

**MOTIVATIONAL FACTORS PERTAINING TO EMPLOYEE
ENGAGEMENT IN SMES**



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Thematic paper
Entitled
**MOTIVATIONAL FACTORS PERTAINING TO EMPLOYEE
ENGAGEMENT IN SMES**

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MOTIVATIONAL FACTORS PERTAINING TO EMPLOYEE ENGAGEMENT IN SMES

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ABSTRACT

The purpose of this study was to find the motivation factors which drive employee engagement in SMEs. The 16 motivation factors were formed in order to test the relationship with employee engagement by Pearson correlation method. The data were collected from 100 SMEs employees from SMEs sectors which are trading, manufacturing and service.

The results of this study showed that health & Safety, Working environment, Financial Reward and benefits, management style of superior and work and life balance were significant factors which pertain to employee engagement in SMEs.

KEY WORDS: Motivation /Factor/ Drive / Employee Engagement / SMEs

42 pages

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CHAPTER I

INTRODUCTION

1.1 Background and Statement of the Problem

Employees are the most beneficial resource to any organization because they have significant characteristics that are unable to be duplicated (Vosloban, 2013). In contrast, if employees do not engage with their company, this can lead to significant problems, such as lower levels of commitment resulting in lower productivity and higher absenteeism levels within the organization (Markos & Sridevi, 2010). Even the best strategies of any organization can become worthless if employees are not engaged (Berens, 2013).

Thus, what is ‘engagement’ and what are the reasons for its importance to an organization? The verb to ‘engage’ refers to having a positive attitude toward an organization and involving oneself in working for the company’s success (Towers, 2003; Robinson, Perryman, & Hayday, 2004; Markos & Sridevi, 2010).

A Gallup study, ‘*State of the global workplace*’ (Gallup, Inc., 2013), shows the essentials of employee engagement by presenting the effects of engagement upon performance.

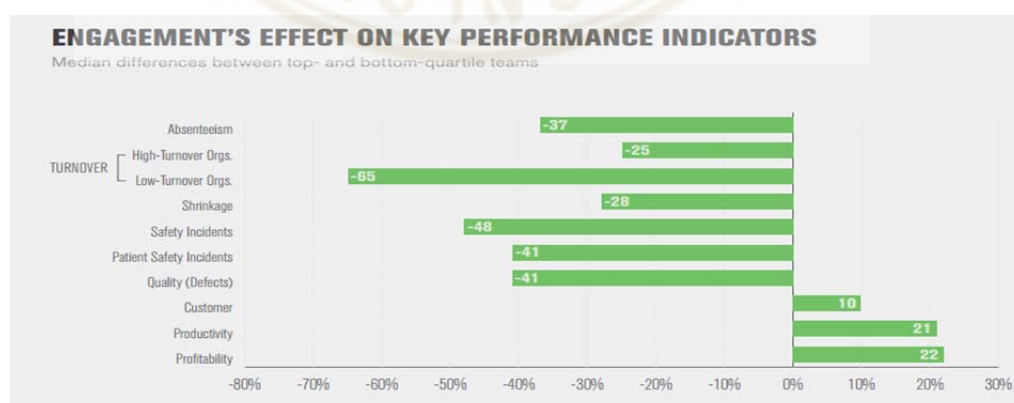


Figure 1.1 Engagement effects upon key performance indicators (Gallup, Inc., 2013)

Referring to the study by Gallup in Figure 1.1, there are nine aspects which can be affected by engagement, including: absenteeism, turnover, shrinkage, safety incidents, patient safety incidents, quality (defects), customer loyalty, productivity and profitability. As can be inferred from the chart, customers, productivity and profitability increased, while other negative performances decreased. Therefore, it can be concluded that the higher the level of employee engagement the company can attain, the greater the likelihood of its success (Vosloban, 2013). Moreover, various research studies also indicate that employee engagement impacts upon organizational performance outcomes, employee retention, productivity, profitability, customer loyalty and safety (Markos & Sridevi, 2010).

Focusing on the measurement of employee engagement in Thailand in 2012, Gallup's study (Gallup, Inc., 2013) also found that only 14% of respondents described themselves as engaged employees with the organization, while 84% of employees responded that they were disengaged.

In response to the low proportion of employee engagement of Thai employees, this paper seeks to investigate the motivational factors that are able to increase employee engagement. The reason to link motivation with engagement is because an increased level of employee engagement will encourage staff to be more motivated (Burton, 2012).

The paper focused on employees who work for small and medium-sized enterprises (SMEs), covering three SMEs industries classified as: production, service and trading sectors. SME businesses play important roles in Thailand's economy and written data about SME situations in 2014 suggests a continued upturn. From export statistics during January to October, the total value was 1.6 trillion baht, which was an increase of 8.49%, while the GDP of SMEs increased by 0.5% as a result of economic stimulation and a government policy to help SME businesses. The growth in GDP of SMEs will continually upturn to 5.4% in 2015 (Office of Small and Medium Enterprises Promotion, 2015).

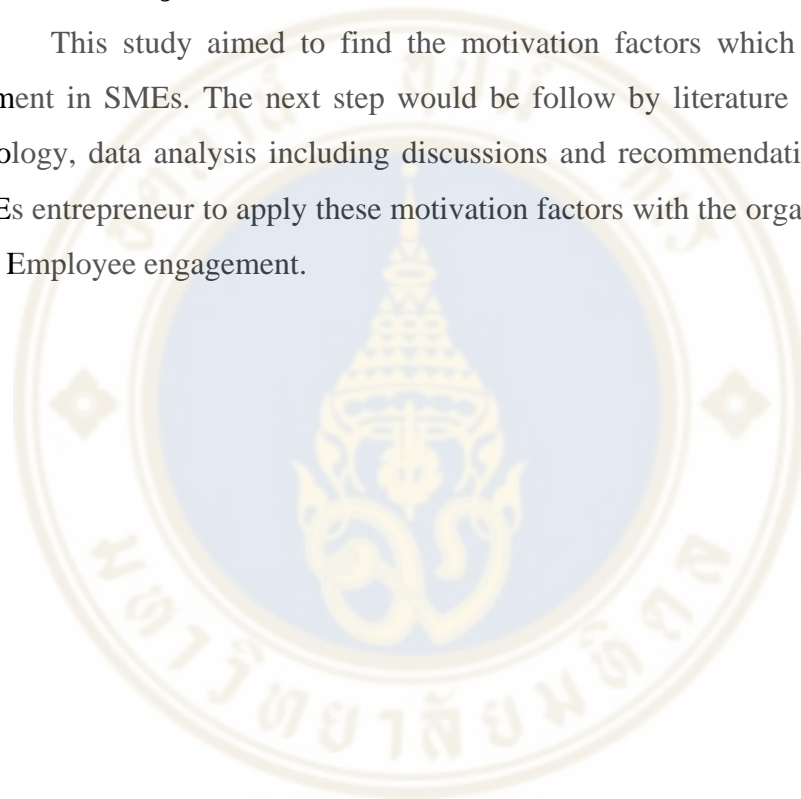
Therefore, the significance of SMEs businesses encouraged the study of motivational factors that affect employee engagement in this area. This study is expected to be useful in improving human resources in SMEs because employees are one of the key success factors which can lead Thai SMEs to achieve greater competitiveness among ASEAN states.

1.2 Research Question

Even though SMEs business is one of key factors, which drive competitiveness of Thai's economy among ASEAN countries, there are not many studies related to its engagement drivers. Therefore, in this study, the research question is to find which motivation drivers that have the effects on SMEs business.

1.3 Research Objective

This study aimed to find the motivation factors which drive employee engagement in SMEs. The next step would be follow by literature review, research methodology, data analysis including discussions and recommendations to be useful for SMEs entrepreneur to apply these motivation factors with the organization in order to build Employee engagement.



CHAPTER II

LITERATURE REVIEW

2.1 Definitions

2.1.1 Small and Medium-sized Enterprises

The Thai Ministry of Industry defines SMEs according to ministerial regulations issued in 2002, as per Figure 2.1, and these are categorized into three sectors which are production, service and trading (including wholesale and retail) (The Organisation for Economic Co-operation and Development, 2014).

Table 2.1 Definition of SME in Thailand

Definition of SMEs according to the Thai Ministry of Industry

Type	Small		Medium	
	Employees	Capital (THB million)	Employees	Capital (THB million)
Production	Not more than 50	Not more than 50	51-200	51-200
Service	Not more than 50	Not more than 50	51-200	51-200
Wholesale	Not more than 25	Not more than 50	26-50	51-100
Retail	Not more than 15	Not more than 30	16-30	31-60

SMEs are enterprises which employ more than 26 persons, but do not exceed 200 persons, with fixed assets (excluding land and property) valued at between 30 million baht and 200 million baht. It is necessary to study SMEs because these businesses play important roles in Thailand's economy, and because data about SME situations in 2014 indicates a continued upturn. The total value of export statistics between January and October was 1.6 trillion baht, which was an 8.49% increase upon the previous year, while GDP contributed by SMEs increased by 0.5% as a result of economic stimulation and government policies to help SME businesses. The growth of GDP through SMEs is expected to continue its upturn by 5.4% in 2015 (Office of Small and Medium Enterprises Promotion, 2015).

2.1.2 Employee Engagement

Personal engagement is a factor which directly influences employees' work performances. During their working performances, employees show their engagement through their physical, emotional and perceptual actions (Kahn, 1990), and also show their enthusiasm for their jobs (Gallup, Inc., 2013). They are willing to work for the company's accomplishments by placing effort, ability and time into their actions (Towers, 2003). They also have positive attitudes towards the company which serve to nurture the engagement that arises from the two-way relationship between employer and employee (Robinson, Perryman, & Hayday, 2004).

To summarize the definitions from all the researchers; employee engagement can be defined as a positive attitude of the employee toward their job and their organization's goals, which will be expressed through work performance.

2.1.3 Motivation

The root of 'motivation' comes from the Latin verb 'movere', which means 'to be moved to do something'. Therefore, a motivated person is one who has the energy to complete an action until its conclusion, while the unmotivated person has no inspiration to finish their task (Ryan & Deci, 2000). Similarly, employee motivation can be defined as the willingness to place great effort into helping the organization to reach its goals by depending upon effort, ability and the fulfillment of individual needs (Khan & Iqbal, 2013). In conclusion, motivation is the leverage of an individual in order to achieve personal and organizational targets (Khan & Iqbal, 2013).

2.2 Theories of Motivation and Engagement

2.2.1 Motivation Theories

According to '*Maslow's Hierarchy of Needs*' (Khan & Iqbal, 2013), there are five steps of needs which must be fulfilled in order for an individual to be satisfied, namely: psychological needs, safety needs, belonging needs, self-esteem, and self-actualization. These needs act as motivators and must begin with the first element at

the bottom of Maslow's triangle, as per Figure 2.2 below, and be subsequently followed by other steps to achieve greater ambitions.

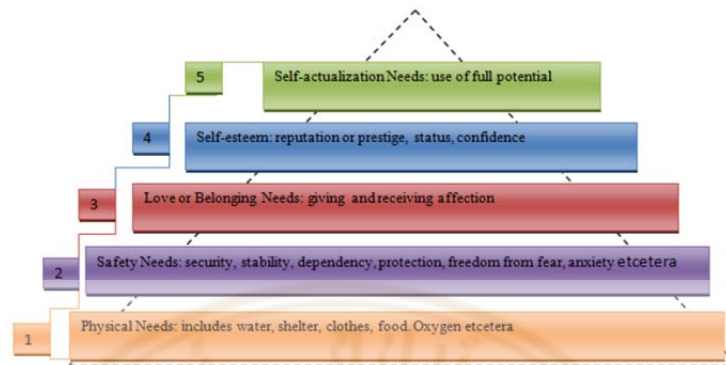


Figure 2.1 Maslow's Hierarchy of Needs (Khan & Iqbal, 2013)

Similar to Maslow's theory; the '*Alderfer ERG Theory*' (Khan & Iqbal, 2013), which is adapted from the work of Maslow, holds that needs can occur at any time, and can arise simultaneously with basic needs. Alderfer states three types of needs which relate to those of Maslow: the first is 'existence needs', described as similar to Maslow's psychological and safety needs. The second is 'related needs', corresponding to the belonging needs of Maslow. Finally, 'growth needs' can be associated with self-esteem and self-actualization.

A further study of needs carried out by David McClelland, resulted in the '*Socially Acquired Needs Theory*'. Social motives consist of three factors: achievement (the need to succeed); power (the need to change the behavior of others), and affiliation (the need for social interaction). Moreover, McClelland also claims that a person exhibiting achievement needs at a high level will have a tendency to set higher goals than a person whose achievement needs are lower (Wiley, 1997; Hedberg, Hirth, & Petzold, 2002).

The final theory is '*Herzberg's Two-Factor Theory*', which offers a perspective of job satisfaction based upon the belief that job satisfaction and dissatisfaction occur as a result of differing factors. These factors can be categorized into two groups: hygiene factors and motivation factors. Hygiene factors serve to decrease job dissatisfaction through job security, salary, working conditions and relationships, whereas motivation

factors are related to the content of the job; for example, achievement, recognition, promotion and growth (Ruthankoon & Ogunlana, 2003; Khan & Iqbal, 2013).

2.2.2 Types of Motivation

2.2.2.1 Intrinsic Motivations

Intrinsic motivations drive an individual to perform an action to derive inherent satisfaction. White (1959) found that animals also have intrinsic motivations which are shown spontaneously through behaviors which display no incentive or reason. In humans, intrinsic motivation is present from birth; it is a component of human actions, thoughts and skills which appear without reinforcement or instrumental values. Intrinsic rewards are derived from interesting work, job satisfaction and job appreciation (Ryan & Deci, 2000).

2.2.2.2 Extrinsic Motivations

Extrinsic motivation differs from intrinsic motivation in that it impels individuals to perform an action in order to obtain a particular outcome or reward (Ryan & Deci, 2000). Monetary and tangible benefits are a form of extrinsic rewards; job security, a good salary, promotions and growth, and recognition are all included in this type of motivation (Khan & Iqbal, 2013).

2.2.3 Engagement Theories

The 'Institute for Employee Studies' (Robinson, Perryman, & Hayday, 2004), presents a case study of The Royal Bank of Scotland (RBS), which is a company that combines employee engagement in its business strategy. According to the RBS model of engagement in Figure 2.3, employees who are satisfied with their jobs are in the first level of engagement, followed by the stage in which employees develop commitment to the company. The final goal is when employees are willing to achieve organizational goals, and can thus be defined as 'engaged'. Authors identify that engagement is driven by feelings of being valued and involved, including career development, immediate management, performance and appraisal, communication, fair treatment, pay and benefits, health and safety, cooperation, family friendliness, and job satisfaction, as shown in Figure 2.4. This diagnostic tool can be used as a guideline for finding

engagement drivers within each organization, primarily because they recommend that the effect of each driver depends upon each organization (Techathaweewat, 2014).

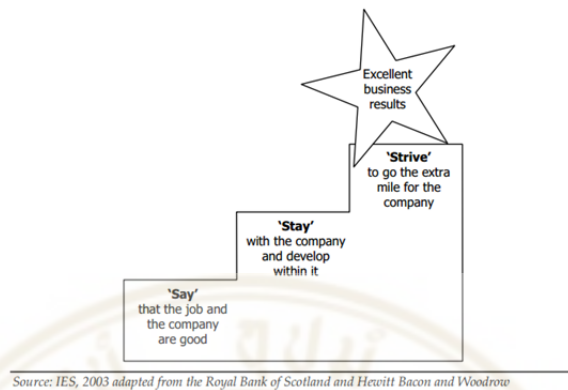


Figure 2.2 The RBS Model of Engagement (Robinson, Perryman, & Hayday, 2004)

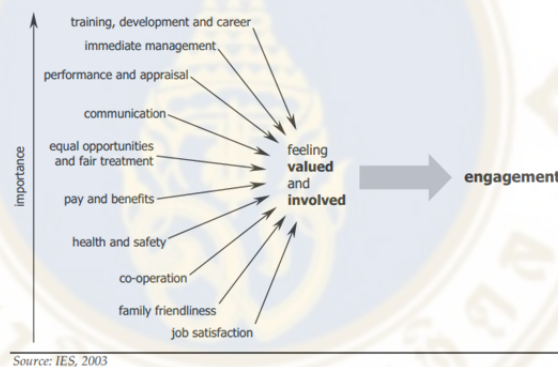


Figure 2.3 The Drivers of Employee Engagement: A Diagnostic Tool (Robinson, Perryman, & Hayday, 2004)

2.2.3.1 Related Studies about Employee Engagement Drivers

According to Evans and Redfern's (2010) studies, there are many factors that affect employee engagement within an organization. The working conditions and working environment are factors that affect levels of employee engagement.

A leadership and development manager of 'Plastic Co.' (CIPD, 2008) found that under working conditions which allow employees to share their ideas, develop their skills, and offer solutions to problems, employees tend to display increased levels of employee engagement. Maslach, Schaufeli and Leiter (2001) and

May, Gilson and Harter (2004) also support these findings with the results of their studies, showing that good colleagues and a pleasant work environment will lead to a higher level of employee engagement. Moreover, line managers also play an important role in building employee engagement. As Peterson and Luthans (2002) found, a line manager's self-efficacy is one of the important factors to build employee engagement. Similarly, McBain (2007) also supported the idea that a line manager requires efficient communication skills and good performance management skills in order to develop employee engagement in a manner that makes them realize the significance of their work to the organization, and to help them develop their skills and encourage inspiration. However, Armstrong (2009) argued that organizational structures and working systems also affect employee engagement. The allocation of work, according to the consideration of the supervisor, can have an influence upon employees in a manner that makes them realize the importance of their work within the organization, which can lead to greater work engagement (Evans & Redfern, 2010).

Furthermore, Berens (2013) studied employee engagement in successful organizations from small to middle-sized businesses and found that the roots of engagement are derived from four qualities which compel staff to become naturally involved with the company. The first is the quality is the capacity *to place staff into the bigger picture*; when they cannot complete work alone they are obliged to make connections to others in order to achieve tasks and feel proud of their achievements together. The researcher found that presenting a bigger picture of a company's vision to employees would encourage them to think about being able to complete their own routines. Concerning this plan, leaders should aim to ensure that every employee is familiar with such a vision, and be encouraged to think that every individual affords a link to the achievement of the company's vision.

The second quality is *a sense of belonging*, because people place their trust in organizations that offer a feeling of belonging together. This enables them to connect and to have something in common when completing their responsibilities that are related to the company's vision.

The next quality involves *a meaningful journey*. In doing routine tasks, people often cannot find motivation because they already know what will happen next, and so the leader must create a meaningful journey by putting them into a part of

the 'moving forwards', in order to make them feel like pioneers. However, by giving them such a challenge, leaders also have to support their employees in order to minimize the difficulty in arriving at the end of their journeys.

Finally, it is important to make employees' efforts public. After contributing to the journey, employees should be given the opportunity to see that they have made a *significant impact* upon the organization. According to this survey, engagement can be increased when people affect one another's performance.

Techathaweewat (2014) also surveyed the key findings of engagement drivers of the Ajinomoto Co. (Thailand) Head Office. This research shows that factors leading to high employee engagement are feelings of being valued and involved, equal opportunities and fair treatment, job satisfaction, training, and career development.

2.3 Related studies about Motivation and Employee Engagement

Khan & Iqbal (2013) studied the relationship between work motivation and employee engagement. They found that there is positive correlation between intrinsic and extrinsic motivation and employee engagement.

Not only engagement, but also motivation factors can create employee retention according to Aguenza and Mat Som's (2012) study. They define motivation drivers as financial rewards (to make the job secure), job characteristics (freedom and independent work), career development (desire to grow), recognition (being meaningful), management (process of working) and work-life balance (reducing the impact of work on one's life).

2.4 Summary of Motivation Theories and Employee Engagement Drivers

Type of motivation	Motivation theories				Engagement drivers		
	Maslow's hierarchy of needs	Alderfer ERG theory	Socially acquired needs	Herzberg's two-factor theory	Robinson et al.	Benjamin & Ahmad	Others
Extrinsic	Psychological needs Safety needs Belonging needs	Existence needs Related needs	Need for affiliation	Hygiene factors	Pay and benefits Health and safety Co-operation Family Friendliness Immediate management Performance and appraisal Communication Equal opportunities and fair treatment	Financial reward Work-life balance Management Recognition Job characteristic	A sense of belonging Promotion Relationship Working environment
Intrinsic	Self-esteem Self-actualization	Growth needs	Need for power Need for achievement	Motivation factors	Job satisfaction Training, development and career	Career development	Being a part of big things Meaningful journey Seeing owned significant impact

Figure 2.4 Links between motivation theories and employee engagement drivers

According to the literature review, there are links between motivation theories and employee engagement drivers. The concept of needs of each motivation theory (Maslow, ERG, Social acquired needs and Herzberg) can be categorized into two types of motivation.

The psychological needs, safety needs and belonging needs of Maslow, the existence and related needs of Alderfer, the affiliation need of McClelland and the hygiene factor of Herzberg are defined as extrinsic motivation because they are factors that can fulfill employees in terms of physical benefits and reward. On the other hand, intrinsic motivation is linked to Maslow's self-actualization need and self-esteem, Alderfer's growth needs, McClelland's power and achievement need and Herzberg's motivation factor, because those factors satisfy the inner feelings of each individual (Khan & Iqbal, 2013).

Besides the similarities of motivation theories, there are also connection aspects between engagement drivers which have been studied by researchers, with intrinsic and extrinsic motivation as shown in Figure 2.5. It can be concluded that drivers of engagement are a part of motivation theories.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Conceptual Framework

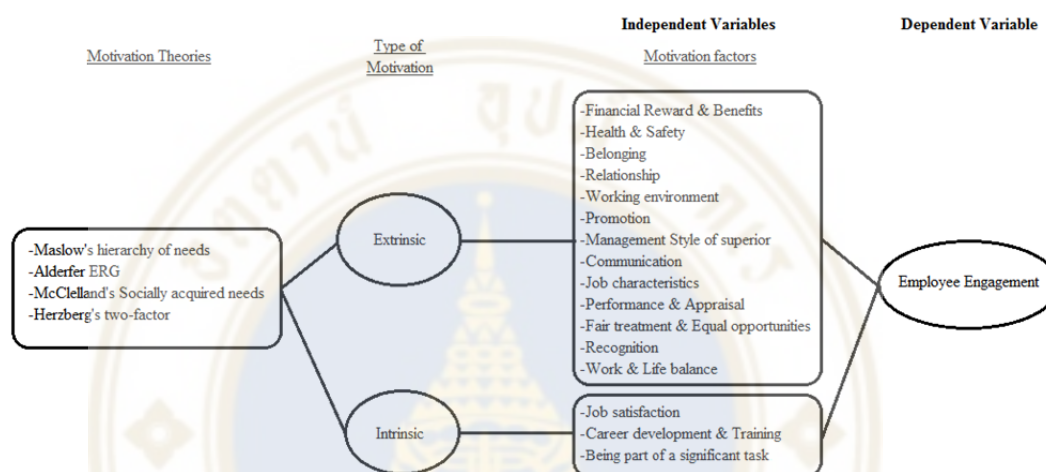


Figure 3.1 Conceptual Framework

Figure 3.1 shows motivation factors which possibly drive employee engagement according to the literature review. The concept will be used to test which independent variables (Financial Reward and Benefits, Health and Safety, Belonging, Relationship, Working Environment, Promotion, Management Style of Superior, Communication, Job Characteristics, Performance and Appraisal, Fair Treatment and Equal Opportunities, Recognition, Work and Life Balance, Job Satisfaction, Career Development and Training, Being Part of a Significant Task) have a positive effect on employee engagement (Dependent Variable).

3.2 Research Hypotheses

- H1o: There is no relationship between Financial Reward and Benefits and Employee Engagement.
- H1a: There is a relationship between Financial Reward and Benefits and Employee Engagement.
- H2o: There is no relationship between Health and Safety and Employee Engagement.
- H2a: There is a relationship between Health and Safety and Employee Engagement.
- H3o: There is no relationship between Belonging and Employee Engagement.
- H3a: There is a relationship between Belonging and Employee Engagement.
- H4o: There is no relationship between Relationship and Employee Engagement.
- H4a: There is a relationship between Relationship and Employee Engagement.
- H5o: There is no relationship between Working Environment and Employee Engagement.
- H5a: There is a relationship between Working Environment and Employee Engagement.
- H6o: There is no relationship between Promotion and Employee Engagement.
- H6a: There is a relationship between Promotion and Employee Engagement.
- H7o: There is no relationship between Management Style of Superior and Employee Engagement.
- H7a: There is a relationship between Management Style of Superior and Employee Engagement.
- H8o: There is no relationship between Communication and Employee Engagement.
- H8a: There is a relationship between Communication and Employee Engagement.
- H9o: There is no relationship between Job Characteristics and Employee Engagement.
- H9a: There is a relationship between Job Characteristics and Employee Engagement.

- H10o: There is no relationship between Performance and Appraisal and Employee Engagement.
- H10a: There is a relationship between Performance and Appraisal and Employee Engagement.
- H11o: There is no relationship between Fair Treatment and Equal Opportunities and Employee Engagement.
- H11a: There is a relationship between Fair Treatment & Equal Opportunities and Employee Engagement.
- H12o: There is no relationship between Recognition and Employee Engagement.
- H12a: There is a relationship between Recognition and Employee Engagement.
- H13o: There is no relationship between Work and Life Balance and Employee Engagement.
- H13a: There is a relationship between Work and Life Balance and Employee Engagement.
- H14o: There is no relationship between Job Satisfaction and Employee Engagement.
- H14a: There is a relationship between Job Satisfaction and Employee Engagement.
- H15o: There is no relationship between Career Development and Training and Employee Engagement.
- H15a: There is a relationship between Career Development and Training and Employee Engagement.
- H16o: There is no relationship between Being Part of a Significant Task and Employee Engagement.
- H16a: There is a relationship between Being Part of a Significant Task and Employee Engagement.

3.3 Research Methodology

To test the research hypotheses, quantitative research by questionnaire is adopted as the data collection approach because this method allows the collection of a large amount of information from a large sample.

3.3.1 Population and Sample size

Data was collected from employees who are working at SMEs (manufacturing, wholesaling, retailing and services) in the Bangkok Metropolitan Region. The sample size was 100 questionnaires which were distributed to respondents online and in person.

3.3.2 Research Instrument

Since the instrument used in this study is a questionnaire, questions were organized into four parts; the first part entails screening, the second part comprises general questions, the third part covers specific questions and the last involves demographic questions.

Part 1: Measuring employee engagement level by Interval scales.

Part 2: Specific questions which concern motivation factors from the conceptual framework and transform them into questions. The measurement of this part uses interval scales (Likert scale); 5 = Strongly agree, 4 = Agree, 3 = Neutral, 2 = Disagree, 1 = Strongly Disagree.

Part 3: Demographic questions include gender, age, marital status, educational level, years of service and job position. A nominal scale is used for the measurement of this section.

3.4 Statistical Treatment of Data

SPSS was used in the data analysis for this study. The descriptive analysis function was applied to see the characteristics of the respondents. Inferential statistics were conducted in order to test the hypotheses on the relationships between independent variables and the dependent variable.

CHAPTER IV

DATA ANALYSIS AND DISCUSSIONS

This study is designed to investigate the relationship between motivation factors and employee engagement in order to find positive factors to drive employee engagement in SMEs. Therefore, this chapter presents the data collected from respondents through online (Google survey) and offline (hard copy) questionnaires and analyzed using the SPSS statistical program. The questionnaires were distributed randomly to 100 employees in SMEs industries, including the manufacturing, trading and service sectors. The results are presented in four parts:

Part 4.1: Descriptive Data Analysis on Respondents' Characteristics.

Part 4.2: Employee Engagement Level of Respondents.

Part 4.3: Hypothesis Testing

Part 4.4: Discussion

4.1 Descriptive Data Analysis on Respondent's Characteristics.

4.1.1 Gender

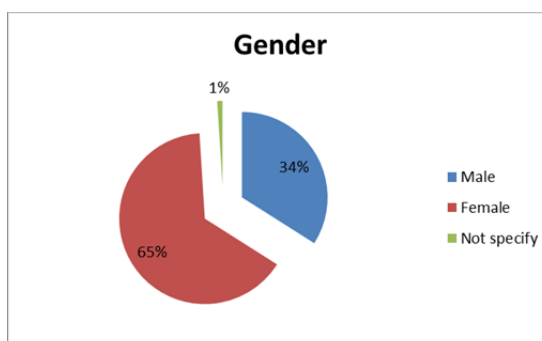


Figure 4.1 Gender of respondents

Figure 4.1 shows that female respondents comprised the largest group at 65%, followed by 34% for males and 1% not specified.

4.1.2 Age

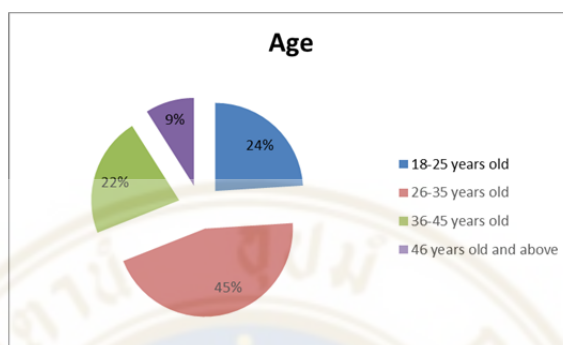


Figure 4.2 Age of respondents

According to the statistics in Figure 4.2, the highest percentage of this category was the group aged 26-35 years old which represented 45% of the total sample. The second group was 18-25 years old, followed by 36-45 years old at 22% and 46 years old and above at 9%.

4.1.3 Education level

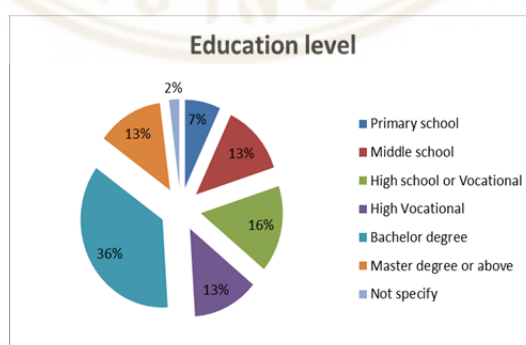


Figure 4.3 Education levels of respondents

Figure 4.3 shows the education levels of the sample respondents. The largest group held a bachelor's degree at 36% of the total sample, followed by high school or vocational which comprises 16% of the total sample. The categories for middle school, high vocational, and master's degree or above each amounted to 13%. The smallest groups were primary school and not specified which were 7% and 2% respectively.

4.1.4 Marital Status

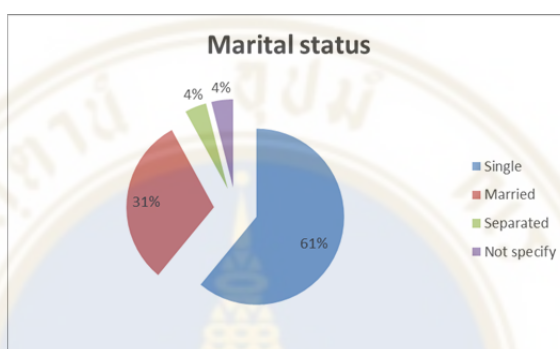


Figure 4.4 Marital Status of respondents

From Figure 4.4, 61% of the sample respondents were single and 31% were married. Only 4% were separated and another 4% were not specified.

4.1.5 Years of Service

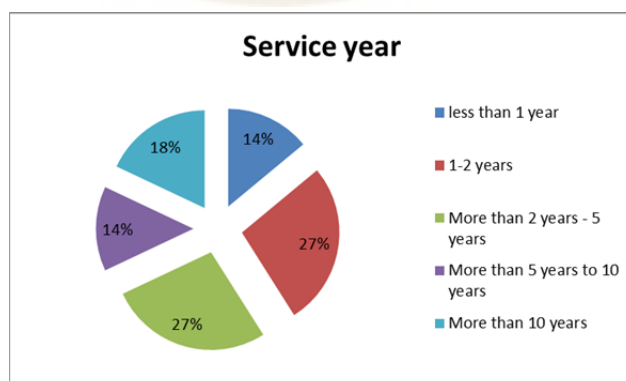


Figure 4.5 Service Year of respondents

The statistics in Figure 4.5 indicate that from 100% of the sample respondents, the group of 1-2 service years and 2-5 service years equally shared 27%. This was followed by 18% of the total sample who had 10 or more service years. The smallest groups were less than 1 service year and 5-10 service years at 14% each.

4.1.6 Job level Analysis

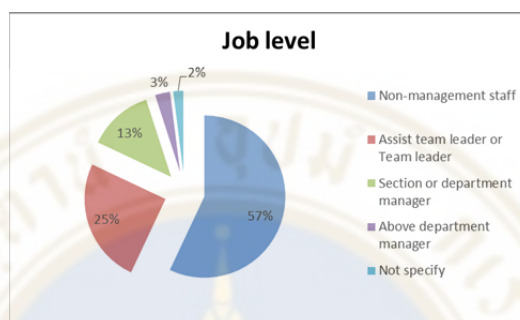


Figure 4.6 Job levels of respondents

From Figure 4.6, it can be inferred that 57% of the total sample were non-management staff, amounting to more than half of the respondents. This was followed by assistant team leaders or team leaders comprising 25%, and section or department managers at 13%. Only 3% of the total sample were above department manager status while 2% were not specified.

4.1.7 Type of Business Analysis

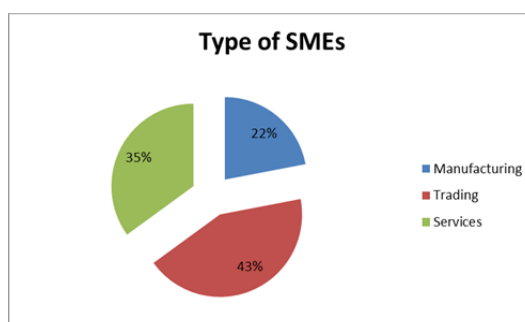


Figure 4.7 Type of business of respondents

Figure 4.7 reveals that 43% of the 100 SMEs were in the trading sector, followed by 35% in the service sector and 22% in the manufacturing sector.

4.2 Engagement level Analysis

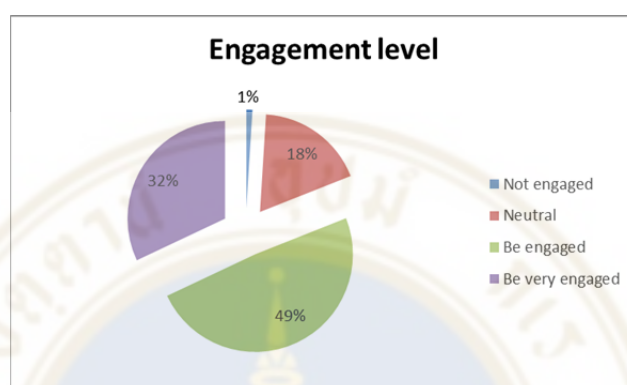


Figure 4.8 Engagement levels of respondents

From 100 respondents, 49% reported that they were engaged with the company, while 32% were very engaged and 18% were neutral. Only 1% said they were not engaged.

4.3 Hypothesis Testing

Pearson's Correlation Coefficient is a statistical measure of the strength of a linear relationship between data. The closer the value is to 1 or -1, the stronger the linear correlation. There are two types of correlation: positive and negative (The statstutor team, 2004). The Pearson Correlation method was used to measure the relationship between 16 factors (Financial Reward and Benefits, Health and Safety, Belonging, Relationship, Working Environment, Promotion, Management Style of Superior, Communication, Job Characteristics, Performance and Appraisal, Fair Treatment and Equal Opportunities, Recognition, Work-life Balance, Job Satisfaction, Career Development and Training, Being Part of a Significant Task) and employee engagement.

H1: Financial Reward and Benefits and Employee Engagement

H1o: There is no relationship between Financial Reward and Benefits and Employee Engagement.

H1a: There is relationship between Financial Reward and Benefits and Employee Engagement.

Table 4.1 H1: Financial Reward and Benefits and Employee Engagement

Descriptive Statistics

	Mean	Std. Deviation	N
feel engage	4.1200	.72864	100
AVG_Finbenefit	4.1438	.48668	100

Correlations

		feel engage	AVG_Finbenefit
feel engage	Pearson Correlation	1	.264**
	Sig. (2-tailed)		.008
	N	100	100
AVG_Finbenefit	Pearson Correlation	.264**	1
	Sig. (2-tailed)	.008	
	N	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

From the above table, the Pearson Correlation Coefficient was computed to assess the relationship between Financial Reward and Benefits and Employee Engagement. The scores were $r = 0.264$, $n = 100$, $p = 0.008$. As the significant value was equal to 0.008, which is less than the 0.01 level, the null hypothesis was rejected. Therefore, there is a positive relationship between Financial Reward and Benefits and employee engagement.

H2: Health and Safety and Employee Engagement

H2o: There is no relationship between Health and Safety and Employee Engagement.

H2a: There is relationship between Health and Safety and Employee Engagement.

Table 4.2 H2: Health and Safety and Employee Engagement

Descriptive Statistics

	Mean	Std. Deviation	N
feel engage	4.1200	.72864	100
AVG_Healthsafety	4.0733	.54962	100

Correlations

		feel engage	AVG_Healthsafety
feel engage	Pearson Correlation	1	.289**
	Sig. (2-tailed)		.004
	N	100	100
AVG_Healthsafety	Pearson Correlation	.289**	1
	Sig. (2-tailed)	.004	
	N	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

From the above table, the Pearson Correlation Coefficient was computed to assess the relationship between Health and Safety and Employee Engagement. The scores were $r = 0.289$, $n = 100$, $p = 0.004$. As the significant value was equal to 0.004, which is less than the 0.01 level, the null hypothesis was rejected. Therefore, there is a positive relationship between Health and Safety and Employee Engagement.

H3: Belonging and Employee Engagement

H3o: There is no relationship between Belonging and Employee Engagement.

H3a: There is relationship between Belonging and Employee Engagement.

Table 4.3 H3: Belonging and Employee Engagement

Descriptive Statistics			
	Mean	Std. Deviation	N
feel engage	4.1200	.72864	100
AVG_Belong	4.1750	.71906	100

Correlations			
		feel engage	AVG_Belong
feel engage	Pearson Correlation	1	.181
	Sig. (2-tailed)		.071
	N	100	100
AVG_Belong	Pearson Correlation	.181	1
	Sig. (2-tailed)	.071	
	N	100	100

From the above table, the Pearson Correlation Coefficient was computed to assess the relationship between Belonging and employee engagement. The scores were $r = 0.181$, $n = 100$, $p = 0.071$. As the significance value was equal to 0.071, which is more than the 0.01 level, the null hypothesis was not rejected. Therefore, there is no relationship between Belonging and employee engagement.

H4: Relationship and Employee Engagement

H4o: There is no relationship between Relationship and Employee Engagement.

H4a: There is relationship between Relationship and Employee Engagement.

Table 4.4 H4: Relationship and Employee Engagement

Descriptive Statistics

	Mean	Std. Deviation	N
feel engage	4.1200	.72864	100
AVG_Relation	4.2750	.65665	100

Correlations

		feel engage	AVG_Relation
feel engage	Pearson Correlation	1	.184
	Sig. (2-tailed)		.067
	N	100	100
AVG_Relation	Pearson Correlation	.184	1
	Sig. (2-tailed)	.067	
	N	100	100

From the above table, the Pearson Correlation Coefficient was computed to assess the relationship between Relationship and Employee Engagement. The scores were $r = 0.184$, $n = 100$, $p = 0.067$. As the significance value was equal to 0.067, which is more than the 0.01 level, the null hypothesis was not rejected. Therefore, there is no relationship between Relationship and Employee Engagement.

H5: Working Environment and Employee Engagement

H5o: There is no relationship between Working Environment and Employee Engagement.

H5a: There is relationship between Working Environment and Employee Engagement.

Table 4.5 H5: Working Environment and Employee Engagement

Descriptive Statistics

	Mean	Std. Deviation	N
feel engage	4.1200	.72864	100
AVG_Workenvi	4.0667	.63564	100

Correlations

		feel engage	AVG_Workenvi
feel engage	Pearson Correlation	1	.281**
	Sig. (2-tailed)		.005
	N	100	100
AVG_Workenvi	Pearson Correlation	.281**	1
	Sig. (2-tailed)	.005	
	N	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

From the above table, the Pearson Correlation Coefficient was computed to assess the relationship between Working Environment and Employee Engagement. The scores were $r = 0.281$, $n = 100$, $p = 0.005$. As the significant value was equal to 0.005, which is less than the 0.01 level, the null hypothesis was rejected. Therefore, there is a positive relationship between Working Environment and Employee Engagement.

H6: Promotion and Employee Engagement

H6o: There is no relationship between Promotion and Employee Engagement.

H6a: There is relationship between Promotion and Employee Engagement.

Table 4.6 H6: Promotion and Employee Engagement

Descriptive Statistics

	Mean	Std. Deviation	N
feel engage	4.1200	.72864	100
AVG_Promotion	4.0950	.63840	100

Correlations

		feel engage	AVG_Promotion
feel engage	Pearson Correlation	1	.127
	Sig. (2-tailed)		.207
	N	100	100
AVG_Promotion	Pearson Correlation	.127	1
	Sig. (2-tailed)	.207	
	N	100	100

From the above table, the Pearson Correlation Coefficient was computed to assess the relationship between Promotion and Employee Engagement. The scores were $r = 0.127$, $n = 100$, $p = 0.207$. As the significance value was equal to 0.207, which is more than the 0.01 level, the null hypothesis was not rejected. Therefore, there is no relationship between Promotion and Employee Engagement.

H7: Management Style of Superior and Employee Engagement

H7o: There is no relationship between Management Style of Superior and Employee Engagement.

H7a: There is relationship between Management Style of Superior and Employee Engagement.

Table 4.7 H7: Management Style of Superior and Employee Engagement

Descriptive Statistics

	Mean	Std. Deviation	N
feel engage	4.1200	.72864	100
AVG_MgtStyle	4.2950	.63602	100

Correlations

		feel engage	AVG_MgtStyle
feel engage	Pearson Correlation	1	.206*
	Sig. (2-tailed)		.040
	N	100	100
AVG_MgtStyle	Pearson Correlation	.206*	1
	Sig. (2-tailed)	.040	
	N	100	100

*. Correlation is significant at the 0.05 level (2-tailed).

From the above table, the Pearson Correlation Coefficient was computed to assess the relationship between Management Style of Superior and Employee Engagement. The scores were $r = 0.206$, $n = 100$, $p = 0.040$. As the significant value was equal to 0.040, which is less than the 0.05 level, the null hypothesis was rejected. Therefore, there is a positive relationship between Management Style of Superior and Employee Engagement.

H8: Communication and Employee Engagement

H8o: There is no relationship between Communication and Employee Engagement.

H8a: There is relationship between Communication and Employee Engagement.

Table 4.8 H8: Communication and Employee Engagement

Descriptive Statistics

	Mean	Std. Deviation	N
feel engage	4.1200	.72864	100
AVG_Communicate	4.1900	.74799	100

Correlations

		feel engage	AVG_Communicate
feel engage	Pearson Correlation	1	.162
	Sig. (2-tailed)		.108
	N	100	100
AVG_Communicate	Pearson Correlation	.162	1
	Sig. (2-tailed)	.108	
	N	100	100

From the above table, the Pearson Correlation Coefficient was computed to assess the relationship between Communication and Employee Engagement. The scores were $r = 0.162$, $n = 100$, $p = 0.108$. As the significance value was equal to 0.108, which is more than the 0.01 level, the null hypothesis was not rejected. Therefore, there is no relationship between Communication and Employee Engagement.

H9: Job characteristic and Employee Engagement

H9o: There is no relationship between Job characteristic and Employee Engagement.

H9a: There is relationship between Job characteristic and Employee Engagement.

Table 4.9 H9: Job characteristic and Employee Engagement

Descriptive Statistics

	Mean	Std. Deviation	N
feel engage	4.1200	.72864	100
AVG_JobCharacter	3.8400	.70190	100

Correlations

		feel engage	AVG_JobCharacter
feel engage	Pearson Correlation	1	-.061
	Sig. (2-tailed)		.548
	N	100	100
AVG_JobCharacter	Pearson Correlation	-.061	1
	Sig. (2-tailed)	.548	
	N	100	100

From the above table, the Pearson Correlation Coefficient was computed to assess the relationship between Job characteristic and Employee Engagement. The scores were $r = -0.061$, $n = 100$, $p = 0.548$. As the significance value was equal to 0.548, which is more than the 0.01 level, the null hypothesis was not rejected. Therefore, there is no relationship between Job characteristic and Employee Engagement.

H10: Performance and Appraisal and Employee Engagement

H10o: There is no relationship between Performance and Appraisal and Employee Engagement.

H10a: There is relationship between Performance and Appraisal and Employee Engagement.

Table 4.10 H10: Performance and Appraisal and Employee Engagement

Descriptive Statistics			
	Mean	Std. Deviation	N
feel engage	4.1200	.72864	100
AVG_Performance	4.1367	.57851	100

Correlations			
		feel engage	AVG_Performance
feel engage	Pearson Correlation	1	.041
	Sig. (2-tailed)		.689
	N	100	100
AVG_Performance	Pearson Correlation	.041	1
	Sig. (2-tailed)	.689	
	N	100	100

From the above table, the Pearson Correlation Coefficient was computed to assess the relationship between Performance and Appraisal and Employee Engagement. The scores were $r = 0.041$, $n = 100$, $p = 0.689$. As the significance value was equal to 0.689, which is more than the 0.01 level, the null hypothesis was not rejected. Therefore, there is no relationship between Performance and Appraisal and Employee Engagement.

H11: Fair treatment and Equal opportunities and Employee Engagement

H11o: There is no relationship between Fair treatment and Equal opportunities and Employee Engagement.

H11a: There is relationship between Fair treatment and Equal opportunities and Employee Engagement.

Table 4.11 H11: Fair treatment and Equal opportunities and Employee Engagement

Descriptive Statistics			
	Mean	Std. Deviation	N
feel engage	4.1200	.72864	100
AVG_FairEqual	4.0025	.60354	100

Correlations			
		feel engage	AVG_FairEqual
feel engage	Pearson Correlation	1	.160
	Sig. (2-tailed)		.112
	N	100	100
AVG_FairEqual	Pearson Correlation	.160	1
	Sig. (2-tailed)	.112	
	N	100	100

From the above table, the Pearson Correlation Coefficient was computed to assess the relationship between Fair treatment and Equal opportunities and Employee Engagement. The scores were $r = 0.160$, $n = 100$, $p = 0.112$. As the significance value was equal to 0.112, which is more than the 0.01 level, the null hypothesis was not rejected. Therefore, there is no relationship between Fair treatment and Equal opportunities and Employee Engagement.

H12: Recognition and Employee Engagement

H12o: There is no relationship between Recognition and Employee Engagement.

H12a: There is relationship between Recognition and Employee Engagement.

Table 4.12 H12: Recognition and Employee Engagement

Descriptive Statistics

	Mean	Std. Deviation	N
feel engage	4.1200	.72864	100
AVG_Recognize	3.9600	.90921	100

Correlations

		feel engage	AVG_Recognize
feel engage	Pearson Correlation	1	.099
	Sig. (2-tailed)		.328
	N	100	100
AVG_Recognize	Pearson Correlation	.099	1
	Sig. (2-tailed)	.328	
	N	100	100

From the above table, the Pearson Correlation Coefficient was computed to assess the relationship between Recognition and Employee Engagement. The scores were $r = 0.099$, $n = 100$, $p = 0.328$. As the significance value was equal to 0.328, which is more than the 0.01 level, the null hypothesis was not rejected. Therefore, there is no relationship between Recognition and Employee Engagement.

H13: Work and Life Balance and Employee Engagement

H13o: There is no relationship between Work and Life Balance and Employee Engagement.

H13a: There is relationship between Work and Life Balance and Employee Engagement.

Table 4.13 H13: Work and Life Balance and Employee Engagement

Descriptive Statistics

	Mean	Std. Deviation	N
feel engage	4.1200	.72864	100
AVG_WorkLife	4.1100	.98365	100

Correlations

		feel engage	AVG_WorkLife
feel engage	Pearson Correlation	1	-.216*
	Sig. (2-tailed)		.031
	N	100	100
AVG_WorkLife	Pearson Correlation	-.216*	1
	Sig. (2-tailed)	.031	
	N	100	100

*. Correlation is significant at the 0.05 level (2-tailed).

From the above table, the Pearson Correlation Coefficient was computed to assess the relationship between Work and Life Balance and Employee Engagement. The scores were $r = -0.216$, $n = 100$, $p = 0.031$. As the significant value was equal to 0.031, which is less than the 0.05 level, the null hypothesis was rejected. Therefore, there is a positive relationship between Work and Life Balance and Employee Engagement.

H14: Job Satisfaction and Employee Engagement

H14o: There is no relationship between Job Satisfaction and Employee Engagement.

H14a: There is relationship between Job Satisfaction and Employee Engagement.

Table 4.14 H14: Job Satisfaction and Employee Engagement

Descriptive Statistics

	Mean	Std. Deviation	N
feel engage	4.1200	.72864	100
AVG_Jobsatisfy	3.9100	.94383	100

Correlations

		feel engage	AVG_Jobsatisfy
feel engage	Pearson Correlation	1	-.014
	Sig. (2-tailed)		.894
	N	100	100
AVG_Jobsatisfy	Pearson Correlation	-.014	1
	Sig. (2-tailed)	.894	
	N	100	100

From the above table, the Pearson Correlation Coefficient was computed to assess the relationship between Job Satisfaction and Employee Engagement. The scores were $r = -0.014$, $n = 100$, $p = 0.894$. As the significance value was equal to 0.894, which is more than the 0.01 level, the null hypothesis was not rejected. Therefore, there is no relationship between Job Satisfaction and Employee Engagement.

H15: Career development and Training and Employee Engagement

H15o: There is no relationship between Career development and Training and Employee Engagement.

H15a: There is relationship between Career development and Training and Employee Engagement.

Table 4.15 H15: Career development and Training and Employee Engagement

Descriptive Statistics

	Mean	Std. Deviation	N
feel engage	4.1200	.72864	100
AVG_Careerdev	4.0100	.60711	100

Correlations

		feel engage	AVG_Careerdev
feel engage	Pearson Correlation	1	.100
	Sig. (2-tailed)		.322
	N	100	100
AVG_Careerdev	Pearson Correlation	.100	1
	Sig. (2-tailed)	.322	
	N	100	100

From the above table, the Pearson Correlation Coefficient was computed to assess the relationship between Career development and Training and Employee Engagement. The scores were $r = 0.100$, $n = 100$, $p = 0.322$. As the significance value was equal to 0.322, which is more than the 0.01 level, the null hypothesis was not rejected. Therefore, there is no relationship between Career development and Training and Employee Engagement.

H16: Being Part of a Significant Task and Employee Engagement

H16o: There is no relationship between Being Part of a Significant Task and Employee Engagement

H16a: There is relationship between Being Part of a Significant Task and Employee Engagement.

Table 4.16 H16: Being Part of a Significant Task and Employee Engagement

Descriptive Statistics			
	Mean	Std. Deviation	N
feel engage	4.1200	.72864	100
AVG_SigTask	3.9500	.63365	100

Correlations			
		feel engage	AVG_SigTask
feel engage	Pearson Correlation	1	.177
	Sig. (2-tailed)		.078
	N	100	100
AVG_SigTask	Pearson Correlation	.177	1
	Sig. (2-tailed)	.078	
	N	100	100

From the above table, the Pearson Correlation Coefficient was computed to assess the relationship between Being Part of a Significant Task and Employee Engagement. The scores were $r = 0.177$, $n = 100$, $p = 0.078$. As the significance value was equal to 0.078, which is more than the 0.01 level, the null hypothesis was not rejected. Therefore, there is no relationship between Being Part of a Significant Task and Employee Engagement.

4.3.1 Summary of Hypothesis Testing

According to the results presented in Figure 4.9: Summary of Hypothesis Testing, the null hypothesis was rejected at the significance levels of 0.01 and 0.05 in five independent variables: Financial Reward and Benefits, Health and Safety, Working Environment, Management Style of Superior, and Work and Life Balance. Therefore, it is concluded that those five factors correlate with employee engagement.

Table 4.17 Summary of hypothesis testing

	Null Hypothesis	Test Result	Conclusion
H1o	There is no relationship between Financial Reward and Benefits and Employee Engagement.	p = 0.008 (less than 0.01) The null hypothesis is rejected	Financial Reward and Benefits drives employee engagement in SMEs
H2o	There is no relationship between Health and Safety and Employee Engagement.	p = 0.004 (less than 0.01) The null hypothesis is rejected	Health and Safety drives employee engagement in SMEs
H5o	There is no relationship between Working Environment and Employee Engagement.	p = 0.005 (less than 0.01) The null hypothesis is rejected	Working Environment drives employee engagement in SMEs
H7o	There is no relationship between Management Style of Superior and Employee Engagement.	p = 0.04 (less than 0.05) The null hypothesis is rejected	Management Style of Superior drives employee engagement in SMEs
H13o	There is no relationship between Work and Life Balance and Employee Engagement.	p = 0.031 (less than 0.05) The null hypothesis is rejected	Work and Life Balance drives employee engagement in SMEs

4.4 Discussion

The findings of the research serve to answer the research question which requires the identification of the motivation factors which drive employee engagement in SMEs.

First, the results of the data analysis presented the characteristics of the respondents. The questionnaires were distributed to three sectors of SMEs industry (manufacturing, trading and service), and a majority of the responses were from employees working in the trading sector. The respondents included more females than males and were predominantly in the age group of 26-35 years old. The main education level of the respondents was bachelor's degree, followed by high school/vocational. The largest group in terms of marital status was single. Half of the respondents had been working for their current SME company for 1-5 years and a high proportion were non-management staff. The highest engagement level was 'engaged' with the company.

In terms of motivation factors among SMEs employees, the analysis reveals that five of the sixteen factors examined have a relationship with employee engagement. Positive correlation results highlighted that Health and Safety is the strongest factor, followed by Working Environment, Financial Reward and Benefit, and Management Style of Superior, respectively. On the contrary, negative correlation is found in Work and Life Balance.

Surprisingly that from all 16 factors that are able to run employee engagement in large organization, there are only 5 factors which fit in SMEs business in this study. The reasons are probably related to the characteristic of SMEs. The large company has formal structure and fundamental which mean that all processes are systematically working. There is also Human resource department to be in charge of HR strategies which makes other motivation factors such as Promotion, Job characteristic, Job satisfaction, Fair treatment and Career development to be significant for building Employee engagement. However, SMEs business is where the owner or manager, who works closely to employees, is a key person because they are in-charge of significant tasks and also taking care of staff (Hill & Stewart, 2000). As a result, Management style of superior is significant for building Employee engagement for SMEs business because Manager is a person who works closely with the employee. If manager treats employees like a family

member by understanding and caring them well, the employees will be motivated to have more commitment with the organization.

Moreover, SMEs business is operated in an informal, flexible and spontaneous manner (Hill & Stewart, 2000), which cause the uncertainty of the working time and day off. Sometimes, a large company specifies certain working time and traditional holidays, but SMEs doesn't announce the day off in some holidays which can lead to the cause of Work and Life Balance problem which is an important factor that SMEs employees are facing with. Therefore, if working time affects personal time, the engagement level of the employees will be decreased.

In term of Financial Reward and Benefits, this factor is the fundamental of employee engagement as employees in every organization want to get the reasonable and satisfied pay. However, the categories of payment in SMEs are not various because of cost and expense control. Therefore, in order to build employee engagement in SMEs, the director should consider increasing other incentive.

Another important factor for SMEs employees is Health and Safety. According to the study of Assoc. Prof. Dr. Chalermchai Chaikittiporn, there are a large number of accidents and occupational diseases occurred in the small and medium enterprises which are the result from lacking of information to prevent occupational accidents and diseases as well as to promote better working environment and workers' health in SMEs (Chaikittiporn, n.d.). Therefore, the employees need the company to concern about their health and security which is the factor that affects employee's engagement.

The last important factor to obtain employee engagement is Working environment that is harmonious, team respects and supports one another (Robinson, Perryman, & Hayday, 2004). As harmonious working environment and a good relationship among employees are the key of the motivation process for SMEs. Therefore, to strengthen the harmony in SMEs, the company should provide a good support and a good atmosphere to develop working relationships (Kishore, Majumdar, & Kiran, 2012). Then, there will be an increment of engagement.

In the conclusion, all top executives and managers should consider those 5 factors to be the crucial tools to apply in SMEs in order to increase employee engagement.

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

Employee engagement in this study can be defined as a positive attitude of the employee toward their job and their organization's goals which will be expressed through their working performances. According to the data analysis, there are five motivation factors for employee engagement in SMEs.

Firstly, the outstanding factor is Health and Safety, which refers to a working environment that engenders a feeling of safety through the security policies of the company and the organization's health concerns (Robinson, Perryman, & Hayday, 2004). Therefore, it can be inferred that when employees in SMEs have positive reinforcement on health concerns and security issues such as the cleanliness of the workplace, feeling safe to work, health insurance, and so forth, they will be more engaged with the company as the organization shows concern not only for profits, but also for health and safety of staff.

Working Environment ranks second in terms of correlation with employee engagement. If the working environment is harmonious as everyone in team respects and supports one another (Robinson, Perryman, & Hayday, 2004), engagement will be increased among employees.

The next factor is Financial Reward and Benefits. Monetary reward refers not only to income, but also to job security. It is the basic incentive that compels employees to perform to a higher standard. Wages exceeding the market rate are directly connected with employee engagement (Aguenza & Mat Som, 2012; Khan & Iqbal, 2013; Robinson, Perryman, & Hayday, 2004). If a company provides proper compensation and benefits such as salary, variable pay, retirement benefits, and rewards for years of service, employees will be motivated to work for the company.

These factors were followed by Management Style of Superior; employees prefer to work with a manager who appreciates the competencies of each employee,

pays attention and cares about their feelings, and offers an opportunity to grow. These attributes can create engaged employees (Aguenza & Mat Som, 2012). The reason is that employees feel better about working in the situation where their boss understands them and treats them as a family member.

The last factor is Work and Life Balance, which refers to the condition when employees can reduce stress and maintain a good balance between their work and their personal activities. This can lead to higher levels of staff commitment to the company (Aguenza & Mat Som, 2012). This factor is unique since it shows a negative relationship with employee engagement. It can be said that if the impact of work upon an employee's lifestyle is increased, the employee will exhibit lower levels of engagement with the company.

5.2 Recommendations

The findings of this study provide a fundamental instruction to SMEs employers which might assist them in motivating their employees to be engaged with the company, thus leading to a greater opportunity for the company to succeed (Vosloban, 2013). SMEs employers should focus not only on employees' salaries, but should also consider additional aspects.

In addition to income, employees are also concerned about health and safety in their lives; they prefer to work in a secure environment and pleasant atmosphere. Employers should provide employees with comprehensive health insurance and should take steps to reduce apprehension and discomfort in the workplace by implementing occupational health and safety functions. In terms of the working environment, the management should encourage a friendly and supportive working style among employees to promote the feeling of involvement with the company. Additionally, salary should not be the sole focus, but other financial benefits and rewards should be considered. The business owner should give strong consideration to special allowances and support facilities in order to connect employees with the company. The next factor of interest is the management style of superiors. In some organizations, the owner does not assign work directly to workers because this is the role of management staff. Therefore, the working style of management staff is of importance since they must work closely with

employees. Owners must monitor the relationship between managers and subordinates by gaining feedback. Finally, the work-life balance should be adjusted to help employees relax when they are away from the office. Management staff should limit their working hours according to the labor law and should offer employees leave on public and traditional holidays.

5.3 Limitations

Due to the limited number of existing papers studying engagement drivers in SMEs, the framework of this study was developed from the literature review which focused mainly on employee engagement in large organizations. Therefore the existence of additional motivation factors that have not been included in the hypothesis testing in this study can be assumed. Moreover, the results of this study are based upon only 100 SME employees across three sectors, which results in output which is not specific to each SME sector. Furthermore, as the sample size is small and narrow, it cannot be truly representative of all SME employees. However, the findings can offer beneficial ideas for employers to understand engagement drivers in order to improve the effectiveness of SME companies.

5.4 Suggestions for Further study

In order to obtain results which might be more representative of the whole picture of employee engagement in SMEs, the sample size should be larger and broader, while the criteria for sampling should be specifically formed in order to accurately screen respondents, since their personal characteristics will also affect employee engagement. Further studies might investigate whether the personal characteristics of respondents affect engagement levels. Furthermore, qualitative research could be performed in order to examine more complex issues in greater depth of detail regarding human behavior, emotions and personality characteristics for driving engagement in SMEs.

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APPENDICES

Appendix A: Definition of Variables

Independent Variables

Financial Reward and Benefits

Monetary reward encompasses not only income in life, but also job security. It is the basic incentive which compels individuals to perform to a higher standard. Wages in excess of the market rate are directly connected with employee engagement. Examples of financial rewards include salary, variable pay, retirement benefits, and rewards for years of service (Aguenza & Mat Som, 2012; Khan & Iqbal, 2013; Robinson, Perryman, & Hayday, 2004).

Health and Safety

The working environment engenders feelings of safety through the security policies of the company and the organization's health concerns (Robinson, Perryman, & Hayday, 2004).

Belonging

A sense of belonging, according to Maslow (1954), indicates that individuals need to feel they belong in a workplace or in a group of colleagues. Belonging indicates acceptance within a group. Therefore, the feeling of being an insider leads to engagement (Berens, 2013).

Relationship

This refers to the relationships between employees, their managers and their colleagues. With managers, daily interactions and target setting are key components. With colleagues, teamwork, co-operation and good social interactions are important. Stronger positive relationships lead to greater motivation at work (Robinson, Perryman, & Hayday, 2004).

Working Environment

The environment of working should be harmonious ensuring that everyone in the team respects and supports one another (Robinson, Perryman, & Hayday, 2004).

Promotion

Promotion can change attitudes toward a job into employee engagement (Khan & Iqbal, 2013) since it serves as a motivation tool to create stronger employee commitment (Robinson, Perryman, & Hayday, 2004).

Management Style of Superior

Managers who appreciate the abilities of each employee, pay them attention, and care about their feelings while offering them an opportunity to grow, can create engaged employees (Aguenza & Mat Som, 2012).

Communication

It is two-way communication between employees and superiors. Leaders not only order employees what to do, but also provide them a chance to express ideas on the job and comment upon their own performance (Robinson, Perryman, & Hayday, 2004).

Job Characteristics

Job characteristics encompass the notion that the job might allow employees to have freedom and independence on matters of schedules and processes (Aguenza & Mat Som, 2012; Tomlinson, 2002).

Performance and Appraisal

The performance evaluation process of the organization is fair, trustworthy, transparent and validated by employees.

Fair Treatment and Equal Opportunities

Human resources and line managers fairly apply the rules and regulations of the company with regard to every employee, such as paying a fair salary. Moreover,

employees are granted the right to have equal opportunities (no bias treatment) (Robinson, Perryman, & Hayday, 2004).

Recognition

Individuals feel good about themselves and their organization after their contribution is recognized by others (Aguenza & Mat Som, 2012).

Work and Life Balance

Employees aim to reduce stress and the impact of their work on family life by achieving a better balance between their work and their personal activities. This can lead higher levels of staff commitment to the company (Aguenza & Mat Som, 2012).

Job Satisfaction

Employees are happy with their jobs due to the job fitting closely to their abilities.

Career Development and Training

This refers to an individual's career path and also the training in job related skills (Techathaweewat, 2014).

Being Part of a Significant Task

Employees feel engaged when they perform significant tasks which affect the organization's goals. Leaders should provide a chance to employees to perform challenging tasks which are meaningful to the company's success (Berens, 2013).

Dependent Variables

Employee Engagement

Employee engagement can be defined as a positive attitude of the employee toward their job and their organization's goals, which will be expressed through their working performances.

Appendix B: Questionnaire

This questionnaire is organized in order to analyze the factors, which have the effects on an employee engagement in SMEs Company.

Employee engagement is having a good attitude toward your job, working intentionally, proud to achieve your work and encourage the company in order to reach the target.

According to the questionnaire, there are 3 parts and it takes only 10 minutes to complete.

Please mark X in the blank

Part 1: Personal engagement with the company

Do you feel engaged with your company?

Level of engagement				
Very Engaged	Engaged	Neutral	Disengaged	Very Disengaged

Part 2: The factors effect employee engagement with the company.

Please mark X in the blank that the most suit to your thoughts and feelings

No.	Statements	Level of agreement				
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Working stability is the factor that encourages me to work.					
2	Diligent allowance is an incentive, which encourages me to intentionally work for the company.					

No.	Statements	Level of agreement				
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
3	Salary and wages are the main factors that make me want to work with the company					
4	I should be rewarded when I've worked with the company for a long time					
5	I will be glad if I get the right to save money with the company as a retirement saving e.g. Cooperative, Provident fund					
6	Earning overtime wage makes me want to work better.					
7	I tend to work for a long term with the company that provides good benefits e.g. medical treatment fee, child's education fee					
8	Facilities are for me to consider how much the company is concerned about the employees.					
9	I do a good performance when I work in group with my colleague.					
10	Working in a good team which always helps me, makes me want to work with the company for a long time.					
11	I feel like resigning forms for my job if my colleagues don't welcome me.					

No.	Statements	Level of agreement				
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
12	I'm concerned about the security in my work.					
13	If I get life insurance from the company, I will feel more comfortable to work in the factory.					
14	A good and clean environment makes me want to create a good work for the company.					
15	The friendliness of my supervisor and colleagues encourage me to work with full potential.					
16	My supervisor gives me a good support.					
17	Meeting and talking to the colleagues make me want to go to work.					
18	I realize my value toward the company when they describe the future of my position.					
19	I'm given the training to develop my working skills.					
20	A challenging assignment makes me enjoy working.					
21	The promotion motivates me to work better.					

No.	Statements	Level of agreement				
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
22	The supervisor, who is concerned about the happiness of the subordinate, makes me engage with the company.					
23	I don't want to resign from my job if my supervisor is concerned about the progression of my career path.					
24	I like to work with the supervisor who understands me.					
25	I feel like more working if I get a fair evaluation.					
26	A fair evaluation makes me engaged with the company.					
27	A verifiable evaluation tools are the factor the makes me want to work with the company.					
28	I like two-way communication rather than only receiving command.					
29	Having an opportunity to share my opinion about my job makes me pay more intention on my job.					
30	I love my company because they treat all employees equally.					
31	A fair promotion and salary increase makes me give loyalty to the company.					

No.	Statements	Level of agreement				
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
32	I get an equal opportunity to grow on my career path in the company.					
33	Being prejudicially treated makes me feel bad toward the company.					
34	I pay more attention on working if my job suits to my skills.					
35	I'm happy with a job I'm assigned.					
36	A teamwork atmosphere makes me work with full potential.					
37	I got help and advice about my work from my colleagues.					
38	I got respect from my colleagues when I'm successful in my work					
39	I have freedom in my work, so I feel comfortable to work.					
40	My job comes out good if I don't have to follow my supervisor's instruction in every step.					
41	I feel like more working if I get the right to make a basic decision about my own job.					
42	I feel engaged in the company when I am assigned to do an important job.					

No.	Statements	Level of agreement				
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree
43	My company gives me an opportunity to be responsible for work that is important for the company.					
44	I'm very happy when I'm praised because of my work.					
45	I'm concerned about both working and living life.					
46	I will be satisfied if I don't have to take my work to do at home or be stressful about my work during weekend.					

Part 3: Demographic

3.1 Gender

Male Female Not specify

3.2 Age

18 - 25 years old 26 - 35 years old
 36 - 45 years old 46 years old and above

3.3 Education level

Elementary school Secondary school
 High school/Vocational High Vocational
 Bachelor degree Master degree or higher
 Not specify

3.4 Marital Status

- Single Married
 Divorced Separated
 Other, please specify

3.5 Length of service

- Less than 1 year 1 to 2 years
 More than 2 years to 5 years More than 5 years to 10 years
 More than 10 years and above

3.7 Position level

- Staff, Officer Supervisor
 Manager Higher than Manager

3.8 Type of your company

- Manufacturing Trading Service

