2011) appears not to support the findings of this study that showed the insignificant influence of employee development on job and organizational engagement. Sundaray (2011) argues that employees who have been developed by the organization in terms of skills development engage fully in their job because of their increased ability to master their tasks. However, Sundaray's findings differ from the findings of this study due to the methodological limitation of his study. Sundaray assessed the literature review to make his conclusion. The use of literature review as the primary research method cannot establish a significant level of the relationship between variables.

Rewards and Employees' Engagement

The paper also examined the influence of rewards on employees' engagement. The descriptive results revealed that the majority of the respondents agreed that the organization recognized their performance. It was also found that organizations valued and respected their job achievements. However, the descriptive results showed that the majority of the respondents disagreed to be given autonomy in performing their responsibilities and there was limited connection between rewards and employees' attitudes. Also, there was a limited connection between rewards and organization targets. Because of this reward, there was no any expectation to having a significant influence on employees' engagement as shown in the inferential results.

The inferential results revealed that rewards had insignificant influence on job engagement and organizational engagement. This was as a result of limited focus on the connection between rewards, employees' attitudes and organizational targets. Hence, it could be difficult for the rewards to have significant influence on employee's engagement. In most cases, SMEs that operate in Tanzania are quite informal (MIT, 2012) with limited managerial skills (Olomi, 2009). The limited managerial skills of SMEs owners and operators could be difficult to link rewards and employees' engagement. The findings were not in line with the findings by Nengwaya *et al.* (2013) and Vaziarani (2007). They both argue that, reward promotes employees' engagement. For instance, Vaziarani (2007) argues that proper pay system promotes employees to work in the organization.

Organizational Support and Employees' Engagement

The study examined the influence of organizational support on employees' engagement. The descriptive results showed that majority of respondents agreed to have been given special consideration when needed. Furthermore, it was revealed that the organization forgives its employees when they make honest mistakes meanwhile it cared for their opinions. More important, majority of employees accepted to receive help from the organization when needed. This demonstrated that SMEs were adequately providing support to their employees. Its influence on job engagement and organization engagement is demonstrated by the inferential results.

The significant influence of organizational support on employees' engagement is also supported by the descriptive results. This demonstrated the SMEs efforts towards supporting their employees to the extent that they felt being engaged in both job and organization. Furthermore, the SMEs have less focus on division of labor and specialization due to their size that promotes a close relationship among employees and, between employees and the owner-manager. The close working relationship provides a better opportunity for the SMEs to support their employees and hence promote employees' engagement.

The findings are supported by several studies on employees' engagement and organizational support. These studies include Pati & Kumar (2010), Zacher & Winter (2011), Biswas & Bhatnagar (2013). However, these studies focused on the relationship between employees' engagement and organizational support. They did not focus on the influence of organizational support on job engagement and organizational engagement individually. In addition, the findings of this study are supported by Knight (2013) and Rhoades *et al.* (2001). They both argue that organization support promotes organizational engagement.

CONCLUSION

The paper concludes that employees' communication significantly and positively influences employee's engagement (both job and organizational engagement). Specifically, access to information, understanding of the business objectives; friendly communication channel and provision of feedback, are the key issues under communication that promote employees' engagement. This paper further concludes that organizational support has significant influence on employees' engagement, that is, job engagement and organizational engagement. Specifically, willingness to give special consideration when needed, forgiveness on the honest mistake, care of employees' opinions and providing help to an employee when needed promote employee engagement; both job and organizational engagement.

RECOMMENDATION

The paper recommends the following:

- a) SMEs owners and managers should ensure that their employees have an access to relevant information, particularly on what is expected from them and how it can be achieved. This requires owners and managers to have an ability to communicate the vision and mission of the business. SMEs must have a clear vision and mission and to be communicated to employees so that they can follow.
- b) SMEs owners and managers should provide feedback on the performance of their employees, particularly on the achievements to the SME's goals and plans. Employees should know what they have achieved and if not, why they did not achieve.
- c) SMEs owners and managers should systematically match the employees' interests and organizational interests. However, the interests of SMEs should be superior to the interests of employees. But it is important to treat employees as partners and support them to achieve the organization objectives.

The methods of this paper are however purely quantitative which limit the ability of this article to provide an in-depth information on why employees' development and rewards had insignificant influence on employees' engagement. The use of qualitative research methodology would not change the quantitative research results rather it would provide more information on the quantitative results. Furthermore, it is important to conduct the qualitative study in order to explore more information on the similar study to the large firms. Despite the fact that there are several studies conducted to large firms, the individual influence of HRM practices on job engagement and organizational engagement is missing. With this fact, it is important to conduct a similar study to large firms in order to contribute to the body of knowledge on the influence of HRM to job engagement and organizational engagement.

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