Authors Accepted Manuscript

Enhancing Employee Engagement for Small and Medium Enterprises in Taiwan

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This manuscript has been accepted for publication in March 2018. Please kindly use the following reference for article citation. Thank you. https://www.igi-global.com/journal/information-resources-management-journal-irmj/1073

CHENG, K., & CHANG, K. (*in press*). Enhancing employee engagement for small and medium enterprises (SMEs) in Taiwan. *Information Resources Management Journal*. (ABS 1*, eSCI, ISSN: 1040-1628).

*** DRAFT ONLY : Subject to the final proofreading ***

ABSTRACT

Employee engagement is crucial to the success of small-and-medium-enterprises (SMEs). As SMEs are the major GDP contributors in Taiwan, both policy makers and scholars have called further research to evaluate the significance of employee engagement in order to promote business prosperity. Following this logic, the current research has examined how employee engagement is interpreted by Taiwan's SMEs and discussed what could be done to improve employee engagement. Specifically, a qualitative approach is employed for data collection, and both managers and subordinates from five main types of SMEs in Taiwan are recruited for interviews. These types include: Electronics Information, Metal transportation, Machinery Equipment, Food Manufacturing, and Textile.

Interview findings have shown that the majority of employees regard employee engagement as a psychological commitment and attachment to their organizations. Based on the views of interviewees, both monetary reward (e.g. bonus) and non-monetary rewards (e.g. performance recognition) generate salient impact on engagement enhancement, i.e., monetary and non-monetary rewards have jointly facilitated employee to make stronger commitment towards organizations and organizational goals.

Research findings have also supported the proposition that employees with stronger engagement at work are more likely to have higher level of organizational commitment, contributing to the organizational productivity.

The current research is the first of its kind to investigate how employee engagement interacts with organizational commitment and productivity in Taiwan SMEs, providing empirical evidence to decipher the imperativeness of employee engagement enhancement. Research findings have first contributed to the engagement literature, and the implication of findings is also insightful to SME managers and policy makers in their personnel management.

Keywords: Commitment; Employee Engagement; Organization; SME; TAIWAN.

2

INTRODUCTION

Small and Medium Enterprises (SMEs) have been found to accelerate the achievement of socio-economic objectives, including poverty alleviation in countries (Cook & Nixon, 2000). Due to SMEs' importance in the development of the economy of several countries around the world (Mead, 1994), human resource (HR) practitioners have developed a special interest in what contributes to SMEs' success in achieving a sustainable, competitive advantage in such economies (Teimouri, Jenab, Moazeni, & Bakhtiari, 2017). The Small and Medium Enterprise Administration of Taiwan's Ministry of Economic Affairs defines SMEs as organisations with fewer than 200 employees that create an annual turnover of not more than NT\$100 million (Smalł and Medium Enterprise Administration, 2016). Moreover, SMEs comprise a large portion of the total employment growth of several countries around the world. SMEs produce a significant share of increases in the gross domestic product (GDP) in such countries (ADB, 2002). Considering the vital role SMEs play in Taiwan, it is important to know what engagement strategies the management within these companies employ to keep their staff committed to growing their companies.

Regarding the performance of SMEs in 2015, of particular note is the number of SMEs, which reached a record level of 1,383,981 and accounted for 97.69 per cent of all enterprises in Taiwan. In addition, the number of persons employed by SMEs rose to 8,759,000—the highest level in recent years—and represented 78.22 per cent of all employed persons in Taiwan (Small and Medium Enterprise Administration, 2016). Moreover, the issue of employee engagement has been thoroughly discussed among HR scholars because of its positive and significant impact on organisations and individuals. Employees today seek to work in companies where they can feel that they are contributing positively. Therefore, companies that understand the conditions that enhance employee engagement will have accomplished something their competitors will find very difficult to imitate. The mechanism behind the positive impact of employee engagement in organisations is quite clear: when employees are not passionate or enthusiastic about their job, it is impossible to perform as required which would, in the long run, lead to a decline in the company's productivity. Bakker, Demerouti, and Brummelhuis (2012) reported that engaged employees experience positive

emotions, including happiness and enthusiasm; they also experience better health, create their own job and personal resources, and transfer their engagement to others. All these attributes of an adequately engaged employee guarantee an increase in the organisation's productivity. The emergence of employee engagement involves two converging developments: the growing importance of human capital and psychological involvement of employees in business, and the increased scientific interest in positive psychological states.

Given this heterogeneity in the empirical findings, the research aim is to study the employee engagement strategies utilised in Taiwan's SMEs from the employees' perspective. In this regard, a few studies have encouraged the notion of enhancing employee engagement in Taiwan's SMEs. This research will be an eye opener as to whether or not employee engagement strategies have been established by Taiwanese SMEs and what they really entail. The researcher chose to study employee engagement in Taiwan's SMEs due to the fact that SMEs are a significant part of Taiwan's economy, as most large organisations begin as small businesses. Therefore, engaging employees in Taiwan's SMEs is an important topic, because having engaged employees means that they will work towards achieving their company's goals by investing their time and energy to ensure that their respective tasks are completed successfully.

LITERATURE REVIEW

Over the last few years, both society and businesses have witnessed unprecedented economic changes, leaving organisations around the world to try to maintain a competitive advantage on the economic scene. As a result, employee engagement became a popular organisational concept. For many authors, the term *engagement* has been criticised as being nothing less than an old wine in a new bottle (W. Schaufeli, Salanova, González-Romá, & Bakkers, 2002; W. B. Schaufeli & Bakker, 2004; Truss et al., 2014). Different definitions of employee engagement each have different emphases. The term *engagement* was first used by William A. Khan (*Academy of Management Journal*, 1990), whose article defined engagement as the harnessing of the organisation's members to their job roles while expressing themselves physically, cognitively and

emotionally when performing their roles (Kahn, 1990, p. 694). According to Khan, physical, cognitive, and emotional factors play a vital role in determining an employee's level of engagement in an organisation. The physical aspect of employee engagement involves the physical strength or energy individuals put into accomplishing their roles; the cognitive aspect involves the individual's beliefs about the organisation, its leaders, and the work environment; and the emotional aspect involves the individual's attitude towards the organisation and its leaders. Schaufeli et al. (2002) agreed with Khan's definition and description, but also defined engagement as a positive, fulfilling, work-related state of mind illustrated by vigour, dedication, and absorption.

Robinson et al. (2004), in parallel with Schaufeli et al. (2002), postulated that engagement occurs when an employee shows a positive attitude or disposition towards organisational values. They described an engaged employee as someone who makes a conscious effort to achieve the organisation's objectives. It is very evident upon examining these definitions that they possess similar characteristics. Engaged employees have a positive attitude and state of mind towards their jobs and the standards of their organisations. Saks (2006) proposed that engaged employees exhibit a high level of attentiveness and mental absorption at their workplace and display a deep, emotional connection towards their jobs (Kahn, 1990; Wagner & Harter, 2006). The characteristics possessed by engaged employees promote organisational success in the sense that the employees tend to be more productive when performing their roles.

Engagement has been conceptualised as different notions, such as commitment, involvement, motivation, and job satisfaction, amongst others. However, *employee engagement* refers to a psychological state wherein employees invest personal interest in the organisation's success and perform in such a way that they may exceed the job requirements (Truss et al., 2014). In an engaged state, employees are ready to immerse themselves in the job role in order to produce results for their organisation. In contrast, disengaged employees, according to Khan (1990), are constantly detached from their work duties and the organisation as a whole, thereby causing a form of retrogression to the business. Cataldo (2011) further described a disengaged employee as one who is "most damaging" to an organisation. Cataldo's (2011) description postulated that disengaged employees

continuously spite the organisation and constantly express their dissatisfaction about in the company; such behaviour may lower the morale of others in the workplace. It can be argued that the consequences of employee engagement are positive (Saks, 2006). However, employee engagement is an individual-level construct and, if it does lead to business results, it must first impact individual-level outcomes. Thus, there is reason to expect that employee engagement is related to individuals' attitudes, intentions, and behaviours.

Employee Engagement Strategies

A number of factors affect the level of engagement that employees exert on their jobs in their respective organisations. Howe (2003) suggested that management know what is essential to the employees when determining what strategies to utilise as a key instrument of engagement in the organisation. However, employee engagement remains a topic that receives much less attention from employers and policymakers as a driver of engagement compared with other aspects of management, such as leadership or management style. There is a dearth of information available for employers on the key principles of employee engagement and the major factors that need to be taken into consideration when designing employee engagement.

Rewards. According to Bratton and Gold (2007), reward strategies can be viewed as the key driver for management when attempting to increase the level of employee engagement within an organisation. Reward is the general term for both financial and non-financial remuneration paid to an employee for work and service rendered in the workplace. Rewards are a major factor in generating high levels of commitment amongst staff, which increases their performance level (Bratton & Gold, 2007). Reward management is described as the strategies, policies, and processes required to guarantee that the value and contribution of people towards achieving organisational goals is recognised and rewarded (Armstrong, 2012). It can also be defined as the process of creating and implementing methods aimed at rewarding employees fairly in accordance with the value they add to the organisation.

Rewards can be categorised as intrinsic (non-financial) or extrinsic (financial) rewards (Rue

& Byars, 2005). Extrinsic rewards are tangible monetary rewards that can be in the form of pay/salary, benefits, and other forms of monetary compensation or remuneration; intrinsic rewards are non-tangible or non-monetary rewards, such as recognition, achievement, self-actualisation or development, and empowerment. Tangible and non-tangible rewards are one of the antecedents of employee engagement. According to Anitha (2014), compensation is a vital attribute that triggers employee engagement and motivates employees to accomplish more. Kahn (1990) observed that the level of employees' engagement is a function of their view of the rewards they receive; therefore, irrespective of the type or amount of reward they receive, their opinion about the reward determines their engagement level on the job. Thus, it is important for management to offer an acceptable standard of both monetary and non-monetary rewards to their employees to inspire higher levels of engagement.

Leadership. Another factor affecting employee engagement is the type of leadership employed in the organisation. A direct link has been found between the style of leadership used by managers or business owners and the employees' behaviour or level of commitment (Renko, Tarabishy, Carsrud, & Brännback, 2015). A study by Wallace and Trinka (2009) showed that engagement naturally occurs when the managers are inspiring. The managers are responsible for communicating to the employees and providing the support they need to function best on the job. When the employees feel that their jobs are considered meaningful and important, they tend to put in more effort, which thus leads to engagement. Schneider et al. (2013) suggested that genuine and supportive leadership impacts employee engagement, thereby increasing their involvement, enthusiasm, and satisfaction for work and the organisation. Such findings show the importance of management actions in determining levels of employee engagement.

Motivation. Classic theories of motivation are strongly related to the concept of employee engagement (Frank, Finnegan, & Taylor, 2004). Motivation is the will to act, the extent to which an individual is committed to achieving set goals (Carsrud & Brännback, 2011). According to Locke and Latham (2004), motivation is the internal force that impels action and the external force that induces those actions. A research study conducted by Deci (1971) suggested that motivation can

occur in two different forms: intrinsic and extrinsic (Deci & Ryan, 1985). Armstrong (2012) explained these two forms of motivation as follows: extrinsic motivation includes factors such as incentives, praise, or promotion whereas intrinsic motivation is provided by the job itself, which breeds factors such as achievement and self-actualisation.

Hertzberg's two factor theory and Maslow's hierarchy of needs theory have been found to be related to employee engagement. Maslow's needs theory shows five levels of needs that individuals require to be motivated (Armstrong, 2012). The basic need is outlined at the bottom of the pyramid, which leads up to the most sophisticated needs (Beardwell et al., 2007). When the basic needs are met, an individual requires the next level of needs to be met to become motivated. Furthermore, employees' involvement in decisions affecting their job or work has also been associated with high levels of engagement.

After investigating the relationship between these two motivation theories and employee engagement, we observed that the top-most level in Maslow's hierarchy of needs is when an individual is fully engaged. At this level, employees immerse themselves in their jobs and the organisation and are then willing to go the extra mile to ensure that the organisation's objectives are met.

Involvement and communication. Dibben, Wood, Le, and William (2011) suggested that employee involvement is a key aspect in employee engagement. Many scholars have argued that one of the main drivers of employee engagement is the opportunity for employees to feed their view upwards (Truss et al., 2006). Employee involvement is an antecedent of engagement (Saks & Rotman, 2006). It is defined as the inclusion of employees into the organisation's decision-making process or the implementation of new strategies that affect the employees' work (Rees & French, 2010; Wang, Thornhill, & Zhao, 2016). A survey conducted by Truss et al. (2006) suggested that establishing employee involvement makes a difference to organisational performance. The work environment consists mainly of a two-way street: the relationship between the employee and the employer. The relationship between the two parties must be developed to maintain the levels of employee engagement at work. Employee involvement is one of the principles of soft human resource management (HRM), which focuses on securing the ideas of employees to get their commitment (Lai, Saridakis, & Johnstone, 2016). The unitarist views of organisations strongly support the concept of employee involvement, as it assumes that managers and employees have the same interests. However, critics argue that very little power is given to employees in the real sense, as management firmly controls the "real" decisions in most organisations.

As mentioned earlier, the level of relationship between management and the employee matters in engagement. Involvement and effective communication to a large extent help increase the levels of engagement in an organisation. Kahn (1990) identified communication as an underlying factor associated with employee engagement. Similarly, MacLeod and Clarke (2009) suggested that communication is a critical factor in fostering high performance through employee engagement. Predictably, both scholars cite poor communication as an obstacle to engagement and a cause of disengagement. Upward and downward communication processes (i.e., from senior management to employees) create a more trusting work environment (Attridge, 2009). However, the problem is that SMEs' managers themselves need to be engaged before they can engage their subordinates. Levels of engagement must rise in management before they can be expected to rise in employees, especially given the impact management can have on employees (Kular, Gatenby, Rees, Soane, & Truss, 2008).

Training and development. Training and development are additional major aspects to be considered in the process of engaging employees. Training improves the quality of service an individual provides; therefore, it impacts work performance and employee engagement (Paradise, 2008). Training and development programmes boost employee confidence, which makes them feel that the organisation is not only interested in increasing productivity, but is also concerned with the employee's career development (Pajo, Coetzer, & Guenole, 2010). Alderfer (1972) suggested that training can be a form of reward, as it offers an employee the chance to grow. Investing in the employees and developing their talents gives them a reason to go the extra mile for the organisation, which will promote a high level of engagement (Ahmadi, Ahmadi, & Abbaspalangi, 2012). A lack

of training and development programmes has been cited as a major reason for high staff turnover (Sundaray, 2011). Although costly and time consuming, training and development can be key elements for sustaining high levels of engagement (Ahmadi et al., 2012). However, the most critical finding is that the way in which people are managed has the most significant impact on engagement levels.

Consequences of Employee Engagement

Academics have discussed the consequences of engagement as being positive, as having a highly engaged workforce can produce an increase in financial performance (Harter, F.L., & Hayes, 2002). Saks (2006) identified two parts to the concept of engagement: job engagement, which is the level to which employees show commitment and dedication to their job role, and organisational engagement, which is the level to which employees show commitment and loyalty to their organisation. Kahn (1992) proposed in his study that having a high level of employee engagement can have several advantages to an organisation in terms of an increase in growth and productivity.

Bakker et al. (2012) also agreed that an engaged employee stays committed to the organisation and works towards the achievement of the organisation's objectives. AbuKhalifeh and Mat Som (2013) concurred. They proposed that engagement affects the level of an employee's performance through high turnover, absenteeism, training costs, and productivity. Having a positive disposition towards the organisation results in higher performance and an increased level of commitment amongst employees, which includes what the employees say about the organisation. Engaged employees speak positively about their companies and their job role, intend to stay with the organisation, are loyal to their respective companies, and strive to contribute to the organisation's success. Engaged employees are willing to go the extra mile for their companies. The implication of having an engaged workforce was examined, as it proved to benefit businesses immensely. One challenge for SMEs is to find ways of renewing employees' engagement levels through the duration of their employment. It is imperative that organisations strive to achieve employee engagement—however difficult—to guarantee development.

METHODOLOGY

Facing rapid market changes and a shrinking workforce, Taiwan is in urgent need of industrial innovation and transformation to enhance its global competitiveness. The central government devised Productivity 4.0 in 2015, which includes the "Agriculture 4.0 Strategy", "Manufacturing 4.0 Strategy", and "Business 4.0 Strategy". Founded on smart automation and employing the Internet of Things (IoT), smart robots, and big data, coupled with efficient and proactive management, Productivity 4.0 will spearhead domestic industrial upgrades and transformation. The 2016 Productivity 4.0 development plan has been integrated into the "Five Innovative Industries Plan". Given the Taiwanese economy's overdependence on the growth of the electronics industry, a new mainstream industry replacement should be developed. It has shifted towards a service-oriented manufacturing industry and an internationalised and high-tech services industry (Small and Medium Enterprise Administration, 2016).

This research aimed to explore employees' perceptions of employee engagement in Taiwan's SMEs. This research used a qualitative research method—namely, interviews. The participants were recruited using purposive sampling based on the size of the SME organisation where they work. Researchers need to get close to their subjects to penetrate their internal logic and interpret their subjective understanding of reality (E. Shaw, 1999). Thus, the researcher opted to use the purposive sampling method, because it is the most important kind of non-probability sampling for identifying the primary participants (Welman, Kruger, & Kruger, 2001). As the focus was on current Productivity 4.0 development plan members, only those personnel who met that criterion were interviewed. To ensure a diverse sample, personnel managers in varying companies within the Productivity 4.0 development plan of technology, administrative, procurement, and finance were interviewed. Due to the nonavailability of a database for the interviewers, it was difficult to draw a random sample. Therefore, we adopted Lambe, Spekman, and Hunt's (2002) recommended procedure for data collection. First, we identified a sample of personnel managers in five SME sectors who were likely to participate in the survey, and we prescreened them using a key informant approach to collect data (Campbell, 1955). Then we used a random sample technique with

personnel managers as a seed sample (Cheng, 2016). These personnel managers at five SME sectors were further asked to provide the names of potential interviewees to enlarge the scope of subject recruitment. A list of approximately 24 individuals was compiled. After personal contact, each individual was sent a letter explaining the study. It was subsequently determined that a number of those individuals did not meet the research criteria. Ultimately, nine individuals who met the criteria agreed to participate.

Nine participants were interviewed, representing five SME sectors (electronics and information, metal transportation, machinery and equipment, food manufacturing, and textiles) in Taiwan's Manufacturing 4.0 Strategy (Small and Medium Enterprise Administration, 2016, p. 88). These qualitative interview techniques helped researchers triangulate and explore the quantitative, sector-level findings (Scandura & Williams, 2000; Yin, 1994). The sample size was kept to a small scale, as the number is sufficient to reach saturation, whereby no new evidence is found. The focus of the interview was the engagement strategies used in participants' respective organisations to ensure productivity, the factors affecting engagement in SMEs, the benefits the SMEs derive from having highly engaged employees, and areas for improvement.

FINDINGS AND ANALYSIS

For the purpose of this research, a qualitative research method was employed using semi-structured interviews. The research findings are based on the responses of the nine individuals who participated in the semi-structured interviews and answered questions on employee engagement strategies in Taiwan's SMEs. Ten individuals employed in Manufacturing 4.0 Strategy SMEs in five sectors were contacted through their respective organisations, and nine individuals consented to participate. The participants of this research work in Taipei, the commercial capital of Taiwan. The participants are employees who are not less than 25 years of age, have at least one year work experience with their respective SME, and have a good level of education.

The findings from the interview themes will be shown and analysed in relation to the research objectives. The participants were assigned anonymous codes (P1 to P9), and the recurring

themes obtained from the responses were organised in a grid. Moreover, a thematic data analysis approach was adopted when reviewing the data from the interviews conducted. A thematic analysis, as suggested by Braun and Clarke (2006), is a method for categorising, reporting, and evaluating recurring patterns in a dataset. The thematic method captures important information in relation to the research question and shows patterned responses or meanings within the data. It provides a flexible and adaptable approach that gives a rich, detailed record of the data. From the data collected, a number of themes were obtained based on the responses of the interview questions asked. These themes are the major research findings and were very useful in satisfying the research objectives, which are to critically examine the perception of employee engagement in Taiwan's SMEs, to outline what factors employees in SMEs associate with engagement, and to critically analyse some of the factors affecting the levels of employee engagement in SMEs in Taiwan and the implications thereof.

Perception of Employee Engagement

This category in this research discussed the participants' understanding of employee engagement. Similar to past literature that recorded no precise definition for employee engagement, all the participants had different yet similar views on the subject. Table 1 highlights the themes obtained from the participants' interviews. The main themes emerging from participants' responses on the perception of employee engagement are involvement and commitment, which are further discussed below.

<<<<Table 1>>>>

Involvement and participation. Involvement and participation emerged as major themes when participants defined employee engagement. Five out of nine participants expressed that being involved at work is what they would define as employee engagement. For instance, Participant 1 said, "my understanding of employee engagement will be an active involvement in work... also for an employee to be given some level of decision making and recognition as well". Likewise, Participant 5 said, "I think it is how you get your workers involved with work".

The most important thing to the participants regarding this topic is being involved in some

way with either workplace processes or participating in the decision-making process of their respective companies. For example, Participant 4 said, "if my impact is being felt and what I do is constantly taken on board or my ideas are taken on board". Participant 6 expressed a similar view: "I think probably employee engagement will mean involving employees in activities that will keep them engaged towards productivity... carrying the employees along, in terms of making them understand the goals and objectives". Similarly, Participant 7 said, "it is the act of workers in the organisation being fully involved in their duties—when you do not have to tell them this is what to do".

From the responses, all participants shared the same thought on involvement and participation at work, and this seemed to be one of the key issues when discussing employee engagement. Some participants seemed to combine involvement and participation when expressing their understanding of employee engagement. In addition to his response, Participant 1 added that "[employee engagement is] also for an employee to be given some level of decision making and recognition as well, just to add that".

Job involvement is the level to which employees are cognitively preoccupied with and engaged in their jobs (Paullay, Alliger, & Stone-Romero, 1994). Sundaray (2011) defined engagement as "the level of commitment and involvement an employee uses in achieving organisational goals". The two main constructs in Sundaray's definition are involvement and commitment, which tend to support the participants' responses. Employee involvement is a central principle of soft HRM, which focuses on using employees' ideas in order to get their commitment, thereby enhancing engagement (Beardwell & Claydon, 2007). (Purcell, Kinnie, Hutchinson, Rayton, & Swart, 2003) proposed that employee engagement can be fostered if the management and employees of an organisation share responsibility over key issues in the workplace. In addition, The CIPD Survey carried out by Truss et al. (2006) recommended that reinforcing employees' voices can make a difference in organisational performance. According to the survey, one of the major drivers of employee engagement is for employees to have the opportunity to give their views to the management (Truss et al., 2006). **Commitment.** Commitment is another theme that surfaced from the data. Participant 2 defined engagement as "the commitment from employee". Participant 8 also viewed engagement as "the level of commitment you give to your job". This definition embraces scholars' definitions of engagement, such as Schaufelli et al.'s (2002) description of engagement as "a positive, fulfilling, work-related state of mind characterised by vigour dedication and absorption" (p. 74). According this definition, for an employee to be engaged, there must be a level of interest and devotion to his or her work, which only occurs when an employee has a positive attitude towards work and a genuine interest in working to achieve organisational goals. From the participants' responses, having a positive attitude towards work and working with the organisation are two sub-themes of commitment.

Having a positive attitude towards work has been coded as a sub-theme of commitment from the data gathered. From the definition of employee engagement given by two of the participants, it was recorded that the behaviour of the employee in terms of work-related issues or the organisation as a whole is important in defining engagement. Participant 3 explicitly said, "I think it [employee engagement] is how you behave at work... your general behaviour at work". The participant's use of the word *behaviour* can be seen as a synonym of "attitude". This response supports the definition put forward by Robinson et al. (2004), which stated that an engaged employee has a positive attitude towards organisational values, is aware of business contexts, and works towards achieving the organisation's goals. In addition, Participant 2's definition affirmed that being engaged is having a positive attitude to work. However, he further explained that an employee's attitude depends on the treatment he gets from the organisation: "an employee's attitude towards work might be positive or negative, it depends on how they are treated".

Participant 6 touched on working with the organisation when he said, "I think from my own perspective employee engagement is... making them understand the goals and objectives [of the organisation]." His opinion of the definition of engagement is similar to that of Robinson et al. (2004), who stressed that an engaged employee is one who is conscious of the organisation's objectives and is willing to work alongside the organisation to achieve them.

The participants' responses thus far have revealed definitions of employee engagement that correspond with past literature. Participants' definitions of employee engagement described being committed to an organisation, having a positive attitude towards work, being involved in the organisation, and being recognised and appreciated by the organisation.

Factors Associated with Engagement

To satisfy this objective, the participants were asked what factors they would associate with employee engagement and would consider most significant in engaging employees in Taiwan's SMEs. A number of recurring views were found from the data; the researcher categorised these into major themes, including motivation factors, the company, and the employee (Table 2).

<<<<Table 2.>>>

Motivation. Motivation can be defined as the willingness to put high levels of effort towards organisational goals (Perry & Hondeghem, 2008). According to Frank et al. (2004), traditional motivation theories can be associated with employee engagement. Armstrong (2012) identified two types of motivation. Intrinsic motivation comprises the satisfaction or fulfilment derived from work itself; extrinsic motivation involves such things as rewards. Classic motivation theories, such as Maslow's hierarchy of needs and Hertzberg's two factor theory, are appropriate for analysing rewards as a factor in employee engagement. The first stage of Maslow's hierarchy of needs identifies psychological needs, which include rewards at the base of the pyramid. According to Beardwell et al. (2007), people move up the pyramid one level at a time in Maslow's theory. This means that an employee will have to earn just enough to cater to his or her needs in order to motivate and engage him or her. In Hertzberg's two factor theory, rewards are classed as a hygiene factor and not a motivator factor. This means that other factors, excluding rewards, motivate an individual to work. Rewards in this category will be discussed under two sub-headings: monetary rewards and non-monetary rewards. Monetary rewards include pay, bonuses, monetary incentives, etc., while non- monetary rewards include recognition and value.

Monetary rewards. Rewards are the most frequently recurring theme from this category. All participants gave almost similar responses by mentioning rewards as an important factor associated with engaging employees in Taiwan's SMEs. For instance, Participant 1 said, "in Taiwan. 90 per cent of the time, workers are more concerned about pay more than anything". Participant 7 said, "I think everybody is working for the money". Likewise, Participant 5 expressed, "I think that the number one factor working in Taiwan is the salary". Participant 6 highlighted "what I get in terms of money, in terms of my salary".

It is evident from the responses that monetary rewards play an important role in motivating and engaging employees in Taiwan's SMEs. This could be as a result of the financial limitations characterised by SMEs, thereby causing a lack in reward strategies (Ulrich, 2000). Monetary rewards as identified by the participants can be used to create a high level of engagement (Bratton & Gold, 2007). In addition to explicitly mentioning monetary rewards as one of the factors associated with engagement in Taiwan's SMEs, some participants described engagement as other forms of reward from the organisation. According to Participant 2, "I think it should be like incentives for the employees of a particular organisation... if their [employee's] pay is good and the working hours are favourable for them, I believe that they will have a positive attitude towards work".

According to Shuck, Rose, and Albornoz (2011), an employee's level of engagement is not predetermined by the employee; rather, it also relies proportionately on the organisation. Employees give to the organisation what is perceived to be received by the organisation. In other words, engagement is a sense of personal return on investment. According to the theory on engagement by Kahn (1990) and (Maslach, Schaufeli, & Leiter, 2001), psychological factors are necessary for engagement. Employees feel obliged to bring themselves more profoundly into their job roles as a result of the resources received from their organisation. According to Saks and Rotman (2006), the social exchange theory (SET) argues that an individual's obligation is produced through a series of interactions between two parties who rely on each other interdependently. The rules of exchange involve repayment rules such that the actions of an individual leads to a repayment by the other (Cheng, 2016). This correlates with Robinson et al.'s (2004) explanation of engagement as a two-way relationship between the employer and employee. This was reiterated by Participant 6: "I think from my own perspective employee engagement is kind of the interaction between the employer and the employee".

Non-monetary rewards. Non-monetary rewards include factors such as recognition, appreciation, and valuing employees. Yet another factor the participants associated with engagement is non-monetary or intangible factors. For instance, Participant 1 said, "I think the first [factor significant to employee engagement in Taiwan's SMEs] is recognition". Parallel to comments made by Participant 1, Participant 3 said, "just recognising an employee's work or just saying thank you goes a long way". The general feeling among all participants throughout the interviews was that employees in Taiwan's SMEs feel undervalued and unrecognised for the effort they put into their work. Participant 5 feels that "the way you treat staff is very important... when you acknowledge everyone, and you let everybody know that they are important to the company and without them nothing will happen, you know".

Kahn's theory on employee engagement may stem not only from meaningfulness of work, but also from external environments, such as recognition; the lack thereof may lead to disengagement or burnout (Maslach et al., 2001). A study conducted by Koyuncu et al. (2006) supported the belief that the level of rewards and recognition of employees in an organisation is a major predictor of engagement. The participants' views on recognition as a definition of employee engagement correspond with these theories and studies.

Communication. Effective communication is another issue highlighted in the data. Six out of nine participants felt there would be an increase in engagement within their respective organisations if they had good communication channels. Participant 6 explained that "the ability of the leader to communicate effectively and if the employees understand where they are going and what they are supposed to do at every point in time. That for me is important". Participants 3, 4, 8, and 9 similarly identified communication as an important issue Taiwan SMEs must consider in order to get the best from their employees. The general concern amongst all participants is that, due to the size and structure of the organisation, no proper communication channels exist; therefore, tasks and other work-related issues are done haphazardly. This can be seen from the views of

Participant 4:

well, structure. In the sense that things are done haphazardly. Things are scattered. I'll give you an example: there should be process for every little thing, even as tiny as taking a leave, going on holiday—all these things should have a procedure.

MacLeod and Clarke (2009) highlighted communication as an important factor for improving employee performance through engagement. They argued that good internal communication boosts engagement and emphasised that employees need clear communication from senior management to understand how their own roles fit with the leadership vision. For example, Participant 1 said, "there should be some kind of communication beforehand. They should make the employees understand that certain things are going to happen and why it is going to happen". Having a proper communication channel, according to Attridge (2009), allows for effective communication across the organisation in which the outcome is a more reliable environment, which produces a higher level of engagement amongst the employees.

Company

Working environment (physical factors). The working environment was mentioned by four participants as a major factor in engaging employees in Taiwan's SMEs. When asked what will encourage participants to work better in their respective organisations, Participant 2 expressed that "a good working environment" is one of the foremost issues. For Participant 3, one of the reasons given for not being engaged in the company where she works is a dislike for the working environment. She stated, "I don't like the environment."

The participants' use of the working environment varied in different contexts. For some, a good working environment meant having a good support system and career progression. For example, as Participant 5 passionately expressed,

personally, I won't work in a place where I think I cannot grow, where I feel like I am being suffocated or where I feel like my inputs are not relevant. You know, you want to feel relevant at you work place and you need a very good working environment to do that.

For Participant 6, the work environment means the physical structure of the organisation. When

asked what would serve as a motivation for him to work better, he said, "the environment. The people that I work with is also an important factor because if I am unable to relate with them it is going to make the work environment difficult." To support these views, studies by Harter et al. (2002) and May et al. (2004) showed that employee engagement is the outcome of different aspects of the workplace. The working environment is one of the main determinants of an employee's engagement level. According to Deci and Ryan (1985), when management encourages a supportive work environment, it shows concern for the employees' needs and provides an atmosphere for them to develop new skills and resolve work-related issues.

Management style. One of the challenges SMEs face in engaging their employees from participants' views is the style of management employed. Research has shown that an organisation's management to a great extent determines the level of engagement amongst its employees (Chang, Taylor, & Cheng, 2017). In this case, due to the nature of SMEs in terms of size and structure, the line managers have an important role to play, according to studies. Seven of the participants had different yet similar views on the importance of respect in SMEs. For example, Participant 9 expressed her disapproval of the style of management in her workplace, which affects her level of engagement: "my manager doesn't make things easy for us. We want to do our job but she is just always down our throats. I mean I don't know why she cannot just support us". In contrast, Participant 7 said, "with the level of motivation I get from my supervisor, I am fully engaged in my duties".

Most SMEs are mainly owned by a single entity that multitasks in the organization, which tends to affect the style of management or leadership practiced within the organisation. The culture in SMEs is mainly dictated by the business owner, whose style of leadership is often based on his (or her) personality traits. This has been shown to dictate the style of management or leadership employed by the organisation.

Employee

Training and development. Four out of nine participants felt that training and development have a substantial impact on how much employees are engaged in Taiwan's SMEs. The participants

expressed that, if they were continuously developing their skills in their organization, they would feel as though the organisation had their best interests at heart; in return, they would want to make an extra effort to ensure that the organisation's goals were met. For example, Participant 4 said, "I think a conscious effort to train [is one of the factors affecting employee engagement] because one thing I have realised is that the more employees get trained, the more employees are happy".

Sundaray (2011) found that a lack of training and development programmes results in high turnover rates. Hertzberg's two factor theory identifies self-actualisation and achievement as motivator factors. It has been concluded that employee retention is greatly affected by the training programmes an organisation is willing to provide. This also affirms the social exchange theory (SET), which proposes that behaviour occurs as a result of an exchange between two parties. In this case, when employees receive the training and development desired from their organisation, they feel more compelled to give back effort to ensure that their organisation succeeds.

Job satisfaction. Employee satisfaction is another issue raised by five out of the nine participants in this research study. Participant 5's opinion was that one of the major factors when considering engagement is for the employee to "love what you do" in order to give the best to an organisation. This view was echoed by Participant 4: "I personally feel engaged because ... it [my job] is something that you have to look forward to". Participant1 said, "[in my workplace] my activities show result almost immediately and as for me I can assess myself to some extent and get some satisfaction out of that". According to the meta-analysis conducted by Harter et al. (2002), a relationship was found to exist between employee satisfaction and employee engagement. The researchers concluded that employee satisfaction and engagement result in meaningful business outcomes, which are important to many organisations.

Implications of High Levels of Engagement

To satisfy this objective, the researcher asked the participants what they thought would be the consequence of having high levels of engagement amongst the employees in Taiwan's SMEs. The themes revealed from the data collected were organisational productivity and an increase in the workforce's commitment (Table 3). <<<<Table 3>>>>

Productivity. According to all participants in this research study, the consequence of having high levels of engagement amongst employees in SMEs is "organisational productivity". This view was highlighted in different but similar ways, as evidenced in the following responses:

The benefit is they [the organisation] will be more productive. (Participant 4)

Well, the aim of any business is profit making and one man cannot do it alone so, if you provide very good working conditions for your staff, it equals great input in their work. You know, that means a profitable business for you equally so that's the whole idea. (Participant 5)

One important effect of having highly engaged employee is... I think, productivity. (Participant 6)

If a company has highly engaged people working for them, they will grow—especially a small company like ours. (Participant 8)

According to Saks and Rotman (2006), practitioners and academics agree that there are positive consequences to employee engagement. Harter et al. (2002), in their meta-analysis, confirmed the connection between employee engagement and business results, concluding that employee engagement is related to significant business outcomes at a degree that is important to organisations.

The participants also highlighted that one of the implications of having high levels of engagement in Taiwan's SMEs is an increase in work commitment. Six out of nine participants revealed this through their comments. Participant 1 said, "engaging employees would elevate work performance in some way". Similarly, Participant 2 reported that "when your staff is highly engaged they tend to deliver...they give their best to make sure that the productivity is high". In addition,

Participant 4 said that having high levels of engagement equals a high level of motivation amongst the employees, and they will be loyal to the company not only for rewards. The views by the participants can be supported by Macey and Schneider (Ifinedo, 2018; 2008), who postulated that employee engagement can increase the level of commitment of a workforce. Furthermore, participants' comments can be corroborated by Gallup's (2006) survey showing that organisations with a highly engaged workforce have low employee turnover. This emphasises Bakker et al.'s (2012) definition of the engaged employee as one who is committed to helping an organisation accomplish its objectives.

Challenges Faced in Engaging Employees

For the purpose of this objective, the researcher asked the respondents what they thought were the challenges of engaging employees in Taiwan's SMEs. The most significant theme found is classified as Taiwan's economic climate. Excerpts from the findings and discussion are detailed next.

Economic climate. The economic situation in Taiwan was talked about by four out of the nine participants as one of the challenges Taiwan's SMEs face in engaging employees. Participant 7 revealed that,

because of the economy of the nation, people just want to get job so it really doesn't matter if they are really interested in the job or not, they just want to earn money, so it could be quite difficult to engage such people.

Similarly, Participant 6 mentioned that the concept of employee engagement in Taiwan's SMEs can be a difficult issue:

I do not want to generalise but I want to say that if you look at what it takes to train staff it takes a lot. The time, the money, the resources, it takes a lot. ... I think it is a very difficult concept especially putting the Taiwan factor into consideration.

When discussing some of the factors that encourage engagement in SMEs, Participant 5 discussed employment and the economic climate in Taiwan:

I think that some people do jobs that they don't like because the money is good because there is a situation in Taiwan you know, everybody is trying to hustle. So, when you get a good job and the money is good, even though you don't like it, you just do it.

In addition, Participant 3 stated her views on her reason for the disinterest she showed in her job role and the organisation. According to her, the situation on the Taiwan employment scene thrives basically on referrals and nepotism, coupled with corruption, and has played a role in the mismatch of people to their job roles. She spoke passionately when she said:

Well, I am a lawyer by qualification and lawyers are not paid well in this country. For you to be paid well you must have connections and go to a big company but I don't have connection and nobody to refer me to any big company. Even if you are more qualified than someone else who has connection they don't pick you. You end up with jobs with low pay after spending a long time in school getting an education. So the economy is bad, it is about knowing people to connect you.

Other factors challenging engagement among employees in Taiwan's SMEs mentioned by a few of the participants include career progression, trust, and the freedom to be creative in the organisation. Two participants mentioned having future career progression as an essential factor of engagement in SMEs, and three other participants talked about trust being a vital consideration. One participant pointed out that freedom in carrying out the job task was significant. Despite the fact that these themes were not repeated in the data, they may be important factors that could determine the level of engagement amongst employees in Taiwan's SMEs.

DISCUSSION AND CONCLUSION

This research was aimed at examining employee engagement strategies used in Taiwan's SMEs from the perspective of the employees. The objectives of this research were to examine the perception of employee engagement, outline the factors employees in Taiwan's SMEs associate with employee engagement, and analyse some of the factors affecting their engagement and the consequence of engagement in Taiwan's SMEs.

The research found that employee engagement was understood by the participants as the

majority defined it—namely, as commitment to their various organisations. With respect to the factors associated with engagement in Taiwan's SMEs, all participants mentioned rewards as the most important. Monetary and non-monetary rewards were seen as having the greatest impact on engagement for workers in Taiwan's SMEs, as they expressed that money and recognition would make them more committed towards achieving organisational goals. The results are consistent with several previous studies (Kahn, 1990; Saks, 2006; Sundaray, 2011). HR practices such as flexible work arrangements, training programmes, and incentive rewards might also be important for SMEs' employee engagement.

The participants also mentioned communication, the work environment, management style, job satisfaction, and training and development as important factors. Furthermore, this research discovered that having high levels of engagement amongst employees in Taiwan's SMEs will bring about an increase in work commitment amongst employees, which encourages productivity for the organisation. The results are consistent with previous studies (Kahn, 1990; Saks, 2006; K. Shaw, 2005; Sundaray, 2011). Therefore, communication was found to be a key driver of engagement, so learning how to communicate effectively might help SMEs improve perceptions of engagement and the sense of belonging (Purcell, 2006).

Engaging employees in the workplace involves a number of HR and work practices. Employee engagement should not be considered yet another fluffy HR initiative, but should be recognised as a concept that, when done right, guarantees the development of both the organisation and its employees. Engaging employees in SMEs has been considered challenging due to SME size and characteristics. The participants in this research widely recognised that rewards play a vital role in determining their engagement level. Therefore, an integration of proper reward programmes should be put into place in Taiwan's SMEs.

Furthermore, the management style of Taiwan's SMEs should be one that supports and develops employees. The role of managers in engaging employees is crucial, as they create the micro-environment in which the employees work (Lai et al., 2016; I. Robinson, 2006; Saks, 2006). Managers and business owners must possess key skills, such as being able to communicate, listen,

and motivate (giving feedback and providing support) their employees, in order to create a work environment that is conducive to developing employee engagement.

Furthermore, despite the cost, SMEs should endeavour to provide training and development programmes for their employees (Pittaway & Cope, 2007) to promote employee commitment and dedication towards the organisation. When an organisation invests in its employees, it instils a sense of obligation on the employees' part to give back to the organisation. In addition, the economic environment should not be overlooked. The results are consistent with previous studies (Kahn, 1990; Kular et al., 2008; Saks, 2006; Sundaray, 2011). A more conducive business environment should be provided by the Taiwan government to enable SME owners to provide a better workplace experience for their employees.

The existence of various conceptualisations makes the state of knowledge around employee engagement difficult to determine, as each piece of research is undertaken under a different protocol, using different measures of engagement under different circumstances (Kular et al., 2008, p. 23). Therefore, a number of limitations were encountered while conducting this research. First, the researcher had limited time to conduct this study. Second, the researcher faced some difficulties regarding the sample size. The researcher identified a limited number of responsive individuals with whom to conduct interviews. Due to the distance and conflicting schedules, some of the recruited individuals of interest who had previously agreed to take part in this study opted out.

Future research should attempt to flesh out the types of factors that are the most important for engagement in different roles, jobs, organisations, and groups. The researcher recognizes that, due to the research methodology employed, some of the participants may have been a little less comfortable, in that some of them had never participated in a research interview prior to this. They had to be reassured of confidentiality and anonymity to be able to freely express themselves. This was done by explaining the research topic, aim, and objectives. Future studies might consider using the themes to design a measure to quantitatively prove how various environmental factors might affect job engagement, thereby leading to higher productivity.

The researcher also acknowledges being a novice researcher, and some form of interviewer

bias may have been introduced that may have limited the scope of this research. The researcher's level of education may also have been subjective in the interpretation of the data and how the topic was elaborated and discussed (Symon & Cassell, 2012).

In relation to this study, a number of aspects could be considered for future research. First, the link between employee engagement and organisational performance in Taiwan's SMEs could be focused upon because SMEs serve as the engine for developing countries such as Taiwan. Therefore, research considering how to ensure SMEs are sustained to improve Taiwan's economic situation may be worthwhile. In addition, adopting a mixed research method approach could be considered. Those methods could involve interviews and questionnaires to reach a wider population and obtain a better understanding.

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Table 1Recurring themes on the definition of employee engagement

Themes	P1	P2	P3	P4	P5	P6	P7	P8	P9
Involvement	Х			Х	Х	Х	Х		
Commitment to		Х	Х	Х		Х	Х	Х	Х
organisation									

Table 2.

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Recurring themes	on the factors	emplovees in	Taiwan's SMEs	s associate with engagement

Themes	P1	P2	Р3	P4	Р5	P6	P7	P8	Р9
Training and development		Х		Х		Х		Х	
Job satisfaction	Х			Х	Х		Х	X	
Rewards	Х	Х	Х	Х	Х	Х	X	X	Х
Value and recognition	X		Х	Х	Х	X	X	Х	
Communication			Х	Х		X	x	X	Х
Working environment		Х	X		X	x		Х	Х
Management style / respect	X	Х	X		Х		Х	Х	Х
Size and structure of SMEs				Х	Х				

<u> </u>	-						1		
Themes	P1	P2	P3	P4	P5	P6	P7	P8	P9
Organisational productivity	Х	Х	Х	Х	Х	Х	Х	Х	Х
Increase in work commitment	Χ	Χ		Х	Χ	Χ	Х		

Table 3Recurring themes on the implication of having high levels of engagement

Table 4
Recurring themes on the challenges Taiwan SMEs face in engaging employees

Themes	P1	P2	P3	P4	P5	P6	P7	P8	P9
Economic climate			Х		Х	Х	Х		