

CHAPTER 1

RESEARCH BACKGROUND

1.1. Introduction

In today's global business environment, organizations are faced with increasing competitiveness, new technologies and corporate restructuring. These factors force organizations to seek and maintain competitive advantages by focusing on the profitability and productivity of each department, and it may force organizations to rationalize costs. To achieve these goal, there are many strategies can be used. In the Human Resources department, one of their tasks is to make the employees motivated with their work. Motivation remains a key concern for the manager, whether public or private company (Proux, 2008). The presence of employee motivation is likely to increase the performance of the organization, while its absence seems to cause the opposite. It stimulates effort and the adoption of effective behaviors in individuals at work (Rainey, 1999). Then, there are a variety of factors that can influence a person's motivation. Some of these factors include the level of pay and benefits, the perceived fairness of the promotion system within an organization, the quality of the working conditions, leadership and social relationships, the job itself.

Hence, this study will explore the motivation of the employee who works in the call center in Madagascar. And that, with the objective to find out the factors which make the employees in the call center motivated.

Therefore, this part will describe about the background of the research as well as the problem statement, so as to have an insight on issues concerning the research topic. It will further clarify the purpose of this research, the questions that obtained from the problem which detected. This chapter also will have some definitions about the keys terms used in this

study. And also a description more deeply about the job in the “Call centers” companies in Madagascar.

1.2. Research background

Today, Madagascar has become a protagonist of outsourcing. French companies outsource more and more to Africa. Outsourcing results in the transfer of a service or activity from a company to an outside provider. There are many reasons for the operation. The most recurring are fall in production costs. Madagascar is one of the countries where labor is much cheaper. These conditions make the big island an essential platform for offshore outsourcing are many. This is entirely in line with the main purpose of companies when they strategically choose outsourcing offering a qualified external service provider a considerable advantage in terms of profitability. In about ten (10) years, around thirty (30) these outsourcing companies have growth in Madagascar, especially in the field of data service (web drafting, moderation, translation, website management) and the call center (customer service management, prospecting or the online secretariat) (Navalona R, 2016). The name of this kind of outsourcing companies is the “call center” company in Madagascar.

There are multitudes of outsourcing companies in Madagascar but most of them are located in Antananarivo the metropolitan area, which is the economic and political capital of Madagascar. This island represents an important potential in terms of IT development and francophone contact centers and has important assets also. Because most of the employees are trained from the French schools and universities without forgetting the time zone close to France, Human wealth and the proactive policy of the Malagasy State.

This job is an atypical job in Madagascar, because the parameters that the organization used are quite different from the ordinary organization over there. It requires many employees and attracts most the young people. Studying about their employee motivation is interesting because may help the organization to increase the employment attractiveness of

young people despite the inadequacy of the job profile. Indeed, according to the INSTAT report, "42.5% of workers do jobs that do not correspond to their diplomas", whereas 400 000 to 500 000 young graduates enter each year on the labor market (Rado Andriamampandry, 2017).

One the other hand, employee is the one of the most important determinants and leading factors that determines the success of an organization in a competitive environment. This is especially true for service organizations that charge heavily on their good behaved employees to provide friendly and courteous services to their customers in this competitive environment (Shah, et al., 2011). People management is an important aspect of organizational processes. This gives off from the recognition that the human resources of an organization and the organization itself are synonymous. A well-managed business organization normally considers the average employees as the primary source of productivity gains. These organizations consider employees rather than capital as the core foundation of the business and contributors to organization development. To ensure the achievement of organizations goals, the organization creates an atmosphere of commitment and cooperation for its employees through policies that facilitate employee motivation. Motivation of human resource finds close links to highly satisfied employees. Motivated employees then develop loyalty or commitment to the organization resulting to greater productivity and lower turnover rates.

As the perception of each employee toward their motivation may be different, there are some theories which can be used to understand and to measure that. The hierarchy of needs theory is one of the main theories which help the researcher and the organization to determine and ameliorate the needs of the employees. That theory is relevant to the research as the theory is applicable to organizational orientation and employee motivation (Greenberg & Baron, 2003). Using the theory of Maslow may able to suggest how managers can lead their

employees or subordinates to become self-actualized because it ranked and satisfied in the order of necessity and importance. The culture of the organization and human resource management practice should help employees reach their self-esteem and self-actualization needs. As employees desire for social needs, it is the role of organizational culture to create the values and norms that human resource practice will focus on when planning for the efficient of the organization, with employee relationship being one of the key areas that human resource must strengthen. Knowing the culture of the call center company, the hierarchy of needs theory may able to determine and categorized the motivation of the call center operators (CCOs). When employees understand that their organization cares so much about their development status, employees will offer their best work to the organization.

However, this study is focused on the call center operators (CCOs) in Madagascar especially in Antananarivo, the aim is to find out the relevant elements why the employee in the call center are motivated to work in this job by using the hierarchy of needs theory by Maslow, and then some insights will be given into the strategies on the motivation of the “call center” companies. The research finding might guide the management of the outsourcing company to seek related solutions for the motivation and satisfaction of the employees.

1.3. Statement of problem

Even in current environment which is highly competitive, the organizations want to be successful. Therefore, companies irrespective of size and market strive to retain the best employees, acknowledging their important role and influence on organizational effectiveness. In order to achieve their goals and objectives, organizations develop strategies to compete in highly competitive markets and to increase their performance.

Nevertheless, just a few organizations consider the human capital as being their main asset, capable of leading them to success or if not managed properly, to decline. If the

employees are not satisfied with their jobs and not motivated to fulfill their tasks and achieve their goals, the organization cannot attain success. People have many needs that are continuously competing one with another. Each person has a different mixture and strength of needs, as some people are driven by achievement while others are focusing on security. If the managers are able to understand, predict and control employee behavior, they should also know what the employees want from their jobs. Therefore, it is essential for a manager to understand what really motivates employees, without making just an assumption. Thus, managers can increase their effectiveness by getting a better grasp on the real needs of the employees.

This study is designed to examine and explore the motivation of the CCOs. This organization is most located in the capital city of Madagascar namely Antananarivo. The problem identified which made to undergo this research is based on the motivation which mostly affects employees' satisfaction, commitment and meaningful for their work. This organization have an atypical job because of their conditions such as the time that they follow is the local time of the company which they work with, the employees in the organization is young and the knowledge that this job requires is only the knowledge of French and English languages, informatics tools and the communication (customer services).

And also, the offshores companies have indeed multiplied in Madagascar especially in the capital city despite the fact that generally the profile of post does not correspond with the academic course. According to the "Transition des jeunes vers la Vie Active" (ETVA) report, "the training / employment mismatch affects six (06) out of ten (10) young people: 12% feel overqualified and 48.4% feel deficiencies in knowledge or skills" (Work4Youth, 2015). Moreover, only four (04) out of ten (10) young people (less than 50%) find that their job is adequately in line with their training, in other words, 60% of working young people face employment problems in Madagascar " (Vola Rasoamanana, 2015). This resulted to the lack

of enough knowledge to work harmoniously in the workplace, lack of motivation and commitment because their job is not appropriate with their diplomas. According to the Global Contact Center Benchmarking Report (Dimension Data, 2007), the turnover rate of call center operators is around 24% and it is particularly high compared to other sectors. Many possible causes lead to the high turnover according to them. Such as the poor pay, repetitive and monotonous work, inappropriate working hours, abusive calls, lack of career development, pressure and poor supervision of the administration, lack of support, bad atmosphere.

Therefore, through this study the manager will get to know how and why the CCOs are motivated to do their job.

1.4. Research purpose

Due to the above mentioned arguments, the purpose of this study is to explore about the employee motivation among CCOs in Antananarivo, Madagascar and also to examine the elements make the employees motivated knowing the conditions of the work. More deeply, to detected if the conditions of their works have a link to the motivation of their employees knowing that their job is an atypical job. The data were collected by interviewing the employees who work in the “call center” companies.

Therefore, the focus of the study is to understanding the personal motivation about their work, then, this study may influence positive social change by providing a better understanding of employee motivation and increasing organizational awareness of the common variables that influence employee satisfaction and commitment on work. This study provides significant information that may help organizations create strategic plans to improve motivation rates and reduce discouragement challenges. Organizations must adapt to obtain sustainability and make changes to grow (Malik & Usman, 2011). Organizational leaders may use the results of this study to create the tools and strategies needed to increase the

motivation of the employees toward the work, and increase productivity and profits. The customer-employee relationships are more complex and considered the main driver for profit margins and sales revenue. Therefore it is important that employees know how to make the appropriate decisions, how to innovate and provide customized services, displaying discretionary behavior and building relationships with the customers (Kinnie et al., 2000).

1.5. Research questions

For this study, qualitative method and case study research design will be used to explore the research. The qualitative method is to determine the nature of the situation or the problem and to understand more about it. Then, the case studies have been used in many different areas of management research including strategy, information systems, innovation and organizational change, reflecting the versatility of the design (Susan Rose, et al., 2015). The purpose of the case study research is to offer the benefit of studying phenomena in detail and in context, particularly in situations where there are many more variables of interest than there are observations Yin (2009). In line with the research purpose of this study and based on the research background, research question is formulated as follows:

How do call center operators (CCOs) perceive motivation in their work?

1.6. Definition of terms

A definition of the key terms used in this study is provided for further clarification. While there may be numerous definitions for these terms, the most appropriate definition as it applies to this study is provided.

Motivation: Motivation refers to “the reasons underlying behavior” (Guay et al., 2010). Motivation epitomizes the degree in which a persistent power is concentrated in order to achieve a goal (Gagne & Deci, 2005).

Motivational factors: Motivational factors are the positive factors that influence employee job performance and employee job satisfaction (Galletta, et al., 2011).

Employee satisfaction: Employee satisfaction is the terminology used to describe whether employees are happy, contented and fulfilling their desires and needs at work (Sageer, et al., 2012). Then, it is a multidimensional attitude; it is made up of attitudes toward pay, promotions, coworkers, supervision, the work itself and so on (Schleicher et al. 2011).

Call center: A call center is the organizational entity consisting of a group of individuals responsible for inbound and outbound customer interactions and the associated support and management personnel (Reynolds et al., 2003). The group provides customer service, support, and order processing (Abbott, 2004). The call center environment is rich in technology allowing automated call routing, customer information accessibility, and performance monitoring (Barnes, 2007).

Call center operators: The call center operator or call center representative is the individual who handles the inbound and outbound customer interactions (Wegge, et al., 2006). Call center operators exhibit the characteristics of thoroughness, knowledgeableness preparedness, courtesy, professionalism, and attentiveness in their interactions with customers, ensuring customer satisfaction with the interaction with the organization (Sieben, et al., 2009).

1.7. Description of Call Center

a. Call Center

The “Call center” can be inside to the company or be outsourced as a service provider, commonly referred to as outsourcing (CENTRECO, 2009). The companies have 4 components:

- Human resources: telemarketers, telemarketers, trainers, etc.
- Technologies: telephony, computers, the Internet, database software, etc.

- Logistics: real estate sector, equipment, etc.
- Marketing methods: remote prospecting, highlighting after-sales service as a selling point, etc.

b. The call center operator's job

The work of a call center is done remotely and it is about the contacts treatment of customers or doing some prospects of one company. It can be done directly through a telephone, by sending or receiving calls, but also by writing an email or message. The call center is most often carried out in internal or outsourced of a company and the environment is often arranged in open space, with variable equipment according to the call center operator management defined by the company.

c. Activities

Different tasks can be carried out by call center in Madagascar. This list describes the most common activities that the employees in this atypical job practice:

- Product and service information calls
- Qualifying calls for prospects
- Surveys and market research
- Making appointments
- Loyalty campaign (claim management, customer satisfaction survey, crisis management, etc.)
- Debt collection
- Marketing test
- Phone reception
- Tracking control

- Technical telephone support (remote troubleshooting or remote maintenance, IT support, etc.)
- Back office and tele-secretariat
- Outgoing calls to create traffic on an event, on a website or at the point of sale of a payer.
- Sales department (telesales, sales support, reservations, buy / subscription process re-launch, after-sales service, etc.)

d. Missions

- Mission of the employees

A call center employee has the role of consultant; the main objective is to respond to customer requests. The role of this employee is to retain the customers who correspond to. They have to help the customers and inform them. And also, they can take orders, handle customer complaints, and diagnose problems in order to provide solutions.

- Mission of the company

The missions of the “call center” companies are mainly of three (03) types:

- A trade mission: commonly called "telemarketing", it consists of prospecting, sales, etc. These are "outgoing calls" for telemarketing (calls are being sent from the CCCs to prospect new customers) or "incoming calls" for order pick-up.
- An information mission: remote intelligence services ("incoming calls")
- A support-client mission: it includes all technical assistance services.

e. Purpose of the job

The call center’s job enables companies to have centralized sales, customer or after-sales services. Its role is to welcome, guide, advise, sell, and manage the needs and complaints of their customers.

1.8. Assumptions, Limitations

a. Assumptions

The assumptions for one study were things that were believed to be true without verification (Rossiter, 2008). According to Cooper and Schindler (2008), all research is based on some set of assumptions that influence both participant responses and the researchers' interpretation of those responses. Researchers must therefore identify and discuss those assumptions at the beginning of the study. Researchers make assumptions on the following aspects of their research: first the issue of interest being investigated, second chosen research methodology, third the data collection method, fourth the data analysis procedures, fifth the participants, and the last one researchers' interpretation of results (Dusick, 2011). The major assumption with a qualitative study is that data can be collected using interviews and surveys to help investigate a problem and test a theory (Rossiter, 2008). Qualitative research seeks to understand a problem by exploring a theory (Rossiter, 2008).

Furthermore, the assumption of this study was that all employees chosen to participate would respond to the questions honestly relating to employee motivation in the work. Participants may hold back information during their interview sessions when the participant loses confidence in a work no longer perceived as stable. There may also be resistance on the part of employees when expressing their feelings if believing so could put them at the hazards. Then, the qualitative research is a valid method for exploring the issue of interest. The assumption was extended to presume that qualitative research could be used to successfully construct a chain of evidence regarding challenges associated with the employee motivation. Then, using the open-ended questions was an efficient and effective method for collecting data from the participants. Use open-ended questions allow participants to respond to questions from a direct and personal approach (DiCicco-Bloom and Crabtree 2006).

Therefore, the interpretation of the results depended on two primary assumptions. First, the participants' willingness to participate in the research was critical; the assumption was they were honest in responding to the questions posed to them and their participation was non-biased (Dusick, 2011). The second assumption in area of interpretation was that the results of the study were meaningful and relevant to potential stakeholders (Dusick, 2011).

b. Limitations

A limitation is a potential weakness present in a researcher's study (Simon, 2011). The limitations of this study are the difference perceptions between the employees. Some of the employees might not care about their work because for them the most important is to have a job. It might effect because of the problem in the labor market, the situation in which the employee in Madagascar face now, and because the number of the job demand is more than the needed or offer. For this kind of employee the most important thing is to have a job no to be satisfied and motivated in their work. It is might because of the difficulty to find a job in Madagascar. Secondly, the different workplace might make difference in their perception, because knowing this study focus on the employee and each employee are from different companies. One others limitation also are about the way to collect the information. Interview is the main tools used, but though the social media such Skype, Facebook, and the others. First, the interview method might make a lack of representativeness because they are time consuming, and it is difficult to get a large enough sample to be representative of large populations. Secondly, there are few ethical problems, assuming that informed consent is gained and confidentially ensured. Although the fact that the researcher is getting more in-depth data, more of an insight into which the person really is or does offer the potential for the information to do more harm to the respondent if it got into the wrong hands but this in turn depends on the topics discussed and the exact content of the interviews.

1.9. Summary

Chapter 1 began with a description of the challenges facing the Human Resources Department on employee motivation. Chapter 1 included information on the background of the problem, defining the terms including the description of the “Call Center” job in Madagascar and the assumptions and the limitations of the study. The aim of this is to explore the employee motivation among the call center operators. This study will be analyzing through the qualitative methods and base on the Maslow hierarchy needs. Hence, Chapter 2 includes a discussion of the theory related with the research for the study. Various constructs identified in previous literature help explain the employee motivation within the call center operators. The literature review includes information about existing research supporting the problem identified in Chapter 1.