# THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

# Human Resource Management Practices and Employees' Engagement in Small and Medium Enterprises in Tanzania: The Mediating Effect of Organisation View

# Judith J. Msangi

Assistant Lecturer, Institute of Social Work, Dar es Salaam, Tanzania

#### Abstract:

The SMEs sector is one of the important sectors in the economy characterized by high failure rate, weak ability to compete in the market and high labour turnover. SMEs need to engage their employees in order to address the mentioned challenges. With this fact, this article examined the mediation effect of organization view on the influence of HRM practices on employees' engagement. The article involved 483 respondents and data were collected through questionnaire. Structural Equation Modeling (SEM) was used as data analysis technique. The results revealed that organization view partially mediated the influence of organisation support and employees' communication on job engagement. Furthermore, the article revealed that organisation view mediated the influence of employees' communication on organization engagement. Hence, among others, the article recommends that SMEs owners/operators should adopt "soft HRM" to determine the influence of organization support and employees' communication on job engagement. They should also apply "soft HRM" to determine the influence of employees' communication on organisation engagement.

**Keywords:** Human resource management practices, employees' engagement, job engagement and organisation engagement

#### 1. Introduction

Small and Medium Enterprises (SMEs) are seen as an avenue of employment creation and income generation to many countries Tanzania inclusive. However, the sector is said to be at the infant stage with weak ability to compete in the market, high failure rate and high labour turnover (Lockhhead and Stephens, 2004; Olomi, 2009). In addressing the mentioned challenges, among others, SMEs need to engage their employees (Mushipe, 2003). It is further argued that many organizations fail to attain their business objectives because of the failure to engage their employees (Allen, Shore and Griffeth, 2003, Danish, et al 2014). It is therefore of great interest to research on the determinants of employee engagement in SMEs. Employee engagement has become a very important concept in business management in the last decade (Robertson and Cooper, 2009). This shows that employee engagement plays a vital role in determining the competitive advantage and performance level of the organizations including SMEs. It is important to link SMEs with employee engagement due to the relevance of SMEs and employee engagement in the economies of developing countries. Actively disengaged employees are dangerous individuals who not only do not perform well but may also influence others to perform poorly (Anitha, 2013).

SMEs, on the other hand, acts as the pillars of economic development in Africa (Nyang'ori, 2010). For instance, in Tanzania, SME, play an important economic role in poverty alleviation and employment creation (FSDT, 2012; Stevenson & St. Onge, 2005). However, most of them operate informally and fail to have significant contribution in the economy (FSDT, 2012). With this fact, focus on SMEs in the developing countries including Tanzania is inevitable. However, this can have significant benefits to the host economy when it is connected with employees' engagement.

SMEs performance may be highly connected with employee performance and decisions. Given the low specialization and division of labour in SMEs compared to the large firms, and their size, the disengaged employee may have a significant influence on SMEs ability to reach their objectives. This is due to the fact that employee engagement is one of the key determinants fostering high levels of employee performance (Macey et al, 2009, Mone&London, 2010). Despite its importance in the organisation, employee engagement is determined by internal and external factors. However, internal factors such as human resource practices (HRM) play an important role in determining employee engagement (Miles, 2001; Harter, et al, 2002; Holbeche & Springett, 2003; May et al, 2004). HRM practices have been considered to have significant influence in managing the attitudes and perceptions of employees towards the organisation and the job they perform (Luthans & Peterson, 2001). Wright et al., (1994) viewed HRM practice [HR Functions] as the means through which employees' perceptions, attitudes and behaviors are shaped. They are initiatives that organisations put in place to achieve their business objectives (Mensah, 2010). HRM practices are viewed by employees as a "personalized" commitment to them by the organization which is then reciprocated back to the organization by employees through

positive attitudes and behavior' (Hannah and Iverson, 2004). Huselid, (1995) posits that HR practices can be categorized into two groups: one that improves skills and the other that enhances motivation. It is further argued that selection, training and development activities are more associated with enhancing skills, and the other category that consists of performance appraisal and compensation is more relevant to boosting motivation (Huselid, 1995). However, for the sake of this study, HRM practice refers to HRM functions and perspectives through which employees are engaged in both organisation and job i.e. organisational engagement and job engagement respectively. Job engagement is when an employee performs their work roles and organisation engagement refers to the role played by an employee as a member of an organisation (Saks, 2006). This is because Saks' definition has included the HRM perspectives which are also the focus of this article. Even though there are several practices, employees' communication, employees' development, reward and organisation support are the key HRM practices which predicts employee's engagement (Lochhead & Stephens, 2004; Chartered Institute of Personnel and Development, 2006; Robinson, et al 2004; Anbuoli & Devibala, 2009; Muthuveloo, et al 2013; Saks, 2006). Despite the fact that there are several studies that focused on HRM practices and employee engagement, most of them focused on the direct relationship. The direct relationship may not well explain the relationship between HRM practices and employee engagement. This is due to the fact that employee engagement is the multidimensional concept in nature (Adhikar and Arora, 2011). Therefore, the relationship between HRM practices and employee engagement can be influenced by a third variable (indirect relationship). With this fact, the organisation view was considered as the mediating variable.

"The organisation views its employees to be the same as any other economic factor in the production process i.e. "Hard HRM" or as much more "humane" i.e. "Soft HRM" (Michael, 2009). The way organisation perceives its employees to be 'humane' may result to employees' engagement. However, if the organisation perceives employees as any other asset in the organisation, the employees may not be engaged. Hence, organisation view may mediate the influence of HRM practices on employee engagement. The literature on the influence of HRM practices on employees' engagement considering the mediating effect of the organisation view towards its employees is however scanty in Tanzania. Prior studies such as (Anbouli and Devibala 2009; Luthans and Peterson 2001; Danish, et al 2014; Anitha, 2013; & Saks 2006), focused on the determinants of employee engagement and assumed employees' engagement as the unidimensional variable. However, employees' engagement can be considered as multidimensional variable and categorized as job engagement and organization engagement. In this case, the determinants explained by the mentioned prior studies may not have the same influence on job engagement and organization engagement. In this line, the article examines the influence of HRM practices on employee engagement in SMEs considering the mediating effect of the organisation view towards its employees on the influence of HRM practices on employees' engagement. It adds in the body of knowledge on the relevance of Hard and Soft HRM on employee engagement.

# 2. Literature Review

#### 2.1. Contingency Theory

Contingency theory focuses on how contingent factors influence the organizational outcome (Islam & Hu, 2012). The theory looks at the influence of internal and external environmental factors on achieving the intended outcome. The organizational outcomes depend on a fit or match between the organization and its environmental factors or contingencies (Donaldson, 2001; Islam & Hu, 2012; Vnekatraman, 1989). Hence, it is believed that there are several contextual factors that influence the chance of success when managers implement strategic decisions (Nutt, 2001).

With this fact, managers adopt their practices after, a careful analysis of firm's internal characteristics or environment (Volberda, 2012). Thus, the theory suggests that the appropriate management style depends on the existing contingency factors (Josi& Slocum, 1984). Hambrick (1983) argues that there is no best way of organizing a firm; the appropriate management style is determined by the match between context settings and organizational settings. The situation demonstrates that the organization outcome can be successfully achieved in more than one way (Volberda, et al. 2012).

In this case, the article used contingency theory to examine the mediating effect of organization view on the influence of HRM practices on employees' engagement. The way the organization views its employees i.e. 'Hard or soft HRM' is determined by the internal environmental characteristics of the organization. Hence the contextual characteristics may influence an organization to choose between 'soft HRM' or 'hard HRM'. This article argues that there is no single best way of viewing employees in an organization i.e. 'soft HRM' or 'hard HRM'.

Hence, the article postulates that ability of SMEs owners or managers to make the right choice on how to view employees, may largely influence job engagement and organizational engagement. This may depend on how SMEs owners and/or managers match between 'soft HRM' or 'hard HRM' with the firm's internal characteristics.

# 2.2. Empirical Literature Review

432

Employees' engagement is considered to be of great importance in every organisation especially in today's business environment which is non routine (Muthuveloo, Basbous, Ping & Long 2013; Saks, 2006) and may be determined by the HRM practices which are quite diversified. Despite the diversity of HRM practices, employees' communication, employees' development, organisation support and rewards play a significant role in influencing employees' engagement (Development Dimensions International, 2005; CIPD, 2006; Anbuoli & Devibala, 2009). Employees' communication is considered to be the most important factor in engaging employees. Employees need information that will clearly help them to perform their duties well. This is supported by Krishnan and Wesley (2013) that, consistent and honest

communication in as important management tool for employees' engagement. In addition, employees' development builds confidence and motivates them to engage in the organisation. Anitha, (2013) argue that employees' development is crucial process of engaging employees as it helps employee to concentrate on his/her work. Rewards may also play an important role in determining employee engagement. Something that employee worth, he/she is regarding as reward. Rewards enhance employees' engagement (Kimutai and Sakataka, 2015) if it is properly implemented. Organizations must take into consideration an effective reward so as to enhance engagement. However, employees feel more comfortable if the organization cares about their welfare and hence committed to the organisation goals. If the organisation provides support to the employee, they tend to be more engaged. This is supported by Alvi et al, (2014) who argue that organisation support is important predictor of employee engagement. But the influence of the selected HRM practices may depend on the way the organisation view its employees. The employees' engagement may depend on the HRM perspectives i.e. Hard HRM and Soft HRM. In the Hard HRM perspective, the management' role is to manage the number of employees effectively in order to keep the workforce closely matched with the requirement while considering employees just like any other resource in the organisation (Kazmi& Ahmad, 2001; Michael, 2009). In soft HRM perspective, the management considers employees as partners and active participants in all organisational activities (Kazmi& Ahmad, 2001; Michael, 2009).

Therefore, in soft HRM perspective, the organisation is likely to engage its employees because it creates a better and committed relationship between the organisation and its employees in achieving higher levels of outputs to the organization's objectives (Ihuah, 2014). However, organisation that has opted for Hard HRM perspective, considers close management or control, performance appraisal and monitoring for its employees as compared to Soft HRM where the control of employees is through their commitment.

For instance, Danish, et al (2014), conducted a study on the determinants of employees' engagement in the service sector in Pakistan. The study was intended to investigate the determinants of employees' engagement in the service sector in Pakistan. The self-administered questionnaire was used to collect data while confirmatory factor analysis, multiple regression analysis, one-way ANOVA, mean and standard deviation were used as data analysis techniques. The findings revealed that fairness and treatment of employees also significantly and positively influence employee engagement. Hence, the following broad hypotheses and sub hypotheses were developed: -

- H<sub>1:</sub> The organisation view towards its employees has the mediating effect on the influence of employees' communication on employees' engagement
- H<sub>2:</sub> The organisation view towards its employees has the mediating effect on the influence of employees' development on employees' engagement
- H<sub>3:</sub> The organisation view towards its employees has the mediating effect on the influence of rewards on employees' engagement
- H<sub>4:</sub> The organisation view towards its employees has the mediating effect on the influence of organisation support on employees' engagement

# 2.3. Conceptual Framework

The conceptual framework has been adopted from Saks (2006), however, modified in order to fit in this study. Saks' conceptual framework has three variables, namely independent variables, moderating variables and dependent variables. The independent variables included determinants of employees' engagement, while moderating variables included job engagement and organizational engagement. The dependent variables included work outcomes.

However, the proposed study includes only HRM practices as independent variables and employees' engagement as the dependent variable. The conceptual framework indicates that HRM practices influence employees' engagement. In detail, the framework shows that employees' communication, employees' development, reward and organizational support have an influence on both job and organizational engagement. In addition, the proposed study recognizes that the way the organisation view its employees i.e. Hard HRM or Soft HRM mediates the influence of HRM practices on employees' engagement. The organisation views its employees to be the same as any other economic factor in the production process i.e. "Hard HRM" or as much more "humane" i.e. "Soft HRM" (Michael, 2009). The following diagram gives more details: -

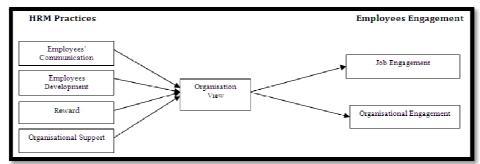


Figure 1: Conceptual Framework Source: The Modified Model from Saks (2006)

# 2.4. Research Methods

This article applied cross-sectional design to examine the mediation effect of organisation view on the influence of HRM practices on employee engagement i.e. job and organizational engagement. Thisted (2006) argues the cross-sectional

research design allows the researcher to have greater control over precision of estimates in subgroups. Stratified sampling technique was used to sample the 483 respondents. The article involved three regions i.e. Dar es Salaam, Manyara and Morogoro and they were selected basing on their business entities and dominance of small and medium businesses. The population of SMEs was 85,616 dealt with trade, services and manufacturing and involved SMEs owners and operators only. The article utilizes primary data because most of SMEs do not have reliable and accurate secondary data (FSDT, 2012). In the data analysis, SEM was used to analyze data because of its ability to capture multiple relationships simultaneously.

#### 3. Research Results

#### 3.1. Demographic Characteristics of the Respondents

The article involved respondents with different age categories. Majority of the respondents (i.e. 96.7%) aged between 20 and 55 years old. Respondents with the age of at least 60 years were relatively few i.e. 0.6%. Furthermore, 28.4% of the respondents were single, married were 62.9%, divorced were 3.5% and widow were 5.2%. Basing on education level, 4 (0.8%) had not attended the formal schooling, 67 (13.9%) had the primary education, 179 (37.1%) had 0- Level education. The respondents with '0' Level education formed the larger part of the contacted respondents. Relatively small number of respondents 13 (2.7%) had the postgraduate qualification followed by the respondents with degree /advanced diploma, 22 (4.6%). In terms of experience, majority of respondents, 215 (44.5%) had an experience of 2 to 4 years followed by the respondents with an experience of 5 – 9 years i.e. 183 (37.9%). Furthermore 279 (57.8%) were males while 204 (42.2%) were females. The following table presents more details: -

S/No.	Details	Category	Frequency	Percent
1.	Sex	Male	279	57.8
		Female	204	42.2
		Total	483	100
2	Age	20-25	90	18.6
	_	26-45	267	55.3
		46-55	110	22.8
		56-60	13	2.7
		Above 60	3	0.6
		Total	483	100
3	Marital Status	Single	137	28.4
		Married	304	62.9
		Divorced	17	3.5
		Widow/ widower	25	5.2
		Total	483	100
4	Educational Level	Postgraduate qualification	13	2.7
		Degree/Advanced Diploma	22	4.6
		Ordinary Diploma	31	6.4
		Certificate	72	14.9
		Vocational/Technical Training	60	12.4
		"A" Level Education	35	7.2
		"O" Level Education	179	37.1
		Primary School	67	13.9
		No formal schooling	4	0.8
		Total	483	100
5	Business	Less than a year	19	3.9
	Experience (in	2-4	215	44.5
	years)	9 years and above	65	13.7
		Total	483	100

Table 1: The Demographic Characteristics of the Respondents Source: Field data, 2019

#### 3.2. Enterprises' Characteristics

Enterprises characteristics were based on the ownership structure, establishment, business location, types of activities, and number of employees. Basing on ownership, 353 (73.1%) were sole proprietorship business followed by enterprises with partnership structure, 65 (13.5%). Relatively few enterprises, 21 (4.3%) were cooperatives. In terms of establishment, majority of enterprises, 174 (36%) were established between 5 to 7 years ago followed by enterprises that were established between 2 and 4 years ago i.e. 154 (31.9%). In terms of business location, majority of enterprises were from Dar es Salaam (i.e. 226 (46.8%) and Morogoro (188(38.9%). Enterprises were categorised in terms of trade, service and manufacturing. Majority of enterprises, 328 (67.9%) were dealing with trade, services (119 (24.6%) and manufacturing (36 (7.5%). Furthermore, the results revealed that majority of enterprises, 307 (63.6%) had employed

between 5 and 49 people while 176 (36.4%) employed between 50 to 99 people. The following Table presents more details: -

SN	Detail	Category	Frequency	Percentage
1.	Type of activities	Trade	328	67.1
		Service	119	24.6
		Manufacturing	36	8.3
		Total	483	100
2.	Business establishment	Less than a year	30	6.2
		2-4	154	31.9
		5-7	174	36.0
		8 and above	125	25.9
		Total	483	100.0
3.	Ownership	Sole	353	73.1
		proprietorship		
		Partnership	65	13.5
		Limited company	44	9.1
		Cooperative	21	4.3
		Total	483	100.0
4.	Number of people	5-49	307	63.6
	employed	50-99	176	36.4
		Total	483	100
5.	Business location	Manyara	69	14.3
		Dar es Salaam	226	46.8
		Morogoro	188	38.9
		Total	483	100.0

Table 2: Enterprises' Characteristics Source: Field data, 2019

# 3.3. HRM Practices, Organisation View and Employee Engagement

The article intended to examine the mediation effect of organization view on the influence of HRM practices on job engagement and organizational engagement. There are three conditions of examining the mediation effect of a particular variable. These conditions were developed by Baron and Kenny (1986); the direct relationship between independent variable and dependent variable should be significant; the relationship between independent variables and mediating variable should also be significant. Generally, the second condition was fulfilled in all relationships between independent variables and mediating variable as shown in appendix two.

Furthermore, the relationship between mediating variable and dependent variables should be significant. Generally, the third condition was fulfilled in all relationships between independent variables and mediating variable as shown in appendix two. The regression coefficient in the direct model should also decrease when the intervening variable is included.

- H<sub>1:</sub> The organisation view towards its employees has the mediating effect on the influence of employees' communication on employees' engagement
- H<sub>1</sub> was divided into two categories H<sub>1a</sub> and H1b. H<sub>1a</sub> states that the organisation view towards its employees has the mediating effect on the influence of employees' communication on job engagement while H2b states that the organisation view towards its employees has the mediating effect on the influence of employees' communication on organisational engagement. The regression estimate in the direct model was 0.185 and significant (refer appendix 1) while in the indirect model, the regression estimates decreases to 0.171 and remained significant (refer appendix 2). With this fact, the results revealed that organization view partially mediated the influence of employees' communication on job engagement. On the other hand, the regression estimate on the influence of employees' communication on organizational engagement was 0.162 and significant (refer appendix 1). But when organization view was introduced in the model, the regression estimates decreased to 0.148 and remained significant. This indicated that organization view partially mediated the influence of employees' communication on employees' engagement. With this fact H<sub>1b</sub> was partially supported. Generally, the broad hypothesis was partially supported.
- H<sub>2</sub>: The organisation view towards its employees has the mediating effect on the influence of employees' development on employees' engagement
- H<sub>2a</sub> states that the organisation view towards its employees has the mediating effect on the influence of employees' development on job engagement and H<sub>2b</sub> states that the organisation view towards its employees has the mediating effect on the influence of employees' development on organisational engagement. The regression estimate in the direct model on the relationship between employees' development and employees' engagement was 0.183 and significant. In the indirect model, the regression estimate increased to 0.274 hence the third condition was not fulfilled. With this fact, H<sub>2a</sub> was not supported.

On the other hand, the direct influence of employees' development on job engagement was significant with regression estimate of 0.032. In the indirect model, the influence remained significant but the regression estimate increased to 0.046. The increase in the regression estimate indicated that the third condition was not fulfilled hence  $H_{2b}$  was not supported. In this case therefore,  $H_2$  was not supported at all. The results therefore revealed that, organizational view did not mediate the relationship between employees' development and employee engagement.

- H<sub>3:</sub> The organisation view towards its employees has the mediating effect on the influence of rewards on employees' engagement
- H<sub>3a</sub> states that the organisation view towards its employees has the mediating effect on the influence of rewards on job engagement. H<sub>3b</sub> states that the organisation view towards its employees has the mediating effect on the influence of rewards on organisational engagement. The direct relationship between reward and job engagement was insignificant which demonstrate that the condition was not fulfilled. With this fact H<sub>3a</sub> was not supported. On the other hand, reward insignificantly influenced organizational engagement. Hence the first condition was not fulfilled. In this fact, H<sub>3b</sub> was not supported. Generally, H<sub>3</sub> was not supported at all. The results therefore revealed that, organizational view did not mediate the influence of rewards on employees' engagement.
- H<sub>4:</sub> The organisation view towards its employees has the mediating effect on the influence of organisation support on employees' engagement

The results revealed that organisation view partially mediated the influence of organizational support on employees' engagement. The direct relationship between organizational support and job engagement was significant with the regression weight of 0.694 (refer appendix 1). However, the indirect model, the regression weight was 0.697 which was higher than the regression weight in the direct model hence the third condition was not fulfilled. With this fact,  $H_{4a}$  was not supported.  $H_{4a}$  states that the organisation view towards its employees has the mediating effect on the influence of organizational support on job engagement. On the other hand, the estimate on the direct model on the influence between organizational support and organizational engagement was 0.816 and significant (Refer appendix 1). The direct model estimate was 0.812 and significant. This implies that H4b was partially supported because the relationship remained significant when the organisation view was introduced. H4b states that the organisation view towards its employees has the mediating effect on the influence of organisation support on organizational engagement.

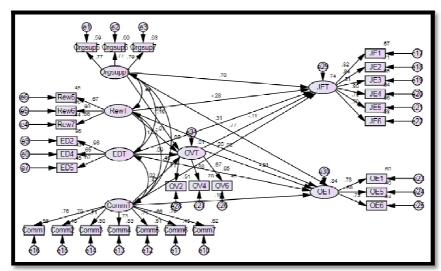


Figure 2: Indirect Model for Human Resource Practices and Employees' Engagement.

Source: Field Data, 2019

The model fit indices for the indirect model indicated that the model fitted the data well. The indices were all above the cut-off-points hence the model fitted the data well. CMIN/df = 2.840, GFI = 0.901, AGFI = 0.830; CFI = 0.931 and RMSEA = 0.062. The figure shows the change in relationship between human resource practices and employees' engagement both job and organizational engagement when the mediating variable was introduced.

# 4. Discussion of Findings

The findings revealed that organization view had no mediating effect on the influence of employees' development, and rewards on both job engagement and organisational engagement. This implies that whether the organisation views applies soft or hard HRM cannot influence the relationship between employees' development and employee engagement or the relationship between rewards and employee engagement. The results further revealed that organisation view partially mediated the influence of employee communication on job engagement and organisational engagement. In the case of organisation support, the results revealed that organisation view only and partially mediated the influence of organisation support on job engagement. This implies that organisation view did not have the same mediation effect on the influence of HRM practices on employee engagement. This depends on the 'fit' between HRM practices, organisation view ('soft' or 'hard' HRM) and employee engagement hence supported by the contingency theory. The results are not supported by the prior empirical studies on HRM practices and employee engagement. For instance, Anitha (2013) argues that employees' development promotes organisational engagement. Anitha (2013) argues that engaged employees attach

themselves to organisational goals and display appropriate behavior for the organisation success. In addition, Knight (2013) and Rhoades, et al (2001) argue that organization support promotes organizational engagement. On the other hand, it is argued that rewards influence employee engagement (Vaziarani, 2007; Nengwaya et al 2013). Mirsha, et al (2014) argue that employees' communication enhances employees' attachment and commitment to the organization mission. It is also supported by other studies on employees' engagement (i.e. Dirke, et al 2007; Shafi, et al 2013) who argued that employees' communication promotes employees' engagement. But the mentioned prior empirical studies did not focus on the mediating effect of organisation view on the influence of HRM practices on employee engagement. The results of this article are however partially supported by the results of the study conducted by Michael (2009) who revealed that organisation view mediates the influence of HRM practices on employees' satisfaction. However, the study by Michael (2009) did not focus on employee engagement.

#### 5. Conclusion

This article examined the mediating effect of organization view on the influence of HRM practices on employees' engagement. It was generally revealed that organization view partially mediates the influence of employees' communication on employees' engagement both job and organizational engagement. Moreover, organization view partially mediates the influence of organizational support on organization engagement. Hence, it was further revealed that organization view does not have equal mediation effect on the influence of HRM practices on job and organizational engagement.

### 6. Recommendations

Furthermore, the findings revealed that organization view had partial mediation effect on the influence of some of some of the selected HRM Practices on employee engagement. The results imply that the way SMEs managers and/or owners view their employees partially determined the influence or organizational support and employee communication on job engagement. Moreover, 'soft HRM' determines the influence of employee communication on organisation engagement than 'hard HRM'. This means that 'Soft HRM' enables SMEs manager/owners to engage their employees in the organization through organisational support and employee communication and organisation engagement in the case of employee communication than applying 'hard HRM'. Hence, the article suggests the following: -

- SMEs owners and managers should adopt 'Soft HRM' to promote organizational engagement and not 'Hard HRM'. However, 'Soft HRM' can only be adopted when the SMEs using employees' communication to promote organizational engagement.
- SMEs' owners and managers should adopt 'Soft HRM' to promote job engagement and not 'Hard HRM'. This can only be achieved when adopting 'Soft HRM' to promote job engagement using organisation support and employee communication.

# 7. Limitation of the Study

The study was purely quantitative which limited ability of this article to provide in-depth information on why organisation view does not mediate the influence of rewards and employee development on employee engagement. Furthermore, the article was not able to provide in-depth information on the partial mediation effect of organisation support and employees' communication on employee engagement. However, the use of qualitative research methodology would not change the quantitative research results rather it would provide more information on the quantitative results. This study focused on the SMEs only and it is likely that the findings may not be applied to the large firms. Difference in the business size and operations may limit the generalization of the research findings to large firms. With this fact the findings of this article are only relevant to SMEs and not in other forms of business sizes such as large firms. Furthermore, the results may also differ if the study would consider the specific operations of SMEs in accordance with their sectors. It is in this fact that the influence of HRM practices on job and organizational engagement may not be the same in every SMEs sector. Hence, there is a need of conducting the qualitative study on the mediating effect of organisation view on the influence of HRM practices on employee engagement. It is also important to conduct another study focusing on large firms in order to validate the results.

### 8. References

- i. Adhikar, & Arora, (2011). Disposition Factors as Determinant of Employees Engagement in IT Sector: A study in NCR Delhi. Selected Works
- ii. Allen, D.G., Shore, L.M., & Griffeth, R.W. (2003). The Role of Perceived Organizational Support and Supportive Human Resource Practices in the Turnover Process. Journal of Management 29(1)
- iii. Alvi., A.K., Abbasi., A.S & Haider., R. (2014). Relationship of perceived organizational support and employee engagement. Sci. Int. (Lahore) Vol. 26(2), pp 951-954.
- iv. Anbuoli, P., & Devibala, V. (2009). A Study on Employee Engagement in Insurance Sector in Madurai. Singaporean Journal Scientific Research, 2.
- v. Anitha, J, (2013). Determinants of employee engagement and their impact on employee performance, International Journal of Productivity and Performance Management, Vol. 63 No. 3, pp. 308-323
- vi. Chartered Institute of Personnel and Development (CIPD). (2006). Reflection on employee engagement; Change agenda. Retrieved December 17, 2013 from http://www.cipd.co.uk/changeagendas
- vii. Danish, R.Q., Ahmad F., Ramzan, S., & Khan, M.A., (2014). Determinants of Employees Engagement in Service Sector of Pakistan, Universal Journal of Management 2(2).

July, 2019

- viii. Development Dimensions International. (2005). Predicting Employee Engagement MRKSRR12 1005, Development Dimensions International, Inc. Retrieved February 12, 2014 from http://www.ddiworld.com
- ix. Dicke, C., Holwerda, J., & Kontakos, A., (2007). Employees Engagement: What Do We Really Know? What Do We Need to Know to Take Action? Center for Advanced Human Resource Studies
- x. Donaldson, L. (2001). The Contingency Theory of Organizations, Sage, Thousand Oaks, CA.
- xi. Hannah, D. & Iverson, R. (2004). Employment relationships in context: Implications for policy and practice. InJ. Coyle-Shapiro, L.M. Shore, M.S. Taylor & L. E. Tetrick (Eds.), the employment relationship: Examining psychological and contextual perspectives (332-350). England: Oxford University Press.
- xii. Harter, J., Schmidt, F., & Hayes, T. (2002). Business-unit level relationship between employee satisfaction, employee engagement, and business outcomes: A meta-analysis. Journal of Applied Psychology, 87, 268-79.
- xiii. Holbeche, L., & Springett, N. (2003), "In Search of Meaning in the Workplace", Horsham, Roffey Park Institute Ltd, West Sussex, UK.
- xiv. Huselid, M.A. (1995). The impact of human resource management practices on turnover, productivity and corporate financial performance. Academy of Management Journal, 38(3)
- xv. Ihuah, P., (2014). A Review of Soft and Hard Approaches of Human Resource Management and the Success of Real Estate Development in Nigeria, Journal of Business Management and Economic Development (JBMED) Vol. 1(1)
- xvi. Islam, J., and Hu, H. (2012). review of literature on contingency theory in managerial accounting. African Journal of Business Management Vol. 6(15), pp. 5159-5164.
- xvii. Kazmi, A., & Ahmad, F. (2001). Differing approaches to strategic human resource management. Journal of Management Research. 1 (3), pp.133-140
- xviii. Kimutai., A.K and Sakataka., W. (2015), Effects of Reward on Employee engagement and Commitment at rift valley bottlers company. International Academic Journal of Human Resource and Business Administration, Vol 1(5), pp 36-54.
  - xix. Knight, J. (2013). The relationship between perceived organizational support and teachers' sense of efficacy in regular and alternative schools, University of Arkansas at Little Rock, UMI publishing.
  - xx. Krishna., G.S., and Wesley., R.J. (2013), A study on impact of employee communication on employee engagement level. International Research Journal of Business and Management, Vol. VI
- xxi. Lochhead, C., & Stephens, A. (2004), Employee Retention, Labour Turnover and Knowledge Transfer: Case Studies from the Canadian Plastics Sector
- xxii. Luthans, F., & Peterson, S. (2005). Employee Engagement and Manager Self-efficacy Implications for managerial effectiveness and development. Journal of Management Development 21(5).
- xxiii. Macey, W.H., Schneider, B., Barbera, K.M., & Young, S.A. (2009), Employee Engagement: Tools for Analysis, Practice, and Competitive Advantage, Wiley-Blackwell, Malden, WA.
- xxiv. May, D., Gilson, R., & Harter, L. (2004). The psychological conditions of meaningfulness, safety and availability and the engagement of the human spirit at work. Journal of Occupational and Organizational Psychology, 77, Pp. 11–37.
- xxv. Mensah, R.D, (2010), Effects of human resource management practices on retention of employees in the banking industry in Accra, Ghana
- xxvi. Michael., F. K., (2009). Human Resource Management Practices and employee job satisfaction in private work organisations: A Tanzanian context.
- xxvii. Miles, R.H. (2001), "Beyond the age of Dilbert: accelerating corporate transformations by rapidly engaging all employees", Organisational Dynamics, Vol. 29 No. 4.
- xxviii. Mishra., K, Boynton., L & Mishra., A. (2014). Driving Employee Engagement: The Expanded Role of Internal Communications, International Journal of Business Communication, Vol. 51(2) 183 –202
- xxix. Mone, E.M., & London, M. (2010), Employee Engagement Through Effective Performance Management: A Practical Guide for Managers, Routledge, New York, NY.
- xxx. Mushipe., Z. J., (2003). Employee empowerment as a coping strategy in a changing environment: A Zimbabwean perspective. B.A publication, 173 UMEA.
- xxxi. Muthuveloo, R., Basbous, O., Ping, T., & Long, C. (2013). Antecedents of Employee Engagement in the Manufacturing Sector. American Journal of Applied Sciences, 10(12), Pp. 1546-1552.
- xxxii. FSDT, (2012), National Baseline Survey Report for Micro, Small, and Medium Enterprises in Tanzania, Ministry of Trade and Industry
- xxxiii. Negwaya., E., Chazuza., T., Mugogo., P., Mapira., N., Mlingwa., M., & Shamu., R. (2013). An Investigation of the Factors Influencing Levels of Staff Engagement in a Provincial, Referral Hospital: The Case of Bindura Provincial Hospital, Australian Journal of Business and Management Research, Vol.2 No.11, pp 25-34
- xxxiv. Nutt, P.C, (2001). Contingency Approaches Applied to the Implementation of Strategic Decisions. International Journal of Business, 6(1).
- xxxv. Nyang'ori, R. (2010). Factors Influencing the Performance of Micro and Small Businesses Enterprise. Retrieved March 14, 2014, from http://www.academia.edu/3301887
- xxxvi. Olomi, D. (2009). African Entrepreneurship and small business development. Dar es Salaam: Otme.

438

- xxxvii. Rhoades, L., Eisenberger, R. & Armeli, S. (2001), "Affective commitment to the organization: the contribution of perceived organizational support", Journal of Applied Psychology, Vol. 86(5):825-36.
- xxxviii. Robertson, I., & Cooper, C. (2009). Full engagement: The integration of employee engagement and psychological well-being. Leadership & Organization Development Journal, 31(4), pp 324-336.

- xxxix. Robinson, D., Perryman, S., & Hayday, S. (2004). The Drivers of Employee Engagement Report 408. Institute for Employment Studies.
  - xl. Saks, A. (2006). Antecedents and consequences of employee engagement. Journal of Managerial Psychology, 21(3), 600-619.
  - xli. Shafi, S., Zaigham, S., Ahmed, H.R., Saeed, H., Jahangir, S., & Ullah, Z., (2013). Relationship of communication, mentoring and socialization with employee engagement. European Journal of Business and Social Sciences, 2(3), pp 17-36
  - xlii. Stevenson & St. Onge (2005). Support for Growth-oriented Women Entrepreneurs in Tanzania. Programme on Boosting Employment through Small Enterprise Development. International Labour Office.
  - xliii. Thisted, R.A, (2006). The Cross-Sectional Study: Investigating Prevalence and Association. A paper presented in a CRTP Track 1 Seminar, autumn. Retrieved from health.bsd.uchicago.edu/thisted/epor/lectures/061011-EPOR-CrossSectiona.pdf
  - xliv. Vaziarani, N. (2007). Employee Engagement Working Paper. Retrieved July 22, 2014 from http://www.siescoms.edu
  - xlv. Venkatraman, N. (1989). Strategic orientation of business enterprises: The construct, dimensionality, and measurement. Management Science. 35(8) 942–962.
  - xlvi. Volberda, H.W., Weerdt, N., Verwaal, E., Stienstra, M, & Verdu, A.J (2012). Contingency Fit, Institutional Fit, and Firm Performance: A Metafit Approach to Organization–Environment Relationships. Organization Science 23(4), pp. 1040–1054.
- xlvii. Wright, P. M., McMahan, G. C. & McWilliams, A. (1994). Human resources and sustained competitive advantage: A resource-based perspective. International Journal of Human Resource Management, 5(2), 301–326.

#### **Appendix**

	Details		Estimate	S.E.	C.R.	Р
JET	<	OrgT	.694	.060	11.501	***
OET	<	OrgT	.816	.071	11.538	***
JET	<	RewT	249	.172	-1.451	.147
OET	<	RewT	.018	.181	.101	.920
JET	<	EDT	.183	.115	1.587	.011
OET	<	EDT	.032	.121	.267	.040
JET	<	CommT	.185	.049	3.792	***
OET	<	CommT	.162	.057	2.863	.004
Orgsup5	<	OrgT	1.000			
Orgsup6	<	OrgT	1.049	.061	17.244	***
Orgsup7	<	OrgT	1.047	.059	17.774	***
JE1	<	JET	1.000			
JE2	<	JET	1.025	.047	21.776	***
JE3	<	JET	.996	.049	20.501	***
JE4	<	JET	1.056	.052	20.293	***
JE5	<	JET	.881	.048	18.498	***
JE6	<	JET	.958	.050	18.986	***
OE1	<	OET	1.000			
OE5	<	OET	.921	.063	14.671	***
OE6	<	OET	.986	.062	15.856	***
Rew5	<	RewT	1.000			
Rew6	<	RewT	1.502	.078	19.290	***
Rew7	<	RewT	1.004	.073	13.754	***
ED2	<	EDT	1.000			
ED4	<	EDT	.679	.037	18.615	***
ED5	<	EDT	.690	.035	19.566	***
Comm1	<	CommT	1.000			
Comm2	<	CommT	1.028	.068	15.068	***
Comm3	<	CommT	.976	.064	15.349	***
Comm4	<	CommT	1.039	.066	15.754	***
Comm5	<	CommT	.969	.063	15.491	***
Comm6	<	CommT	1.027	.073	14.127	***
Comm7	<	CommT	1.095	.063	17.266	***

Table 3: Regression Weights For the Direct Model: (Group Number 1 - Default Model)

July, 2019

		Details	Estimate	S.E.	C.R.	Р
OVT	<	OrgsuppT	.018	.054	.334	.032
OVT	<	RewT	009	.163	055	***
OVT	<	EDT	.051	.159	.319	.005
OVT	<	CommT	.011	.046	.231	***
JET	<	OrgsuppT	.697	.060	11.585	***
OET	<	OrgsuppT	.812	.071	11.549	***
JET	<	RewT	250	.171	-1.463	.144
OET	<	RewT	.020	.180	.109	.913
JET	<	EDT	.274	.167	1.635	.102
OET	<	EDT	.046	.175	.262	.794
JET	<	CommT	.171	.044	3.875	***
OET	<	CommT	.148	.052	2.870	.004
JET	<	OVT	157	.052	-3.021	.003
OET	<	OVT	011	.060	185	.853
Orgsup5	<	OrgsuppT	1.000			
Orgsup6	<	OrgsuppT	1.050	.061	17.259	***
Orgsup7	<	OrgsuppT	1.047	.059	17.774	***
Rew7	<	RewT	1.000			
Rew6	<	RewT	1.496	.079	18.904	***
Rew5	<	RewT	.996	.072	13.754	***
ED5	<	EDT	1.000			
ED4	<	EDT	.985	.072	13.756	***
ED2	<	EDT	1.450	.074	19.568	***
Comm7	<	CommT	1.000			
Comm6	<	CommT	.940	.064	14.758	***
Comm5	<	CommT	.885	.054	16.309	***
Comm4	<	CommT	.949	.057	16.604	***
Comm3	<	CommT	.892	.055	16.157	***
Comm2	<	CommT	.939	.059	15.821	***
Comm1	<	CommT	.914	.053	17.265	***
JE1	<	JET	1.000			
JE2	<	JET	1.025	.047	21.876	***
JE3	<	JET	.996	.048	20.594	***
JE4	<	JET	1.055	.052	20.351	***
JE5	<	JET	.878	.047	18.496	***
JE6	<	JET	.953	.050	18.908	***
OE1	<	OET	1.000			
OE5	<	OET	.922	.063	14.687	***
OE6	<	OET	.986	.062	15.846	***
OV6	<	OVT	1.000			
OV4	<	OVT	1.075	.083	12.979	***
OV2	<	OVT	.836	.064	13.163	***

Table 4: Regression Weights for the Indirect Model: (Group number 1 - Default model)

440