

Application of Herzberg's Theory in the BPO Industry: *Identification of Hygiene Factors and Motivators*

Santoshi Sengupta*
Aayushi Gupta**

Abstract

Motivation and related issues have always been relevant and significant in studying the patterns of individual performance and efficiency in a given job profile. In the BPO industry, where unusual working hours, stress and burnout, low perceived value of the job is quite common, all this results in swelling dissatisfaction among the employees that brings down their motivational level. The factors that enhance their level of motivation are quite different from the factors that cause dissatisfaction. This paper studies the application of Herzberg's Theory of Motivation on 60 BPO professionals in various BPO firms in the National Capital Region of India. It studies the practical approach of the subject matter and explores the constituents of 'motivators' and 'satisfiers'. The findings are thoroughly discussed and interpreted in the light of the BPO firm.

Keywords: BPO, Herzberg's Theory, Motivation, Satisfiers, Motivators.

1. Introduction

Since times immemorial, job satisfaction has been assumed to follow a solo fundamental continuum, one end of which supposedly represented a high level of satisfaction with the job, while the other end was professed to reflect a high level of dissatisfaction with the job. Points between these two extremes were supposed to reflect a mixture of degrees of satisfaction and dissatisfaction. This permutation and combination of the various levels of satisfaction and dissatisfaction is applicable in all the industries and at all the workplaces, irrespective of the kind of job profile. In an industry like that of a BPO, which is characterized by unusual working hours, monotonous job, low perceived value, pressure to perform on metrics to cite the dark side and also attractive salary, entertaining work environment, youthful crowd to glorify the bright side, the theory of satisfaction and dissatisfaction does not go untouched. In a BPO firm, the employees face a lot of dissatisfaction because of the low perceived value and monotonous work, and this in return results in reduced motivation. However, another research showed that a BPO firm was actually able to retain its employees and the major reason behind it was the satisfaction derived from the relationship with team leaders. It has been rightly said that factors which cause satisfaction are quite different from the factors that cause dissatisfaction.

*Sr. Lecturer, Professional Development Department in Jaypee Institute of Information Technology University, Noida, India.

**HOD and Associate Professor, Professional Development Department in Jaypee Institute of Information Technology University, Noida, India.

In tune with the need for an increased importance on understanding employee motivation, some researchers have made unadulterated endeavor to build on the existing theories of work motivation by adapting and extending them to fit the realities of the changing workplaces (Steers et al. 2004). The present study tries to apply the two factor theory to understand employee motivation in a BPO industry.

The present era is not only witnessing BPO as an emerging sector but also its tremendous growth and astounding labor intensity. Since the work culture in this sector is customer specific and customer driven, the employees face challenges in satisfying the customers or meeting their target numbers. They have unnatural working hours; unacceptable promotion opportunities, unrealistic life styles and such a challenging nature of these factors warrant an examination of employee motivation in the BPO industry. In order to understand the dimensions of motivation among the employees of a BPO organization, it would be pertinent to address the definitional problem surrounding the use of the term motivation in current literature.

2. Herzberg's Two Factor Model

Frederick Herzberg and his associates (1959) conducted extensive interviews with a number of engineers and accountants using the critical-incident method for data collection. Herzberg made a theoretical exit from the traditional continuum concept by suggesting that job satisfaction was hypothesized to operate on a continuum which varied from high satisfaction to no job satisfaction; while job dissatisfaction ran on another continuum which ranged from no dissatisfaction to high job dissatisfaction. These two continua were hypothesized to be independent of each other. Based on extensive empirical investigation, Herzberg propounded a two-factor theory of job satisfaction which received both widespread support and criticism. The research revealed the importance of attitudes toward work and experiences, both good and bad, reported by workers.

The Two-factor Theory, or Motivation and Hygiene Theory, asserts to differentiate between intrinsic and extrinsic aspects of the job. The authors referred to the intrinsic factors as content or motivators, and they include: achievement, advancement, the work itself, responsibility, and recognition. These factors when present tend to satisfy the employees and motivate them for better efficiency and efficacy. The other one is extrinsic or hygiene factors e.g. status, job security, salary and fringe benefits) which do not render positive satisfaction, although dissatisfaction results from their absence. These are extrinsic to the work itself, and include aspects such as company policies, supervisory practices, or wages/salary.

Essentially, hygiene factors are needed to ascertain an employee is not dissatisfied. Motivation factors are needed in order to motivate an employee to higher performance, better efficiency and hence better productivity. Herzberg also further classified our actions and how and why we do them, for example, if you perform a work related action because you have to then that is classed as movement, but if you perform a work related action because you want to then that is classed as motivation.

In tune with the need for an amplified emphasis on understanding employee motivation, some researchers have made efforts to build on the existing theories of work motivation by adjusting and extending them to fit the realities of the changing existing workplaces (Steers et al., 2004). In today's context Herzberg's theory needs to be retested to assess its applicability on the BPO industry. The present study tries to apply the two-factor theory to further the understanding of motivation among BPO (Business Process Outsourcing) employees. The present era is not only witnessing BPO as a rising sector but also its tremendous growth and astounding labor intensity. The work culture is fairly different from other industries. In order to understand the dimensions of motivation among the employees of a BPO firm, it would be pertinent to address the definitional problem surrounding the use of term 'motivation'.

3. Research Methodology

The study was conducted in a medium sized BPO firm with 250 employees. The questionnaire was personally administered to 100 employees depending on their availability during the working hours. Out of these 100 respondents, 83 questionnaires were completed and returned to the researchers. The questionnaires were later scanned for their completeness and usability and eventually 60 questionnaires were found completely eligible for analysis.

The first part of the questionnaire consisted of background variables and elicited information with respect to their demographic profiles. The second part of the questionnaire consisted of 18 items. These items were sourced from the employees themselves. Interactions were held with some of the employees at initial level to jot down their expectations from the job; and what exactly motivated them intrinsically and extrinsically. Based on these interactions, a list of factors was prepared that were supposedly related to their work and work environment. Respondents were asked to categorize them as 'A' or 'B'. They were asked to mark A for all those factors the presence of which would help them to perform better and hence lead to their satisfaction. Correspondingly, they were required to mark B for those factors, the absence of which in desired form and volume would make them feel dissatisfied and unhappy about their job.

4. Data Analysis and Discussion

The analysis was done with the objective of ascertaining those factors which were perceived as motivating factors and those perceived as hygiene factors by the respondents. The results are presented in Table No. 1 and Chart No. 1. The factors which were perceived as motivating by a majority of the respondents were opportunities for personal growth and development, feeling of self esteem, perks and benefits, authority connected with the current job position, challenges in job, recognition, relationship with team leaders and achievement of the desired goal. Only a few factors were rated by a majority of the respondents as hygiene factors and they were amenities like housing, medical benefits, salary, facilities for effective working, work timings, relationship with peers, job security.

Table 1: Respondents Indication of Motivating and Hygiene Factors

Factor	Motivating	Hygiene
Achievement of the desired goal	52	8
Relationship with team leaders	52	8
Challenges in job	50	10
Recognition	50	10
Authority connected with the current job position	48	12
Opportunities for personal growth and development	46	14
Feeling of self esteem	45	15
Job Security	45	15
Perks and benefits	38	22
Amenities like housing, medical benefits	25	35
Salary	14	46
Work timings	13	47
Relationship with peers	12	48
Facilities for effective working	11	49

From the results stated above, it is clear that not many factors were perceived as hygiene factors by the respondents. Amongst the motivators, factors such as achievement of the desired goal, relationship with team leaders, challenges in job, recognition, authority connected with the current job position, opportunities for personal growth and development, feeling of self esteem, job security, and perks and benefits were perceived by more than three-fourth of the respondents as motivating factors. Most of these motivating factors are related to the job and are central to the completion of task. Based on this criterion, they would certainly qualify as motivators even in the classical sense. Let us now discuss each of the motivators and hygiene in the perspective of a BPO.

5. Motivating Factors

One of the issues that need to be addressed is why the respondents perceived 'relationship with team leaders' as a motivator keeping in mind that this relationship with team leaders or precisely bosses may extend the work relationship and therefore may not be seen by many as central to the job. A review of the academic and popular literature that highlights the importance of bosses can throw some light on this. Relationship with the boss has gathered insurmountable importance in the recent years, as one of the major reasons for employees leaving the organization has been attributed to their incompatibility with the boss. People leave managers not companies write Buckingham and Coffman (1999). Also, the most common factors leading to worker stress and dissatisfaction are those originating from the nature of the job itself, within which interpersonal relationships between employees and supervisors take place (Barnett & Brennan, 1997; Rodwell, Kienzle, & Shadur, 1998). It would not be inappropriate to say that employees spend a majority of their waking hours in organizations. Thus the organizational environment would be expected to fulfill not only their professional needs but also their social needs. Work environment is becoming more and more informal and a strong tie with supervisor or team leader or boss, is directly responsible for the sustenance of an employee in BPO.

Achievement of the desired goal emerged out as a strong motivator in a BPO firm. 86.7% of the respondents voted it as a motivator factor. The feeling of achievement by the employees renders a sense of pride in them. Contrary to the dull and droning nature of job in a BPO, employees are seldom made to face challenges. However, in such a frame when they achieve something unexpected, convert sales, finalize deals, impress clients they get recognition and that motivates them to work better.

Challenges in job came out as a motivator factor as 83.3% of the respondents considered it so. Challenges give an employee a sense of fulfillment when they achieve it. Thus a challenging job profile motivates employees in a BPO.

About 83% of the respondents voted recognition as an important motivator factor. Recognition meant how often the respondent's work was noticed and praised by the team leader or manager. It was seen that more the recognition is given to an employee for his job, and his feats, more is he motivated to work better. Recognition in the workplace renders a good amount of self esteem to the employee and adds motivation in his work. 50 out of 60 respondents clearly said that recognition in the workplace gave them motivation to work harder and better. This also had conformity with similar studies that showed recognition from the boss increases the satisfaction level of the employee and also motivates them (Sharma and Jyoti 2006).

Authority connected with the current job position was listed by 80% of the respondents as a motivator factor. This is quite expected as employees feel that authority, empowerment and a sense of involvement gives them high degree of confidence and motivates them in their work. If authority is present it inspired them to do well. However, if it is absent, the employees still have to give their minimal output of work. Thus, it is rightly categorized under motivator factor.

Another factor that emerged out as a motivator based on 76% of the respondents response was opportunities for personal growth and development. In an industry like that of a BPO, the career graph is often mystified. Employees are not able to see a clear

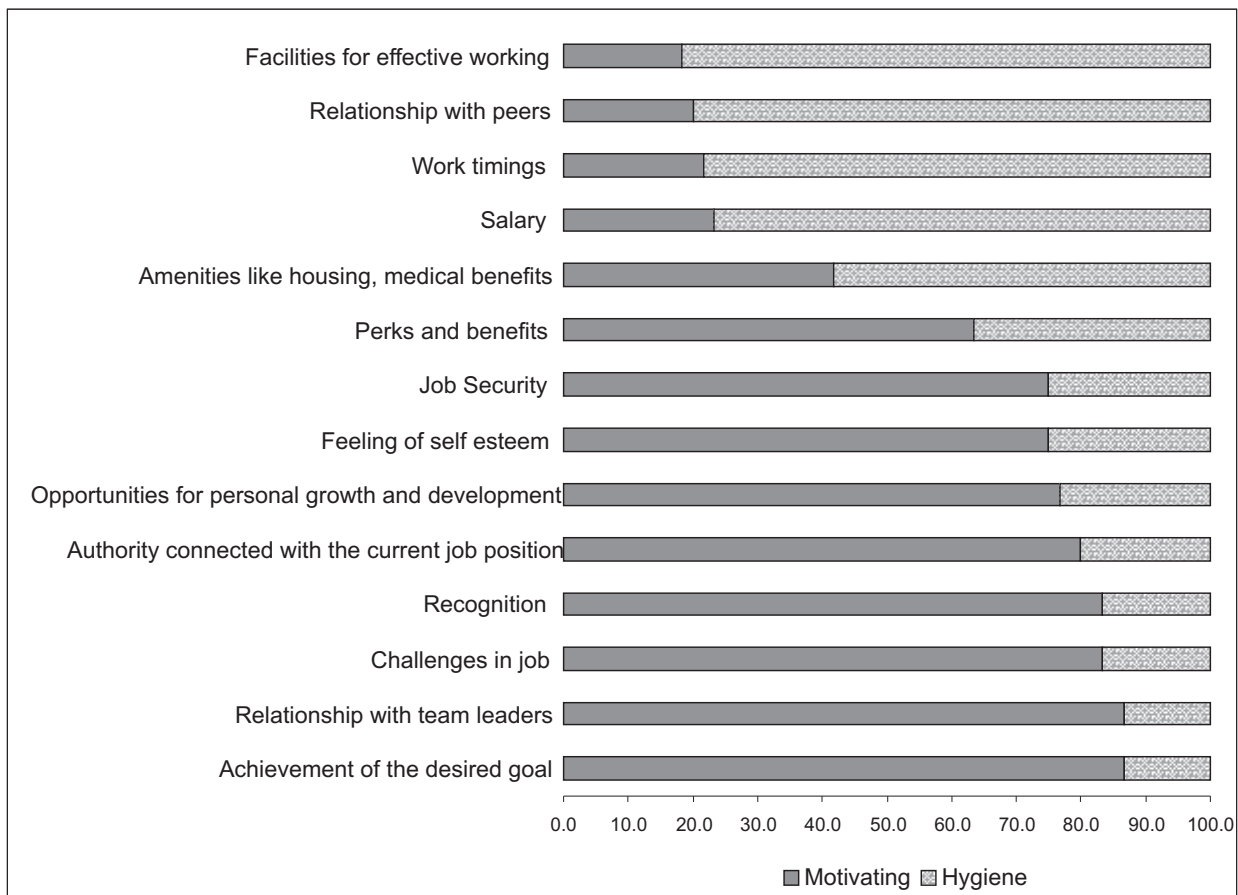
picture of where they are heading, hence they find out reasons for being uninvolved in their work. When they find a clear career graph and also opportunities to grow and develop as a professional as well as an individual, this adds motivation in their work and they feel inspired to work better.

Feeling of self esteem has emerged out as a recent motivator. This wasn't a matter of motivation in earlier studies. However, now employees feel that a feeling of self esteem gives them intrinsic motivation and it consequently inspires them in their work. The presence of such self esteem gives them a sense of self fulfillment and thus makes them motivated for their work. At the same time, if this trait is absent from their current work, the employees do not get demotivated; rather they work for other reasons.

Job Security is an important motivator factor for the employees working in a BPO. A BPO job is characterized by odd working hours, mystified career graph, monotonous job etc. the industry is characterized by high attrition rate due to dispirited efficiency and dearth of motivation. One reason for employees leaving the organization is no security for job. Uncertainty of job, combined with meager negotiating power may to some extent explain why 76% of the respondents perceived job security as a motivator. It is

a very peculiar situation for the BPO industry where there is generally lack of trust between the employer and employee when it comes to fulfilling the psychological contract. This may be quite true for smaller firms which cannot assure long employment. In such a situation of flux, expecting both the parties to honor the psychological contract would be too much to expect. From the employer's perspective even if the organization can assure sustained employment, they would not like to get entangled in employment bonds, fearing that they may lose out on better prospects in the near future. If the above statement is true that many employees consider BPO job as a short term option, not getting into bond for longer association makes sense. When the employees get job security, they become motivated and inspired for better work.

Perks and benefits were the last of all motivating factors, as it appeared in this study. Around 65% of the employees rated it as a motivational factor. The presence of perks and benefits motivates them to work for longer hours, have extra log ins and work more efficiently. Salary is something which does not excite them to work. It is the presence and declaration of perks and benefits that excite them to work more and motivate them in their jobs.



Graph 1: Graphical Representation of Respondents' Indication

6. Hygiene Factors

Facilities for effective working were rated as a hygiene factor by almost 82% of the respondents. This is stated by the rule that absence of such facilities in any workplace leads to huge amount of job dissatisfaction among the employees. A BPO which is typically characterized as an internet sweat shop, demands a comfortable and conducive work environment which can help employees work any time of the day. Moreover a BPO is typified by odd working hours and most of the employees work during the night time, thus it is important for any BPO to have facilities for effective working like, proper lighting, proper air conditioning, etc. the absence of such amenities surely leads to mammoth dissatisfaction among the employees, however their presence may not motivate them.

Interestingly, contrary to relationship with team leaders emerging as a motivating factor, relationship with peers came out as a hygiene factor. Around 24% of the respondents said that the absence of good relations with peers often gave them dissatisfaction in work. In a typical BPO firm, the office is seen as a second home, as one spends such a long time here. Moreover it gives rise to many social contacts with peers and colleagues. Hence absence of good relationships among colleagues or peers often leads to dissatisfaction.

Similarly many respondents voted work timings as a hygiene factor, as absence of good and favorable work timings cause a lot of dissatisfaction among the employees. If the work timings are favorable, it still does not motivate them to come for work but if the work timings are not favorable, it definitely extracts all the motivation out of them and makes them disinterested in the work.

Salary was rated as a hygiene factor by 76% of the respondents. BPO industry is characterized by meager salary. Employees put in a lot of efforts and time, and still get a handful salary. According to them, if the salary is missing, that would certainly demotivate them from working. Similarly amenities like medical facilities, house loans, travel tips etc also act as a hygiene factor as their absence means a lot of demotivation at work but their presence might not be important for their inspired working.

7. Conclusion

The results of the study by and large conform to Herzberg's two factor theory –the motivating factors are intrinsic work factors i.e., related to the work itself and central to the completion of tasks while the hygiene factors are extrinsic factors i.e.,

environmental factors. However, a very noticeable difference is the achievement of the desired goal, recognition, authority, opportunities for personal growth and feeling of self esteem. The study indicates that these factors are the changing trends of a BPO industry and it could be proposed that these factors have become the major driving force in contemporary work culture.

It would be pertinent to point out that the present study has certain limitations. Firstly the sample size is small –only 60 respondents from a BPO firm. In order to generalize the results, much larger sample size from a cross section of the BPO industry should be considered. Thus the study is largely exploratory in nature, indicating a possibility for further study. Another limitation is in the selection of variables for the study. There are many other possible factors that may be relevant in the context of operation in BPO companies. Also, it would be interesting to study the influence of demographics on the perception of motivating and hygiene factors in BPO companies.

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