

# Chapter 1

## Introduction

### 1.0 Background

Chiang Mai, Thailand is the base for many non-governmental organizations (NGOs). A quick internet search draws the names of many and varied types of NGOs providing a range of services from helping those orphaned from HIV/AIDS to dealing with environmental concerns. NGOs based in Chiang Mai vary from large well-known NGOs, such as World Vision, UNICEF, and Compassion to small NGOs focused on only one task or mission, such as New Life Center, Agape Home or Hope Home Foster-Care.

Chiang Mai is also a base for many NGOs who are working outside Thailand, especially those whose focus is on Burma or surrounding Asian countries. Many large NGOs have their Asian headquarters, or key personnel residing in Chiang Mai. As such, Chiang Mai is a 'hub' of NGO activity and an excellent place in which to conduct research.

Chiang Mai and more broadly Thailand also offers many opportunities for volunteers, or people who want to experience travel with some purpose. There are many agencies that will assist those who want to volunteer their time in an orphanage, teaching English or assisting a hill-tribe village community. Some of these include, Volunteer Work Thailand, Nabuur, and Dragon-Fly Volunteer Thailand.

NGOs in Chiang Mai have consistently struggled with staff and/or volunteer performance and staff and/or volunteer retention as they are unable to adequately motivate staff and/or volunteers to perform in a way that meets the requirements of the NGO. The NGO sector is continually growing in Chiang Mai and yet despite the growth the sector continues to face constrained funding. A lack of finances results in

low budgets which have a direct impact on lack of motivation and therefore retention of staff and/or volunteers. With the rapid growth of the NGO sector the need for retaining experienced and competent staff and/or volunteers is even more heightened.

Job satisfaction is a multifaceted and complex concept that serves as a good indicator of how employees feel about their jobs and a good predictor of their behavior in the workplace. This attitudinal and emotional response towards one's job stems from their set of beliefs, worldviews, ways of behaving and approach to life (Kreitner 2008). Job satisfaction is closely related to motivation and a contributing factor in improved performance in the workplace. Though motivation is an obvious component of job satisfaction the two concepts cannot be used interchangeably. Motivation is directly related to human behavior in that it is an internal state (a need or desire) that triggers a particular behaviour. Job satisfaction is interlinked with motivation in that it relates specifically to one's 'internal state' towards their job. The level of job satisfaction can predict behavior in the workplace and contribute to improved performance.

There are a variety of reasons for International NGO staff to under-perform, leave employment or give up a volunteer post. They include, personal preferences, pay scales, relationships with management and co-workers, opportunities for promotion, benefits, organizational policies and operating conditions, recognition, communication and even the nature of the job itself, all affect ones level of job satisfaction (Borkowski, 2005; Whittington and Evans, 2005). Since no two people are the same the factors that create satisfaction and increase levels of motivation vary from one person to the next. Despite the difficulty in ascertaining the level of job satisfaction, it is a task that management cannot afford to overlook.

Human Resources (HR) can serve as management's arm in playing an influential role in the job satisfaction of paid staff and volunteers in International NGOs. In order to ensure job satisfaction in staff and/or volunteers of NGOs in Chiang Mai, it is crucial to understand the perceptions and behaviour patterns of staff and/or volunteers. Given this is not an easy task to undertake, it does; however, hold great benefit for both the NGOs and the staff or volunteers. The staff or volunteers who are satisfied in their

roles are more likely to deliver high quality services with skills, commitment and motivation. In light of this, the researcher sought to examine ways in which International NGOs can motivate their staff and/or volunteers and so create greater job satisfaction.

In addition to this, the researcher felt it would be important to ascertain levels of operational efficiency among NGOs in Chiang Mai, in order to gain insight into how NGOs are performing from a managerial and strategic point of view. The researcher felt it would be interesting to observe how levels of job satisfaction and motivation affect the operational efficiency of NGOs and whether NGOs with high levels of paid staff or volunteer job satisfaction rank higher on the efficiency scale as opposed to those NGOs which have lower levels of job satisfaction or vice versa.

### **1.1 Definition of the Key Terms**

#### **NGO**

Non-governmental Organization

#### **Job Satisfaction**

Job satisfaction is a multifaceted concept; closely related to motivation and a contributory factor in improved performance in the workplace. Employees whose needs are satisfied and expectations are met will generally be more productive in their work i.e. will be more satisfied in their job

#### **Motivation**

Motivation can be broadly defined as the forces acting on or within a person that cause the arousal, direction, and persistence of goal-directed, voluntary effort. Motivation theory is thus concerned with the processes that explain why and how human behavior is activated

### Operational Efficiency

Minimization of waste and maximization of resource capabilities, in order to deliver quality products and/or services to customers

### Technical Efficiency

Technical efficiency refers to the ability of a firm to produce maximum output given its inputs (Oleg Badunenko 2005). In other words, technical efficiency is the conversion of physical inputs (such as the services of employees and machines) into outputs at the optimal level

### SFA

Stochastic Frontier Approach is an Efficiency Measuring Technique

### DEA

Data Envelopment Analysis is an Efficiency Measuring Technique

## 1.2 Research Question

*Recognizing that perceptions and attitudes are dynamic, and change according to circumstances and stimuli, the researcher seeks to carry out the research with the aim to measure job satisfaction of paid staff and mixed staff of NGOs in Chiang Mai as well as the technical efficiency of the NGOs they work in, in order to provide managers with a better understanding of their employees so that they can utilise their experience and skill sets in a more constructive way and in so doing help organizations improve overall efficiency and productivity.*

The researcher is intrigued by this question as it addresses a range of issues that are directly related to International NGOs and Human Resource Management. Over the last five years the researcher has been working and volunteering at various NGOs with growing interest and the basis of this thesis stems from the researchers own intention to start an NGO that will seek to educate and develop the underprivileged in Pakistan.

Further, upon reflection, out of all the areas of study the researcher has divulged in at Payap, the one of greatest interest is Human Resource Management. It is for these reasons that I have chosen to focus my thesis on volunteers within the NGO sector in order to determine their levels of job satisfaction and motivation. The researcher found this to be a very fascinating area of study and one that will prove beneficial as the researcher sets out to achieve a goal to establish an NGO in Pakistan.

In addition to this, the researchers experience with NGOs highlights the importance for NGOs to maximize the use of their funding in order to satisfy the wishes and expectations of their donors. To maximize usage of funding means spending less on overhead costs and more on projects that a particular organization has set out to achieve. Many NGOs set out to achieve this by only employing volunteer workers which cuts costs, but is this really the best way to go about maximizing the usage of funds?

### **1.3 Research Aims and Objectives**

In order to fully answer this research question the researcher was mindful to outline the scope of the study in the following research aims and objectives:

1. To assess managerial efficiency of NGOs in Chiang Mai to determine which type of organization is most efficient
2. To assess and compare current levels of job satisfaction in mixed and paid staff in NGOs in Chiang Mai
3. To explore the correlation between the Job Satisfaction and Technical Efficiency results.

### **1.4 Usefulness of Study**

The study of job satisfaction and efficiency has not been conducted in the past and the empirical data obtained in this study could be useful to managers as they seek to improve their organizations. In the long-run this study should enable organizations to streamline their operations so that they can make the best use of their funding.

Following are three key areas where this study will prove to be useful:

1. To pinpoint the level of managerial efficiency and productivity of International NGOs in Chiang Mai
2. To identify the influence of job satisfaction of mixed staff and paid staff in NGOs in Chiang Mai based on the organization's efficiency and productivity
3. To obtain the policy recommendations for managers of NGOs in Chiang Mai that will assist in achieving optimal levels of technical efficiency of the organization and moreover, finding the right balance or optimal allocation in HR between paid staff and volunteer staff

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