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RESURRECTING THE MANAGEMENT PARADOX IN A PERUVIAN CALL CENTER

RESUCITANDO LA PARADOJA GERENCIAL EN UN CALL CENTER PERUANO

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Abstract

Enriching the organization with highly employable workers at the likely cost of experiencing high turnover posits a management paradox, but, in a study in Belgium, De Cuyper and De Witte (2009) claimed to have proved the paradox false. The present research constructively replicates their study targeting the relationships between employability, turnover intention, and absenteeism among client service representatives of a Peruvian call center. De Cuyper and de Witte's distinction between the likelihood of attaining "another job" and "a better job" was not upheld by confirmatory factor analysis. On the other hand, we found strong positive effects of perceived external employability on employees' turnover intention, though not on absenteeism. The observed management paradox may represent the circumstance of most call centers worldwide.

Key words: Employability, management paradox, turnover intention, absenteeism.

Resumen

Habría una paradoja gerencial en enriquecer la organización con empleados de alta empleabilidad al probable costo de perderlos fácilmente, pero, en un estudio en Bélgica, De Cuyper y De Witte (2009) anunciaron haberla probado falsa. La presente investigación replica constructivamente su estudio abordando las relaciones entre empleabilidad, intención de irse, y ausentismo entre representantes de servicio al cliente en un call center peruano. Un análisis de factores

confirmatorio no diferenció las probabilidades de encontrar “otro puesto” y “un mejor puesto”. De otro lado, emergieron fuertes efectos positivos de la empleabilidad percibida externa sobre la intención de irse de los empleados, aunque no sobre el ausentismo. La paradoja gerencial observada puede representar las circunstancias de los call centers alrededor del mundo.

Palabras clave: Empleabilidad, paradoja gerencial, intención de irse, ausentismo.

Introduction

Perceived employability, i.e., an employee's perception of how easy it is to find new employment, is theoretically related to a person's career identity, personal adaptability, and social and human capital (Fugate, Kinicki, & Ashforth, 2004). Self-rated internal and external employability are differentiated; the former entails the prospect of changing jobs within the same organization whereas external employability implies changing organizations (Rothwell & Arnold, 2007). The study of employability has been centered on its contrast with job insecurity (e.g., Alarco, 2010; Berntson, Näswall, & Sverke, 2010), its consequences for the well-being, job satisfaction, and career success of the individual person (e.g., Kirves, Kinnunen, De Cuyper, & Mäkigangas, 2014), and the management paradox (e.g., Van der Heide & Van der Heyden, 2006).

Hiring highly employable workers enriches the organization with valuable personnel who may embark in successful careers within the organization but also elsewhere, outside the organization. The management paradox consists in the dilemma of enriching the organization at the likely cost of experiencing high

turnover (Baruch, 2001; Van der Heide & Van der Heyden, 2006). De Cuyper and De Witte (2009) tested the management paradox (mainly) in Belgium differentiating quantitative employability, or the likelihood of getting “another job”, from qualitative employability, or the likelihood of getting “a better job”. They reported that, as expected, internal employability of any type was associated with increased organizational commitment but, against expectations, external quantitative employability presented a similar relationship (see their Figure 3). Organizational commitment, in turn, was associated with improved job performance. De Cuyper and De Witte (2009) claimed to have proved false the management paradox, but relating external employability to organizational commitment is not a direct form of testing it; a direct test should involve organizational exit or, at least, turnover intention. They also omitted providing a conceptualization that justified their use of quantitative employability as a cause of qualitative employability in their best structural equation model (SEM).

In the present study, we perform a constructive replication of De Cuyper and De Witte's (2009) research targeting withdrawal behaviors and focusing on

personnel of a specific organization in Peru: the client service representative (CSR) of a call center. In the call-center, CSRs are expected to meet certain standards regarding the time they take to call a client and/or resolve a client's query. High levels of stress amongst CSRs are a common feature because the work tasks and the interactions with customers impose role overload and role conflict (Witt, Andrews, & Carlson, 2004). In addition, the intensity of automated performance monitoring increases emotional labor (Holman, Chissick, & Totterdell, 2002) and its perceived purpose affects job satisfaction (Welles, Moorman, & Werner, 2007). Hence, high levels of lateness, absenteeism

and turnover are frequently found in the call center industry (Schalk & van Rijckevorsel, 2007).

The research was designed to test two hypotheses entailing withdrawal behaviors. Specifically, we expected that a CSR's level of absenteeism is increased as a function of the extent of his/her intention to leave the organization, in turn affected by his/her employability. Unlike De Cuyper and De Witte (2009), we also expected that quantitative and qualitative employability can be treated as elements of a singular factor; getting "another job" (quantitative employability) and getting "a better job" (qualitative employability) should be highly correlated.

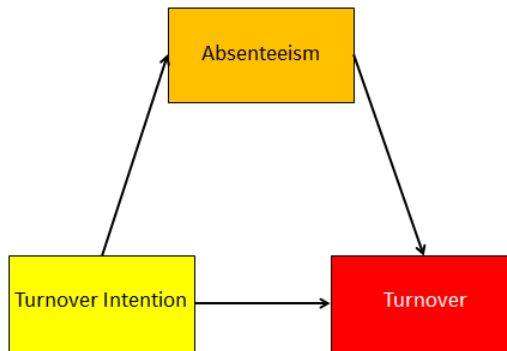


Figure 1. Assumed relationships between turnover intention, absenteeism, and turnover

Hypothesis 1. Internal quantitative and qualitative employability are associated with reductions in turnover intention and absenteeism whereas external quantitative and qualitative employability are associated with increased turnover intention and absenteeism (Test of the management paradox following De Cuyper and De Witte).

Alternative Hypothesis 1. Internal employability is associated with reduced turnover intention and absenteeism and external employability is associated with increased turnover intention and absenteeism (A simplified test of the management paradox).

Method

Organizational Context

The organization studied (Org) is part of an international service conglomerate that ranks second in the world and has 15% of the Latin American market of call centers. Org has operated in Lima, Peru during more than 10 years. The Lima SCRs are divided into a Foreign Mobiles division dedicated to attend a foreign phone company and a division that has clients in various fields.

Participants

The 728 CSRs of Org's Foreign Mobiles division were invited to participate in an online survey in May 2016. All of them had responsibilities entailing calling clients and responding to them. Their employee ID served to link their responses to their personal and work data in personnel files.

Measures

Employability. We replicated the De Cuyper and De Witte's (2009, p. 159) procedure to measure self-rated employability (SRE): "We first presented the items for internal SRE, alternating items referring to internal quantitative and internal qualitative SRE. The items for internal quantitative SRE were as follows: 'I am optimistic that I would find another job with this employer, if I looked for one', 'I will easily find another job with this employer instead of my present job', 'I could easily switch to another job with this employer, if I wanted to', and 'I am confident that I could quickly

get a similar job with this employer". The items for internal qualitative employability were comparable, except for the use of "a better job". The items for external employability were analogous, except for the use of "another employer". We used a Spanish version tested by Alarco (2009) in Peru that included a five-point Likert response scale.

Turnover Intention. The following items were translated into Spanish by Alarco (2009): "Lately, I have many wishes to abandon this organization", "Despite the obligations I have with this enterprise, I want to abandon my job", "I would like to remain in this organization as long as I could" (inverse scoring), and "If I could, I would leave this job today". Respondents used a five-point Likert scale.

Absenteeism. Org measures its employees' absenteeism using an attendance marker, vacation control, and administration of medical dispenses. The indicator refers to uncertified absence and covered the period January-May 2016.

Analytic Strategy

Absence data in Org were highly skewed to the right and not normally distributed according to the Kolmogorov-Smirnov statistic ($p < .001$). Hence, we used bootstrapping with 1,000 samples in all the analyses. R (R Core Team, 2015) and the lavaan package (Rosseel, 2012) were used to perform structural equation models (SEMs).

Results

Some of the 728 CSRs who had information on absenteeism had quit Org in May 2016 and others failed to respond; only 268 fully responded to the employability

and turnover items, which came at the end of a complex questionnaire. Non-responders presented greater absenteeism (Mean =.052) than responders (Mean =.038), a significant difference ($t = -2.515, p = .013$).

Table 1. Descriptive Statistics and Correlations.

Variable	Mean	SD	1	2	3	4	5	6	7	8
1 Quantitative internal employability	13.77	2.888	-							
2 Qualitative internal employability	13.70	2.967	0.88	-						
3 Quantitative external employability	14.19	2.174	0.30	0.41	-					
4 Qualitative external employability	13.99	3.261	0.30	0.40	0.94	-				
5 Internal employability	27.72	5.582	0.98	0.94	0.34	0.34	-			
6 External employability	28.18	6.342	0.30	0.41	0.99	0.99	0.35	-		
7 Turnover intention	0.933	0.048	-0.01	0.06	0.41	0.41	-0.00	0.42	-	
8 Absenteeism	0.043	0.040	0.02	0.00	0.05	0.07	0.01	0.06	-0.01	-

Note. N= 268.

The internal-consistency reliability of the employability scales ranged from .77 to .91. The α for turnover intention was .78.

All the employability scores were highly inter-correlated and considerably less so with the other variables (see Table 1).

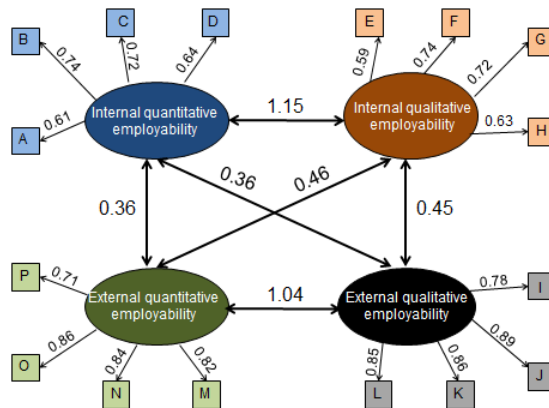


Figure 2. Results of confirmatory factor analysis using De Cuyper and De Witte's (2009) concepts of quantitative and qualitative employability.

Note: All the factor loadings are significant at $p < .002$.

Results of a confirmatory factor analysis, shown in Figure 2, contradicted De Cuyper and De Witte's (2009) assumption that quantitative and qualitative employability are justified factors. The covariance matrix of latent variables was not positive definite and the correlations between quantitative and qualitative employability surpassed 1.00; calculating model adjustment indices in this circumstance would be indefensible (Chen, Bollen, Paxton, Curran, & Kirby, 2001).

Contrary-wise, the internal and external employability factors emerging from our SEM, shown in Figure 3, are clearly justified and all the model adjustment indices are excellent (CFI = 0.989, TLI = 0.987, RMSEA = 0.033) or good (SRMR = 0.074). Consistent with Hypothesis 2, internal employability determined turnover intention negatively and external employability determined it positively and strongly. Absenteeism, in turn, was uncorrelated with the latent variables.

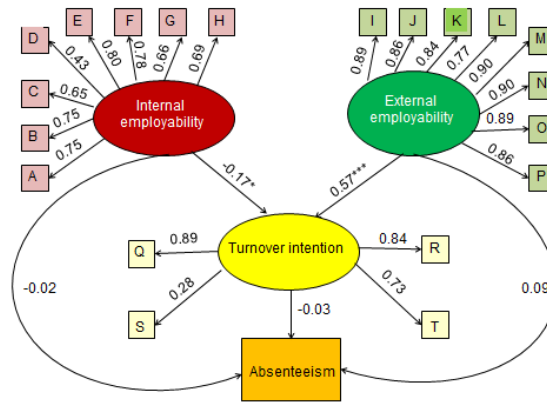


Figure 3. Results of SEM testing Hypothesis 2

Note: All the factor loadings are significant at $p < .003$

Discussion

The aim of this study was to constructively replicate De Cuyper and De Witte's (2009) testing of the management paradox. However, we could not test Hypothesis 1 because a necessary previous step, confirmatory factor analysis, demonstrated that quantitative and qualitative employability were over-correlated and their measurement structure did not justify treating them as two factors. On the other hand, our testing of Alternative Hypothesis 1 yielded

parsimonious results indicating that SCR's internal employability attenuates turnover intention and external employability strongly leads to increased turnover intention, as expected from the management paradox. The fact that the testing took place in Peru strengthens the support found for the management paradox, a concept developed in Europe. It only seems logical that, in a work context such as that of a call center, where high levels of employee stress prevail, the more externally employable workers are more likely to express turnover

intentions, regardless of geography. The management paradox resurrected in Peru may represent the circumstance of most call centers worldwide. To demonstrate that the management paradox is not a circumstance of call centers all over the world, researchers will have to show that, in one of them, external employability does not lead to increased turnover intention or actual organizational exit among SCRs.

The focus of the present research on call center employees limits its comparability with the De Cuyper and De Witte (2009) sample, based on 9 different organizations. An additional limitation of the study was not to have measured actual turnover. Although the literature strongly suggests that turnover intention is a predecessor of actual turnover (Mobley, 1977), studies relating employability to actual turnover and, especially, job

performance, are needed before practical implications for call centers are recommended to managers. Another limitation is the small response rate of the study; absenteeism was underrepresented among questionnaire responders; on the other hand, it can be speculated that a less biased sample could have yielded greater correlations between absenteeism and the latent variables than those observed. Nonetheless, the finding that turnover intention and absenteeism were uncorrelated may represent a valuable substantive finding which adds to call center literature. This finding is not inconsistent with the organizational literature (Berry, Lelchhook, & Clark, 2012) and can be explained considering that, whereas intention to leave is bounded only by personal fantasy, absenteeism responds to many environmental contingencies.

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