

Employee Engagement & Financial Performance of SMEs in Lagos State, Nigeria

Akeem Ayofe Akinwale & Paul Olusiji Ogunyomi

This article examines employee engagement and financial performance of SMEs in Lagos State, Nigeria. Data was collected through a systematic review of relevant literature and a structured questionnaire. The data obtained from the questionnaire was subjected to descriptive and inferential statistics. The result showed a significant positive relationship between employee engagement and financial performance of SMEs. Employee engagement positively correlated with the financial performance criteria such as profitability, financial strength, operating efficiency, performance stability, level of indebtedness, and ability of the enterprises to raise capital. SMEs can enhance employee engagement through the use of improved employee-management relations, regular training, teamwork, and increase in capacity utilisation rates, among others.

Akeem Ayofe Akinwale (E-mail: aakinwale@unilag.edu.ng) is Associate Professor and **Paul Olusiji Ogunyomi** is Senior Lecturer, Department of Employment Relations and Human Resource Management, University of Lagos, Nigeria.

Introduction

Achievement of competitive advantage depends on the productive use of human resources and other materials (Woodruff, 2018). An engaged employee is a person who is fully involved in, and enthusiastic about his work (Seijts & Crim, 2006). Employee engagement can be regarded as an important input in the production functions of SMEs. The National Policy on Micro, Small and Medium Enterprise (2012) described small-scale enterprises as those whose total assets, excluding land and building, are between five and fifty million naira with a total workforce of 10-49 employees, while medium-scale enterprises are those whose total assets, excluding land and building, are between 50 and 500 million Naira with a total workforce of 50-199 employees.

Several studies have confirmed the role of SMEs in the development of entrepreneurial activities and economic growth in many countries (Ali & Najman, 2018; Horodnic, Ciobanu, Williams, & Rodgers, 2018; Ibiwoye et al, 2020; Pereshybkina, Conde &

Kalyesubula, 2017; Wornell, Jensen & Tickamy, 2018; Wang, 2016). SMEs employ two-thirds of the global workforce and have been instrumental in alleviating poverty (Akinyemi et al, 2017; World Economic Forum, 2015).

Despite the aforementioned importance of SMEs in different countries, inadequate access to financing is the number one barrier to the growth and development of SMEs around the globe (International Labour Office, 2015; Wang, 2016). Available evidence shows that SMEs have far more difficulties with access to finance than larger firms (Ahmed et al, 2016). The International Finance Corporation (2017) made it clear that SMEs in developing countries face a \$930 billion financing gap.

A close observation of the experience of SMEs shows that financial service providers are often reluctant to finance SMEs due to their weak financial performance or lack of information about their operations. Therefore, this article examines employee engagement and financial performance of SMEs in Nigeria, with a focus on the following research questions: What is the degree of financial performance of SMEs in Lagos state, Nigeria? How does employee engagement affect the financial performance of SMEs in the study area? These research questions were addressed through secondary data and a survey of 450 respondents in various SMEs in Lagos state, Nigeria.

This article is an attempt to contribute to knowledge on the linkage between

employee engagement and financial performance of SMEs, given that studies on performance of SMEs largely focused on different issues such as technological change, socio-demographic factors, social capital, market orientation, entrepreneurial orientation, and corporate social responsibility (Akinyemi et al, 2017; Durowoju, 2017; Ibiwoye et al, 2020; Vyas & Jain, 2020).

Performance of SMEs in Developing Countries

The performance of SMEs cannot be ignored owing to the fact that majority of them fail within their first year of existence, while those that survive keep struggling throughout their business lives due to several reasons, such as hostile business environment, mismanagement of resources, and lack of access to adequate financing. Vyas and Jain (2020) discovered that market orientation was the most important determinant of financial performance of SMEs in India. They also discovered that the other determinants of financial performance of SMEs in India comprised entrepreneurial orientation and corporate social responsibility, respectively.

Serwanja (2017) noted that many SMEs in Uganda responded well to the international financial reporting standards whose application enhanced the profitability of SMEs in that country. Durowoju (2017) observed a significant positive relationship between technological change and organizational performance of SMEs in Nigeria, while Akinyemi et al (2017) discovered that age, gender, number of years in business, and involvement

in mentorship activities influenced the performance of SMEs in Nigeria. They also discovered that female business owners with tertiary education had higher business performance than their counterparts with less than tertiary education. Similarly, Akintimehin et al (2019) revealed that social capital had a significant effect on performance of SMEs in Nigeria.

Access to finance was the most significant obstacle to the growth of SMEs.

In a recent study of the survival of SMEs in Nigeria, Ibiwoye et al (2020) confirmed a positive relationship between enterprise risk management (ERM) practices and survival of SMEs, with an understanding that only internal environment led to 65.7 percent of the success recorded in survival of SMEs, while internal environment and risk assessment resulted in 92.4 percent of the success recorded in survival of SMEs, and internal environment, risk assessment and control activities jointly produced 93.7 percent of the success recorded in survival of SMEs. Moreover, based on the Enterprise Survey from the World Bank, including data from 119 developing countries, Wang (2016) showed that access to finance was the most significant obstacle to the growth of SMEs.

Employee Engagement & Financial Performance

Employee engagement is a positive psychological condition that encourages

employees to actively devote themselves to their job and organization (Galagan, 2015; Jnaneswar, 2020; Sandhya & Sulphey, 2019; Schaufeli et al, 2002). In this context, engaged employees can make a valuable contribution to organizational performance.

Joshi and Sodhi (2011) identified the drivers of employee engagement as follows: Work Life Balance, Job Content, Monetary Benefits, Team Orientation, Labor-management Relations, and Rewards Management. These policies and practices are consistent with the ten Cs of employee engagement identified by Seijts and Crim (2006): Connect, Career, Clarity, Convey, Congratulate, Contribute, Control, Collaborate, Credibility, and Confidence. For Macleod and Clarke (2009), the drivers of employee engagement are leadership, engaging managers, employees' voice, and integrity. Ireland and Hitt (2005) described strategic leadership as a person's ability to anticipate, envision, maintain flexibility, think strategically, and work with others to initiate changes that will create a viable future for the organization. The success story of Guaranty Trust Bank (GTBank) is relevant here.

GTBank is a prominent bank in Nigeria and other countries such as Ghana, Liberia, Sierra Leone, and the Gambia (Olukoju, 2017). Tayo Aderinokun and Fola Adeola established GTB in 1990 to provide excellent banking services (Knox & Maklan, 2005; Olukoju, 2017). They recruited and personally trained all management-level staff for the first five years of the bank's operations and the bank grew rapidly as a result of employee en-

agement. Olukoju (2017: 370) described the process of recruitment that culminated in the culture of employee engagement in GTBank as follows:

Head hunting, rather than job advertisements, was undertaken. Banks where Adeola and Aderinokun had worked were fertile hunting grounds. All prospective staff underwent the sifting process leading to recruitment. Only university

graduates were engaged. All fresh employees underwent four months of rigorous training.

The promoters guided the employees towards professionalism, ethics, integrity, customer service, and innovation. The engaged employees remained committed to GTBank. Table 1 shows categories of employee engagement.

Table 1 Classification of Employee Engagement

Classification of Employees	Description
The Engaged	Employees finding great satisfaction in their job and contributing fully to the success of the organization
The Almost Engaged	Employees with high level of performance and reasonable satisfaction in their job
The Disengaged	Employees who are disconnected from organizational priorities

Source: Adapted from White (2011)

Only 14 percent of all employees worldwide were highly engaged in their job, while 62 percent of the employees were moderately engaged and 24 percent were actively disengaged.

A Towers Perrin 2005 Global Workforce Survey involving about 85,000 full-time employees showed that only 14 percent of all employees worldwide were highly engaged in their job, while 62 percent of the employees were moderately engaged and 24 percent were actively disengaged (Seijts & Crim, 2006). The survey also revealed a country-by-country distribution of the percentages of highly engaged, moderately engaged, and actively disengaged employees. Mexico and Brazil had the highest percentages

of engaged employees, while Japan and Italy had the largest percentages of disengaged employees.

Unfortunately, the opinions of managers and researchers are divided on the relationship between employee engagement and organizational performance. Many claim that their approach to engagement will improve company performance, while some claim that there is no evidence that employee engagement causes better performance. In fact, organizational performance has been subjected to various interpretations in which it is equated with productivity, efficiency, effectiveness and, competitiveness (Cooke, 2000). Performance measurement in the organization is based on financial and non-financial criteria respectively (Ukenna, Ijeoma, Anionwu & Olise, 2010).

The financial performance includes percentage of sales, profitability, and returns on assets (ROA) (Hsu, Lin, Lawler & Wu, 2007). Grossman (2000) identified return on investment (ROI), earnings per share (EPS) and net income after tax (NIAT) as measures of financial performance. Organizations use financial measures like profit margin and return on capital to determine profits (Grant, 2003; Joyce & Wood, 2001; Kazmi, 2000). An analysis of nearly 8,000 business units in 36 companies showed that employee engagement resulted in an increase in organizational performance (Harter, Schmidt & Hayes, 2002). Employee engagement propels performance by encouraging employees to stay, increasing customer loyalty, improving productivity, reducing accidents, and increasing profitability. Engaged employees are interested in their organization and strive to contribute towards its success (Baumruk & Gorman, 2006).

In his study of high performing organizations, De-Waal (2007) noted that leaders of high performance organizations were committed to the organization. However, Galagan (2015) observed that despite great sums spent on engagement consultants, software, and surveys, employee engagement scores have been declining for years. According to a Towers Watson survey, nearly two-thirds of U.S. employees are not fully engaged in their work. The cost of disengagement, and the lost productivity it causes, is estimated to be between \$450 billion and \$550 billion per year in the United States. (Galagan, 2015: 24). Similarly, in its 2012 survey of employees in Great Britain, the

University of Bath found out that only about one-third of employees said they were actively engaged at work. That represents some 20 million people who are not working to their full capability or realizing their full potential at work.

Theoretical Framework

In the theory of scientific management, Taylor (1911) identified scientific methods of recruitment and performance-based remuneration for increasing organizational performance. Henry Ford applied the principles of scientific management in his automobile manufacturing industry with huge success. However, the rate of labor turnover was 370 percent in 1913, and the working conditions were so bad that 71 percent of new hire quit after five days on the job (Volti, 2008). Ford's response was to increase wages and salaries. In 1914, Ford announced his intention to pay his workers at the rate of \$5 a day. The \$5 a day wage had its intended results; prospective workers poured into the Ford manufacturing complex in Dearborn, and once hired, the majority stayed on the job. While the theory of scientific management is suitable for an understanding of organizational performance, the issue of employee engagement has received inadequate attention in the theory. This lacuna is offset by the human relations theory, which emanated from the Hawthorne studies at the Western Electric Company in Chicago.

In the Hawthorne studies, Elton Mayo and his colleagues from Harvard Business School discovered that when

supervisors took an interest in employees and made decisions based on the needs and psychological makeup of the employees, there was increase in employees' performance (Mayo, 2014). They also attributed increase in employees' performance to teamwork, cooperation, and opportunities for communication between employees and their supervisors. In this regard, human relations theory is suitable for an understanding of the linkage between employee engagement and financial performance of SMEs.

The structures of SMEs in Nigeria allow for a close interaction between the owners or managers and employees. In this context, social exchange theory is included to demonstrate the influence of employee engagement on financial performance of SMEs. Social exchange theory is an influential framework in organizational behavior. In accordance with observation by Cook et al (2013), much of social life involves interactions.

Social exchange theory provides a basis for employee engagement through a collective understanding of psychological contract

In fact, social exchange theory deals with the social structures of repeated exchanges and the ways in which the structures both constrain and enable actors to exercise power and influence in a given situation. The main ideas in the theory include norms and rules of exchange, nature of the resources being exchanged, and social exchange relationships (Cropanzano & Mitchell, 2005).

Social exchange theory provides a basis for employee engagement through a collective understanding of psychological contract, which Pattnaik (2018) described as an unwritten agreement between the organization and employees based on mutually accepted promises and obligations, including mutual trust and loyalty, rewards for performance, job security, career development, and occupational health and safety, among others.

Following a critical analysis of various versions of social exchange theory as presented by Malinowski (1922), Levi-Strauss (1949), Homans (1958), Gouldner (1960), Emerson (1962), and Blau (1964), Ekeh (1974) provided an interpretation of social exchange theory from different perspectives, including collective and individualistic orientations, to show the importance of solidarity compared with economic factors in a given exchange relationship. In Blau's (1964) views, social exchange theory primarily dwells upon feelings of personal obligations, gratitude, and trust. In his evaluation of various ideas in the social exchange theory, Emerson (1976: 335) observed that there has emerged in sociology and social psychology a distinct approach called social exchange theory. Four figures were largely responsible: George Homans, John Thibaut, Harold Kelley, and Peter Blau. While Blau gave more emphasis to technical economic analysis, Homans dwelled more upon the psychology of instrumental behavior. They employed different strategies of theory construction. Exchange theory is still growing; it still contains diversity and sparks of controversy.

Highly involved employees have a tendency not to give up easily in the process of carrying out their job descriptions.

Consistent with the norms of reciprocity, which Levis-Strauss (1949) and Gouldner (1960) discussed in their interpretations of social exchange theory, employees' understanding of mutual obligations in the employment relationship can reinforce their determination to put in their best in carrying out their duties for their organizations. Employees can also exhibit different levels of engagement to reciprocate the varying levels of resources they receive from the organization (Jnaneswar, 2020). In fact, employee engagement is an antecedent to other aspects of organizational behavior such as job involvement and organizational commitment. Job involvement is a process whereby employees have a positive attitude about the need satisfying abilities of their job, while organizational commitment denotes the strength of an employee's involvement in and identification with the organization. Highly involved employees have a tendency not to give up easily in the process of carrying out their job descriptions.

Methods of Data Collection & Analysis

The study adopted a descriptive survey research design to examine employee engagement and financial performance of SMEs in Lagos state, Nigeria. The choice of Lagos State is due to its

strategic importance to Nigeria's economy. It is the economic nerve center of Nigeria. Lagos State has the highest concentration of micro, small, and medium enterprises in Nigeria. Available record showed the existence of 4,535 SMEs in Lagos State, Nigeria (MSMEs, 2012).

The unit of analysis comprised the employees and owners/managers of SMEs in Lagos state. A total of 450 respondents were randomly selected from the available list of SMEs in Lagos state. A structured questionnaire was used for data collection. Likert Scale was used to measure the opinions of employees and owners/managers concerning employee engagement and financial performance. The independent variable is employee engagement with ten (10) items while the dependent variable is financial performance comprising six (6) criteria such as: profitability, financial strength, operating efficiency, performance stability, level of indebtedness, and ability of the firm to raise capital. A reliability coefficient of 0.87 was obtained for the items in the structured questionnaire. Out of 450 copies of the structured questionnaire shared among the respondents, 257 copies were properly filled and returned, yielding 57% response rate. Data gathered through the questionnaire were subjected to descriptive and inferential statistics through the use of the Statistical Package for the Social Sciences (SPSS) version 16. Also, data obtained from the secondary sources were subjected to content analysis.

Findings

As shown in Table 2, less than half of the sampled enterprises (45.9%) had fewer than 20 employees, while the rest had more than 20 employees. Almost 38% of the enterprises had been in existence for over five years. This is an indication of their ability to survive the challenges of the business environment in Nigeria. More than 60% of the owners/managers of the enterprise were males, while 28% were female. Almost 50% of the owners/managers of the enterprises were in the age bracket of 30-49 years. More than 60% of the respondents were married. More than one-third of the respondents mentioned bachelor's degree as their highest educational qualification. Almost 40% had worked for 1-5 years in the organization. This shows most of the employees are relatively new in the organization.

The Respondents' Views

Table 3 shows that 91.7% of the respondents agreed that they were committed to the core values of the organization. Also, 87.7% of the respondents agreed and 12.4% disagreed that their opinions counted in the decision making process. Moreover, 81.1% agreed, while 18.8% disagreed that they had a clear understanding of what is expected of them at work.

And 74.6% of the respondents agreed, while 25.4% disagreed that they had been fairly rewarded. As to whether career opportunities exist in the organi-

zation, 87.3% agreed, while 12.7% disagreed on the availability of career opportunities for them in the organization. Similarly, 77.8% agreed, while 15.2% disagreed that their immediate manager gave them necessary support to do the job well.

Regarding the capability to do their jobs effectively, 83.3% agreed, while 16.7% of the respondents disagreed that employees had the capability to do their jobs effectively. Authority goes with responsibility, hence where there is no authority people cannot be held responsible for any misdemeanor. Thus, 80.2% agreed, while 19.7% disagreed that they had the authority to do their jobs well.

Health and employees' well-being are very crucial to enhanced productivity and to the financial performance of the organization, hence 84.6% agreed, while 15.4% disagreed that the organization actively promoted health and safety. On the issue of employee development, 70% agreed, 30% disagreed that the organization encouraged learning and development programs.

The Respondents' Views on Organizational Performance

Table 4 shows that profitability of SMEs improved due to high levels of employee engagement. Using financial strength as a parameter for measuring organizational performance, most of the respondents indicated that financial strength of their organizations was high.

Table 2 Socio-Demographic Characteristics of the Respondents

Characteristics	Frequency	Percentage
Number of Employees in SMEs:		
< 20	118	45.9
20-50	71	27.6
51-100	29	11.3
101-200	39	15.2
Age of the SMEs (Year):		
< 1	19	8.1
1	23	9.8
2	32	13.6
3	45	19.1
4	48	20.4
5 and Above	90	37.5
Gender:		
Male	163	63.4
Female	94	36.6
Age (Years):		
< 20	13	5.1
20-29	41	16
30-39	23	8.9
40-49	98	38.1
50-59	68	26.5
60 and Above	14	5.4
Marital Status:		
Single	58	22.6
Married	166	64.6
Separated	7	2.7
Divorced	2	0.7
Widowed	24	9.4
Educational Qualifications:		
NCE	7	2.7
OND	29	11.4
Bachelor	108	42.0
Master	72	28.0
Other	41	15.9
Work Experience (Years):		
< 1	40	15.6
1-5	102	39.7
6-10	60	23.3
11-15	14	5.5
16 and Above	41	15.9

Table 3 The Respondents' Views on Employee Engagement in SMEs

Respondents' Views on Employee Engagement	SA	A	D	SD
I am committed to the organization's core values	109(45.2%)	112(46.5%)	17(7.1%)	3(1.2%)
My opinions count in the decision-making process	74(30.7%)	138(57.0%)	26(10.7%)	4(1.7%)
I have a clear understanding of what is expected of me at work	65(27.2%)	129(53.9%)	38(15.9%)	7(2.9%)
I have been fairly rewarded	50(20.7%)	130(53.9%)	46(19.2%)	15(6.2%)
There are career opportunities for me in my organization	66(27.9%)	140(59.4%)	28(11.9%)	2(0.8%)
My immediate manager gives me the support I need to do my job well	63(24.5%)	137(53.3%)	29(11.3%)	10(3.9%)
People in my organization have the capability to do their jobs effectively	80(33.3%)	120(50.0%)	37(15.4%)	3(1.3%)
I have the authority that I need to do my job well	60(25.2%)	131(55.0%)	41(17.2%)	6(2.5%)
My organization actively promotes health and well being	69(28.8%)	134(55.8%)	33(13.8%)	4(1.6%)
My organization invests in learning and development	52(21.7%)	116(48.3%)	59(24.6%)	13(5.4%)

Key: N=Total Response, SA=Strongly Agree, A=Agree, D=Disagree, SD=Strongly Disagree

Another important variable used to assess organizational performance is operating efficiency. From Table 4, it is evident that operating efficiency of the SMEs was high. Performance stability is the consistency of an organization in maintaining a particular performance level over a period of time.

The majority of the respondents indicated that the performance of their organizations was stable over a period of time. Level of indebtedness of an organization has to do with how the business is being financed; owners' capital, tenure loan, stock, debentures, and leasing or factor. A high debt ratio of an organization may affect the profitability of the organization due to interest payment on loans. Hence, it is better for an organization to finance its operations more with

owners' capital than loan. Table 4 shows that the level of indebtedness of the SMEs was low. Inadequate capital has been the bane of performance of SMEs in Nigeria. Hence, it is a competitive edge for any organization to be able to raise enough capital. From Table 4, it is evident that the ability of SMEs to raise capital was high.

The result of correlation analysis shows that $r = 0.35$, $n = 240$, and $p\text{-value} = 0.001$. Therefore, employee engagement has a significant relationship with financial performance of SMEs in Lagos State, Nigeria.

Discussion

The results of the study are consistent with the results of previous studies by Xanthopoulou et al (2009)

Table 4 The Respondents' Views on Organizational Performance of SMEs

Performance Criteria	VH	H	M	L	VL
Profitability	61(25.6%)	100(42.0%)	60(25.2%)	13(5.5%)	4(1.7%)
Financial Strength	52(22.0%)	91(38.6%)	57(24.2%)	30(12.7%)	6(2.5%)
Operating Efficiency	46(19.3%)	103(43.3%)	67(28.2%)	21(8.8%)	1(0.4%)
Performance Stability	35(14.7%)	101(42.4%)	90(37.8%)	12(5.0%)	-
Level of Indebtedness	15(6.6%)	37(16.0%)	53(22.9%)	80(34.6%)	46(19.9%)
Ability to Raise Capital	41(17.4%)	80(34.2%)	57(24.3%)	45(19.1%)	12(5.0%)

Key: VH=Very High, H=High, M=Moderate, VL=Very Low

Table 5 Correlation Analysis

Correlation		Financial Performance	Employees' Engagement
Financial Performance	Pearson Correlation	1	.351(**)
	Sig. (2-tailed)		.000
	N	250	241
Employees' Engagement	Pearson Correlation	.351(**)	1
	Sig. (2-tailed)	.000	
	N	241	250

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

who found a link between work engagement of restaurant workers and daily financial returns of restaurants. Salanova et al (2005) also found a relationship between work engagement and client satisfaction, which is an indicator of organizational performance. Similarly, Wright and Haggerty (2005) observed the impact of employee engagement on strategic human resource management and organizational performance. Also, Macey, Schneider, Barbera, and Young (2009) noted that employee engagement is a determinant of employee performance. Consistent with the findings discussed in this article, a study in the banking industry in the USA showed that account executives, who were actively disengaged, produced 28 percent less revenue than their colleagues who were engaged, while those not engaged generated 23

percent less revenue than their engaged counterparts (Seijts & Crim, 2006).

Engaged employees have contributed significantly to the financial performance of the SMEs in Lagos state.

Furthermore, Harter, Schmidt and Heyes (2002) found that engagement was linked to business unit performance. Consistent with the views of practitioners and academics, competitive advantage can be gained by creating an engaged workforce. It is also evident from the results of the study that engaged employees have contributed significantly to the financial performance of the SMEs in Lagos state, Nigeria.

The findings of this study suggest that the managers of SMEs can make employee engagement a cardinal principle and strategic means of motivating employees to be engaged and get the best from them in terms of their contributions to performance of the organization. This implies that managers of SMEs need to pay attention to employees' feelings, their well-being and opportunities for employees to grow.

Conclusion

This article examined the relationship between employee engagement and financial performance of SMEs in Lagos State, Nigeria. The findings clearly show that employee engagement has a significant relationship with financial performance of SMEs. Therefore, the leaders and managers of SMEs should stimulate the drivers of employee engagement such as the ten Cs of employee engagement – Connect, Career, Clarity, Convey, Congratulate, Contribute, Control, Collaborate, Credibility, and Confidence – to improve the performance of employees and by extension enhance the financial performance of SMEs. For instance, an understanding of the strategic plans of the SMEs and opportunities for career development can make the employees improve their performance on the job. Leaders and managers of SMEs can achieve this by sharing their visions with the employees and encouraging the employees to upgrade their skills. Also, adequate rewards should be provided to enhance employees' performance and financial performance of SMEs.

References

- Ahmed, U., Beck, T., McDaniel, C. & Schropp, S. (2016), "Filling the Gap: How Technology Enables Access to Finance for Small - and Medium- Sized Enterprises", *Innovations*, 10(3/4): 35-48.
- Akintimehin, O. O., Eniola, A. A., Alabi, O. J., Eluyela, D. F., Okere, W. & Ozordi, E. (2019), "Social Capital and Its Effects on Business Performance in the Nigerian Informal Sector", *Heliyon*, 5: 1-13.
- Akinyemi, F. O., Alarape, A. A. & Erinfolami, T. P. (2017), "The Impact of Socio-demographic Factors on Performance of Small and Medium Enterprises in Lagos State, Nigeria", *Ife Research Publications in Geography*, 15: 107-15.
- Ali, N. & Najman, B. (2018), "Informal Competition, Firm Productivity and Policy Reforms in Egypt", in Ioana A. Horodnic, Peter Rodgers, Colin C. Williams & Legha Montazian (Eds.), *The Informal Economy: Exploring Drivers and Practices*, Routledge. New York.
- Amah, O. E. (2018), "Employee Engagement in Nigeria: The Role of Leaders and Boundary Variables", *South African Journal of Industrial Psychology*, 44: 1-8.
- Bakker, A. B., Demerouti, E & Verbeke, W. (2004), "Using the Job Demands– resources Model to Predict Burnout and Performance", *Human Resource Management*, 43: 83–104.
- Baumruk, R. & Gorman, B. (2006), *Why Managers Are Crucial to Increasing Engagement*, Melcrum Publishing. London.
- Blau, P. (1964), *Exchange and Power in Social Life*, Wiley. New York.
- Cook, K. S., Cheshire, C., Rice, E. R. W. & Nakagawa (2013), "Social Exchange Theory", in DeLamater, J. & Ward, A. (Eds.), *Handbook of Social Psychology*, Springer. Netherlands.

- Cropanzano, R. & Mitchell, M. S. (2005), "Social Exchange Theory: An Interdisciplinary View", *Journal of Management*, 31(6): 874-900.
- De-Waal, A. A. (2007), "The Characteristics of a High Performance Organization", *Business Strategy Series*, 8(3): 179-85
- Durowoju, S. T. (2017), "Impact of Technological Change on Small and Medium Enterprises Performance in Lagos State", *Economic and Environmental Studies*, 4(44): 743-56.
- Ekeh, P. (1974), *Social Exchange Theory: The Two Traditions*, Harvard University Press.
- Ellis, C. M. & Sorensen, A. (2007), "Assessing Employee Engagement: The Key to Improving Productivity", *Perspectives*, 15(1): 1-12.
- Emerson, R. M. (1976), "Social Exchange Theory", *Annual Review of Sociology*, 2: 335-62.
- Galagan, P. (2015), "Employee Engagement: An Epic Failure?", *Talent Development*, 69(3): 24 - 27.
- Gonring, M. P. (2008), "Customer Loyalty and Employee Engagement: An Alignment for Value", *The Journal of Business Strategy*, 29(4): 29-40.
- Gouldner, A.W. (1960), "The Norm of Reciprocity", *American Sociological Review*, 25: 161-78.
- Grant, R. M. (2003), "Contemporary Strategy Analysis", Blackwell Publishers.
- Halbesleben, J. R. B. & Wheeler, A. R. (2008), "The Relative Roles of Engagement and Embeddedness in Predicting Job Performance and Intention to Leave", *Work and Stress*, 22: 242-56.
- Harter, J. K., Schmidt, F. L. & Hayes, T. L. (2002), "Business-unit-Level Relationship Between Employee Satisfaction, Employee Engagement, and Business Outcomes: A Meta-Analysis", *Journal of Applied Psychology*, 87: 268 - 79.
- Homans, G. C. (1958), "Social Behavior as Exchange", *American Journal of Sociology*, 63: 597-606.
- Horodnic, A. V., Ciobanu, C. I., Williams, C. C. & Rodgers, P. (2018), "Assessing the Frequency of Informal Payments for Health Services in Lithuania", in Ioana A. Horodnic, Peter Rodgers, Colin C. Williams & Legha Momtazian (Eds.), *The Informal Economy: Exploring Drivers and Practices*, Routledge. New York.
- Hsu, I. C., Lin, C. Y. Y., Lawler, J. J. & Wu, S. H. (2007), "Towards a Model of Organizational Human Capital Development: Preliminary Evidence from Taiwan", *Asia Pacific Business Review*, 13: 251-75.
- Ibiwoye, A., Mojekwu, J. & Dansu, F. (2020), "Enterprise Risk Management Practices and Survival of Small and Medium Scale Enterprises in Nigeria", *Studies in Business and Economics*, 15(1): 68-82.
- International Labor Office (2015), *Small and Medium-sized Enterprises and Decent and Productive Employment Creation*, International Labor Office.
- Jnaneswar, K. (2020), "Impact of Employee Engagement on Organizational Citizenship Behavior: Evidence from Indian Retail Industry", *The Indian Journal of Industrial Relations*, 55(3): 460-75.
- Joshi, R. J. & Sodhi, J. S. (2011), "Drivers of Employee Engagement in Indian Organizations", *The Indian Journal of Industrial Relations*, 47(1): 1-12.
- Joyce, P. & Woods, A. (2001), *Strategic Management: A Fresh Approach to Knowledge, Skills and Creativity*, Kogan Page. London.
- Kahn, W. A. (1990), "Psychological Conditions of Personal Engagement and Disengagement at Work", *Academy of Management Journal*, 33: 692-724.
- Kazmi, A. (2000), *Business Policy and Strategic Management*, Tata McGraw-Hill, New Delhi.

- Knox, S. & Maklan, S. (2005), "Guaranty Trust Bank of Nigeria: Building a Trusted Brand in Financial Services", *Thunderbird International Business Review*, 47(6): 737-55.
- Macey, W. H., Schneider, B., Barbera, K. M. & Young, S. A. (2009), *Employee Engagement: Tools for Analysis, Practice, and Competitive Advantage*, Wiley-Blackwell. New Jersey.
- Macleod, D. & Clarke, N. (2009), *Engaging for Success: Enhancing Performance Through Employees' Engagement*, Department for Business, Innovation and Skills, Surrey.
- Mayo, E. (2014), *The Social Problems of an Industrial Civilization*, Routledge. London.
- McKenzie, D. (2017), "Identifying and Spurring High-growth Entrepreneurship: Experimental Evidence from a Business Plan Competition", *American Economic Review*, 107(8): 2278-2307.
- Mone, E. M. & London, M. (2010), *Employee Engagement Through Effective Performance Management: A Practical Guide for Managers*, Routledge. New York
- Olukaju, A. (2017), "Gentlemanly Capitalism and Entrepreneurial Management: Formation and Rise of Nigeria's Guaranty Trust Bank, 1990-2002", in A. Akinyoade, T. Dietz & C. Uche (Eds.), *Entrepreneurship in Africa*, Brill. Leiden, Netherlands.
- Pattnaik, A. (2018), "Social Exchange Theory: Revisiting the Scaffolding of Psychological Contract", *The Indian Journal of Management*, 11: 9-12.
- Pereshybina, A., Conde, M. E. C. & Kalyesubula, T. (2017), *Industry 4.0 Scenario Planning: How Will the Industry 4.0 Transformations Affect SMEs in Germany by 2030?* M.Sc. dissertation, Hochschule Furtwangen University, Germany.
- Salanova, M., Agut, S. & Peiró, J. M. (2005) "Linking Organizational Resources and Work Engagement to Employee Performance and Customer Loyalty: The mediation of service climate", *Journal of Applied Psychology*, 90(1): 17-27.
- Sandhya, S. & Sulphrey, M. M. (2019), "An Assessment of Contribution of Employee Engagement, Psychological Contract and Psychological Empowerment Towards Turnover Intentions of IT employees", *International Journal of Environment, Workplace and Employment*, 5(1): 22-31
- Sandhya, S. & Sulphrey, M. M. (2020), "Influence of Empowerment, Psychological Contract and Employee Engagement on Voluntary Turnover Intentions", *International Journal of Productivity and Performance Management*, Accessed from <https://doi.org/10.1108/IJPPM-04-2019-0189>
- Schaufeli, W. B., Salanova, M., Gonzalez-Roma, V. & Bakker, A. B. (2002), "The Measurement of Engagement and Burnout: A Two Sample Confirmatory Factor Analytic Approach". *Journal of Happiness Studies*, 3: 71-92.
- Seijts, G. H. & Crim, D. (2006), "What Engages Employees the Most, or the Ten C's of Employee Engagement", *Ivey Business Journal*, 2006, (March/April): 1-5.
- Serwanja, R. (2017), "The Effect of International Financial Reporting Standards (IFRS) on Profitability Performance of SMEs in Developing Countries: A Case of Uganda", *International Journal of Technology and Management*, 2(1): 1-12.
- Ukenna, S., Ifeoma, N., Anionwu, C. & Olise, M. C. (2010), "Effect of Investment in Human Capital Development on Organizational Performance: Empirical Examination of the Perception of Small Business Owners in Nigeria", *European Journal of Economics, Finance and Administrative Science*, 26: 93 - 107.
- Volti, R. (2008), *An Introduction to the Sociology of Work and Occupations*, Pine Forge Press. Thousand Oaks, California.
- Vyas, V. & Jain, P. (2020), "Prioritization of Financial Performance Determinants in Indian SMEs", *Journal of Indian Business Research*, 12(2): 169-90.

- Wang, Y. (2016), "What Are the Biggest Obstacles to Growth of SMEs in Developing Countries? An Empirical Evidence from an Enterprise Survey", *Borsa Istanbul Review*, 16(3): 167-76.
- White, B. (2011), Global Engagement Report, Princeton Incorporation. Princeton, New Jersey.
- Woodruff, C. (2018), Addressing Constraints to Small and Growing Businesses, International Growth Centre, London.
- World Economic Forum (2015), The Future of Fintech: A Paradigm Shift in Small Business Finance, World Economic Forum. Geneva, Switzerland.
- Wornell, E. J., Jensen, L. & Tickamyer, A. (2018), "The Role of Informal Work in the Livelihood Strategies of US Households", in Ioana A. Horodnic, Peter Rodgers, Colin C. Williams & Legha Momtazian (Eds.), *The Informal Economy: Exploring Drivers and Practices*, Routledge. New York.
- Wright, P. M. & Haggerty, J. J. (2005), "Missing Variables in Theories of Strategic HRM", *Management Review*, 16(2): 162-71.
- Xanthopoulou, D., Bakker, A. B., Demerouti, E. & Schaufeli, W. B. (2009), "Work Engagement and Financial Returns: A Diary Study on the Role of Job and Personal Resources", *Journal of Occupational and Organizational Psychology*, 82: 183-200.