FACTORS OF JOB SATISFACTION AND THEIR EFFECTS ON EMPLOYEES’ BEHAVIOR IN A MANUFACTURING COMPANY IN THE REPUBLIC OF MACEDONIA

Summary: This paper elaborates the issue about job satisfaction, observing it through the prism of the factors that lead towards its achievement, but also observing whether its absence has an impact on the employees’ behavior in the organization, employees’ productivity, absenteeism, fluctuation, as well as customers’ behavior, satisfaction and loyalty. Based on a sample of 100 employees with different gender, educational and age structure from one of the leading manufacturing companies in the Republic of Macedonia, this research revealed which factors cause job satisfaction of the employees in the Republic of Macedonia, whether the demographic characteristics influence the differences in the ranking of these factors, as well as which conditions and processes at the workplace, the absence of job satisfaction affects significantly. We can conclude that employee job satisfaction in the country is largely determined by the factors that enable the realization of self-esteem and self-realization needs, according to the Maslow's hierarchy of needs, while the wages and financial rewards and benefits are not ranked as the most significant factors observed at the level of all respondents. Analyzing them individually, according to gender, as well as by the level of education, which often arises as a reason for the difference in the choice of the respondents, the findings show that the financial motivators have key influence on the job satisfaction of the male employees, as well as those with completed secondary education.

Keywords: job satisfaction, motivation, job satisfaction factors, absenteeism, fluctuation, productivity, organizational behavior.

JEL classification:
1. INTRODUCTION

In today's world of globalization and rapid development it is simple to find an answer to the question of what makes today's companies successful. One of the most important drivers of the success of an organization is the degree of motivation of the workforce to meet the goals of the organization. Companies and their managers must understand and try to meet the factors that motivate their employees to carry out their work tasks. Highly motivated employees are the reason for a high level of productivity and consequently a high profit of the organization. Hence, the question that arises is what factors, in fact, motivate employees? The need of understanding of what motivates employees is the subject of a number of studies following the publication of the results of Hawthorne studies made by Elton Mayo from 1924 to 1932. These studies have shown that the work performance of employees depends on social factors and job satisfaction that have a significant impact on the motivation of employees, while the level of motivation has a key impact on employee productivity and on organizational performance. According to Dickson (1973, 298-302), employees are not motivated solely by money, but they are also motivated by other non-financial factors that play a significant role for better work performance and employee behavior is linked to their attitudes, the need of satisfying their personal needs, the desire to belong to a group and the opportunity to be a part of decision-making processes.

The subject of this paper recognizes the theoretical postulates of job satisfaction as a motivational factor that affects work performance and behavior (absenteeism, fluctuation etc.); then determines the factors that lead to job satisfaction among employees with different demographic characteristics, and determines whether the absence of job satisfaction affects their productivity and behavior in the organization, while at the very end it concludes the importance of these components on the motivation of employees, because motivation is a requirement for greater sensitivity, orientation and loyalty to the organization. In this regard, the aim of this paper is to determine the most important factors that affect the employee job satisfaction in the Republic of Macedonia, the differences that arise as a result of the demographic characteristics of the respondents (gender and education level), as well as to determine whether the occurrence of job dissatisfaction has an impact on employees' behavior, absenteeism, fluctuation, productivity, as well as on the satisfaction and behavior of the customers they are working with.

In order to investigate the subject of this paper, we set the following hypotheses:

1. The financial motivator (wages), good working conditions and rewards and benefits are of primary importance for achieving employee job satisfaction in the Republic of Macedonia, collectively and individually observed, according to their demographic characteristics.
2. The absence of job satisfaction mostly reflects on absenteeism and fluctuation.

A broad literature review of the definition of job satisfaction as one of the key variables that influences the individual's behavior in the organization, its implications, as well as studies and theories of motivation emphasizing the importance of this factor are given in the first part of this paper. The second part explains quantitative analysis including methodology, sample selection, and analysis of results, and the third part summarizes the findings of this paper and draws a conclusion.

2. THEORETICAL BACKGROUND

One of the most appropriate and most cited definitions of job satisfaction is that of Spector (1997, 7) according to who job satisfaction depends on how employees feel about their job and its various aspects: good wages, opportunity for advancement, supervision, fees,
rewards as a result of the measured performance, operational procedures, collaborators, the nature of the work itself and communication, and the extent to which employees want or do not want their job.

The term job satisfaction refers to the attitudes and feelings that employees have in terms of their job. Positive and favorable attitudes towards the job indicate job satisfaction (Armstrong, 2006, 264). Hence, this factor could be related to what kinds of feelings and beliefs they have in relation to the type of their current job, their associates, their supervisors, or superiors, and their wages (George et al. 2008).

There are different approaches in determining the factors that have an impact on the motivational factor of job satisfaction. Practically, they are all a part of the group of motivational factors that more or less reflect on the productivity and behavior of employees in the organization, and consequently on achieving organizational goals. In order to understand the theoretical postulates of motivation and job satisfaction, several important aspects of motivation theories are highlighted in this paper, which can directly draw the conclusion on the reasons that the employees of an organization are satisfied with. Frederick Herzberg (1959) in his Theory of Two Factors (Hygienic and Motivational) highlights his main idea in this direction. To create satisfaction, Herzberg's premise was that every job should be examined to determine how it could be made better and more satisfying to the person doing the work. Things to consider include: providing opportunities for achievement, recognizing people's contributions, creating work that is rewarding and that matches people's skills and abilities, giving as much responsibility to each team member as possible, providing opportunities to advance in the company through internal promotions and offering training and development opportunities, so that people can pursue the positions they want within the company (BillT at al 2018). We take the following as generally accepted factors: the nature of the work, the wages, the opportunities for advancement in the organization, the management, recognition and respect by superiors (Vidal and Nossol 2011, 1721-1736) or public recognition of the work performance through the selection of an employee of the month or year (Markham et al. 2002; Kosfeld and Neckermann 2011)\(^1\), the organization of working time (fixed working hours and flexible working hours), teamwork, feedback, good working conditions, training and supervision (Mudor & Tooksoon 2011, 41-49), the quality of the work environment (Al-Anzi 2009, 1-62), employee happiness at work. Depending on whether these factors are positively or negatively assessed by employees in organizations, they can lead to satisfaction or dissatisfaction with the current job. Employee job satisfaction leads to greater productivity and dedication to the organization. But if these motivational factors are ranked at a low level, employees feel dissatisfied, which can lead to greater absenteeism, fluctuation, delays, accidents, strikes, complaints, sabotage and many other forms of dissatisfaction. Grant et al. (2008, 108-124) conducted a field research on motivational factors of fundraising agents who work on collecting donations. The findings suggest that task significance may play an important role in increasing job performance and productivity of agents for 100%.

The interest of managers for job satisfaction is set to its impact on employee performance. There are numerous studies designed to assess the impact of job satisfaction on

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\(^1\) A recent study conducted by Kosfeld, Neckerman and Yang (2016), examined the impact of “meaningful work” in combination with various financial and non-financial motivators and shows that the employee who is familiar with his importance in the overall project is more productive versus the employee who had been told that his work role is not that important. The results coincide with the findings of other studies. This research proves that financial motivators are stable and have a positive effect on productivity, regardless the information about the importance of employee’s work role, while non-financial motivators, such as meaning of work and public recognition have a positive impact on the employees whose job wasn’t rated as very important (Kosfeld et al. 2016).
employee productivity, absenteeism, the intention to leave the organization, their behavior, customer satisfaction, and employee commitment to the organization (Robbins, 2011, p.25).

**Satisfaction and productivity.** When satisfaction and productivity are observed at the level of the whole organization, we can confirm that organizations with a greater number of satisfied employees are more effective than organizations with few satisfied employees.

**Satisfaction and absenteeism.** Interesting study on how job satisfaction leads directly to the presence of the employees at work, with minimal impact on other factors, has been carried out at Sears Roebuck. The findings of the study correspond with the expectations that job satisfaction is negatively correlated with absenteeism (Robins 2011, 81).

**Satisfaction and fluctuation.** According to the findings of the various research studies on job satisfaction, there is also a negative correlation between satisfaction and intention to leave the organization, but stronger than the correlation between satisfaction and absenteeism. There are many other factors that influence the fluctuation, such as: labor market conditions, expectations about alternative job opportunities, and the work experience of the employee in the organization. A number of findings and evidence confirm that an important factor affecting the relationship between job satisfaction and the intention to leave an organization is the level of employee performance. It is interesting that the level of satisfaction is less important in predicting the intention to leave by the high performers. But why? The organization is making efforts to keep these people. They receive salary increases, recognition of employee performance by superiors, increased opportunities for advancement in the organization, etc., while the opposite tends to happen with the low performers. This is because the organization is making very little effort to retain them, and it can even encourage them to leave the organization. Hence, the expectations are that job satisfaction has a greater impact on retaining the low performers. Regardless of the level of satisfaction, high performers are much more likely to be retained in the organization, because the motives they receive, such as recognition, praise and other financial and non-financial rewards, give them more reasons to stay.

**Satisfaction and employee behavior.** Job satisfaction has a significant impact on the behavior of an employee in the organization. Thus, employees with a higher level of satisfaction speak positive about the organization, they help others and exceed the expectations in their work. That is, satisfied employees are more likely to make additional effort, to create added value as an expression of their positive experience.

**Job satisfaction and customer satisfaction.** Employees in service industries often interact with customers. This raises the question of whether employee satisfaction is linked to the positive results of the customers? Findings from numerous studies show that satisfied employees increase the level of customers’ satisfaction and loyalty. In service organizations, customer retention is highly dependent on the attitude of employees towards them. Satisfied employees are friendly, optimistic and responsible, and customers respect it. Also, these employees are less inclined to leave the organization, which in turn additionally increases the satisfaction and loyalty of customers who prefer to meet well-known persons and receive service from experienced employees. Disgruntled customers have an impact on increasing employee dissatisfaction. Employees who have regular contact with them, declare that harsh and unreasonable demands of the customers negatively affect their job satisfaction. A number of service-oriented companies, such as FedEx, Southwest Airlines, Four Seasons Hotels, American Express etc., intensively focus on satisfying their customers. They also focus on building employee satisfaction with the current job, as they recognize this factor as important for achieving their goal, which is to make their customers happy. These companies are trying to hire optimistic and friendly people, educate them about the importance of customer service and reward them, and provide a positive working environment.
3. PROBLEM STATEMENT

This paper aims to determine the factors affecting job satisfaction recognized by employees according to the level of their influence, which allows to provide documentary evidence that can be useful to companies in their operations. On the other side, the target group - permanently employed with various demographic characteristics will give an overview of whether the degree of importance of each factor affecting job satisfaction is individually changing as a result of the demographic characteristics of the respondents (gender and education). This quantitative research will additionally try to determine whether the absence of job satisfaction is significantly reflected on employee absences, fluctuation, productivity, their behavior, as well as the satisfaction and loyalty of the organization’s customers.

The aim of this paper is to determine the most important factors that affect the employee job satisfaction in the Republic of Macedonia, the differences that arise as a result of the demographic characteristics of the respondents (gender and education level), as well as to determine whether the occurrence of job dissatisfaction has an impact on employees' behavior, absenteeism, fluctuation, productivity, as well as on the satisfaction and behavior of the clients they are working with.

In order to investigate the subject of this paper, we set the following hypotheses:

1. The financial motivator (wages), good working conditions and rewards and benefits are of primary importance for achieving employee job satisfaction in the Republic of Macedonia, collectively and individually observed, according to their demographic characteristics.
2. The absence of job satisfaction mostly reflects on absenteeism and fluctuation.

4. METHODS

For the purposes of this paper, a questionnaire was conducted on which the respondents gave their opinions and answers. The purpose of this questionnaire was to determine what are the factors that are considered important for employee job satisfaction, and what are the consequences of the absence of job satisfaction. The structure of this questionnaire was comprised of ten factors that influence job satisfaction: good working conditions, good wages, rewards, benefits and praises, recognition and respect by superiors, opportunities for employee advancement in the organization, opportunities for professional development, feeling of happiness at work, feedback from the superiors for the performed work assignment, teamwork and positive work environment. Respondents rated them all by level of importance on a scale from 1 – 5, where 1 is least important and 5 is most important, including five consequential factors that come as a result of the job dissatisfaction: absenteeism, fluctuation, employee productivity, employee behavior in the organization, customers’ behavior, satisfaction and loyalty, which arise as a result of the absence of job satisfaction, that is, the absence of the ten causal factors. The questionnaire also contains questions that determine the demographic characteristics of the respondents such as age, gender, education level of the respondents and length of service.

In order to determine the situation in the Republic of Macedonia regarding the factors that contribute to job satisfaction, and whether its absence influences the behavior and actions that are being taken, the target group of respondents that was included in the research were employees, or 100 respondents with different demographic characteristics (gender, age, education, length of service, etc.) from one of the leading manufacturing companies in the
country. This suitable sample in its size and comprehensiveness is sufficiently representative and indicative in relation to the investigated phenomenon.

The quantitative research was done by conducting a survey questionnaire via electronic service for collecting and analyzing data research - Survey Monkey, while SPSS as a comprehensive software for analyzing data was used for the statistical analysis of the research results. The graphical display is presented with the MS Excel program.

5. RESULTS

The results of the survey questionnaire are presented as follows, starting with the findings of the demographic characteristics of the respondents, including the length of their service, their gender, age and educational structure. Then, the findings of factors affecting job satisfaction, which respondents ranked on a scale of 1 - 5 according to the degree of their importance, are presented. Finally, this paper summarizes the findings from the ranking of the consequential factors that arise as a result of the absence of employee satisfaction.

Distribution of respondents according to their demographic characteristics results in the following findings:

One of the most significant demographic factors that cause differences among the employees’ choice of job satisfaction factors is gender.

Gender: Domination of female respondents (62%), compared to male respondents (38%);

Age: 32% are at the age of 21-25 years old, versus 22% from 26 to 30 years old, 10% from 31 to 35 years old, 12% from 36 to 40 years old, 10% from 41 to 45 years old, 7% from 46 to 50 years old, 6% from 51 to 55 years old and 1% over 55 years old;

A number of studies indicate that the educational level influences the choice of factors of job satisfaction because the increased educational experience changes the perception and significance of various factors of employee satisfaction.

Degree of education: 54.5% of the respondents have a higher education, 23.2% have master’s or doctoral degree and 22.2% have a secondary education.

The analysis of the average/mean value of the respondents’ answers which is done in order to rank the factors of job satisfaction by importance, finds out that top five factors that have an impact on higher job satisfaction recognized by all respondents are (Chart 1):

1. positive working environment
2. recognition and respect by superiors
3. feel of happiness at work
4. teamwork
5. opportunities for professional development.

Chart 1. Ranking of the 10 factors influencing job satisfaction – all respondents (mean value)

Source: Authors calculation
If we analyze the obtained results by gender, we find that there are differences between the male and female respondents. (Chart 2), where males recognize the following top five factors of job satisfaction:

1. teamwork
2. positive working environment
3. recognition and respect by superiors
4. good working conditions
5. good wages

The results suggest that teamwork is a significant top five factor for job satisfaction for men. This can be explained by the traditional fact that male population from an early age is often included in collective sports, which determine their propensity to collectivization, hence, they also emphasize the teamwork and collectivity as significant in work placements.

The most important factors that create greater job satisfaction recognized by female respondents are given below:

1. positive working environment
2. feel of happiness at work
3. advancement in the organization
4. recognition and respect by superiors
5. opportunities for professional development.

These findings lead to the conclusion that it is crucial for female employees to work in a positive working environment in which they will feel fulfilled and happy. Also, women do not recognize teamwork as one of the top five factors which indicates their orientation towards individual working and recognizing their individual success by superiors. Women are more satisfied with their work and with the opportunities for advancement in the organization and development in their profession, which confirms their greater ambition and persistence.

It is also important to emphasize that the factor of good wages, which refers to satisfying the physiological needs, is not ranked among the top five factors of job satisfaction, observed at the level of all respondents, as well as individually according to their gender. Based on these findings, we can notice a difference in the responses of male respondents, where this factor is ranked as a very important job satisfaction factor. This is due to the fact that there is still a domination of the traditional views that a man should have higher income and that he should have the main contribution to family finances. In other words, economic family care is considered to be his obligation.

*Chart 2. Ranking of the 10 factors influencing job satisfaction - by gender (mean value)*

Source: Authors calculation
The analysis of the factors influencing job satisfaction indicates differences between the respondents according to their levels of education. For example, good wages and teamwork are identified as most important factors for the respondents with secondary education, versus the respondents of higher educational levels who rank these factors as very important, but not most important. The analysis additionally points out that financial factors (wages, rewards, benefits) are always more important for the employees with secondary education, versus those with higher education which is due to the fact that these people mostly perform routine – technical work which is provided to be less paid, so the increase in the financial incentive will have an impact on their higher motivation. The remaining factors are equally important for the respondents regardless of the level of education.

Based on these findings, and in particular the fact that some differences are noted regarding the ranking of job satisfaction factors among respondents with different demographic characteristics (gender and education), the first hypothesis that relates to the importance of financial factors on job satisfaction - is partially accepted. The factors that have major influence on employee job satisfaction refer to satisfying the needs for self-esteem and the needs for self-realization from the Maslow's Hierarchy of Needs. Taking into account the demographic characteristics of the respondents (gender and level of education), some differences can be noted, i.e. male, and employees with secondary education believe that good wages and good working conditions belong to the group of the most important factors affecting job satisfaction.

The analysis of the mean value of the respondents' answers from the ranking of the factors that arise as a consequence of the lack of satisfaction from work, that is, as a consequence of the non-fulfillment of the factors influencing it, finds that these five consequential factors are ranked in the following order according to the extent to which they are affected (Chart 3):

1. employee productivity
2. employee behavior in the organization
3. customers’ satisfaction and loyalty
4. fluctuation
5. absenteeism.

On the basis of these results, we can notice that the lack of employee satisfaction reflects much more on their psychological state, than on their motive for taking a specific step, such as leaving the workplace or increasing absenteeism. These findings coincide with the current situation in our country, that is, employees are aware that they can not leave the workplace so carelessly because the chances of finding a new job in a short time are really small. Also, dissatisfaction from work does not have a major impact on employee absenteeism because such behavior poses a potential risk of losing their jobs.

Chart 3: Ranking the consequential factors that are affected by job satisfaction (mean value)

Source: Authors calculation
The women respondents' answers differ in the ranking of the fourth factor, ie leaving the workplace, where dissatisfaction with their current job is likely to lead to fluctuation.

The lack of job satisfaction has a serious impact on the organizational behavior and productivity of respondents of all levels of education, while respondents with higher education, as well as those with master’s or doctoral degree studies think that it affects the customers’ loyalty and behavior. In this case as well, the fluctuation is the factor of last choice which corresponds with the situations at the labor market in our country - the level of the unemployment, so although being dissatisfied at their current workplace, the people choose the abandoning of their working position, i.e. fluctuation as their last choice of expressing dissatisfaction.

The findings on the implications of employee job satisfaction (collectively and individually according to demographic characteristics) show that leaving the workplace as a consequence of the absence of job satisfaction is the last choice among the employees in the Republic of Macedonia, which rejects the second hypothesis.

6. DISCUSSION AND CONCLUSION

The main goal of this paper is to determine factors that the employees in the country recognize as significant for improved job satisfaction, and at the same time to assess whether they are changing, as a result of the demographic characteristics of the respondents (gender and education), as well as to determine in what way non-fulfillment of these factors reflects on the employees. It evaluates its implications, by once again analyzing gender differences and the level of education as reasons for the significant differentiations shown during the research.

Based on the theories of Elton Mayo, Dickson, Herzberg, Al-Anzi and Grant, as well as a number of other theories of motivation and the latest studies in the field, ten factors affecting job satisfaction were identified for which respondents were required to give an opinion according to the degree of their importance and influence. Using the practical examples from all over the world and the extensive theory in the field of organizational behaviour and job satisfaction, five most common consequential factors were set up, which appear as a result of the unfulfilling of the factors that bring out the employee job satisfaction.

Taking into account the Maslow's Hierarchy of Needs (1943, 370-396) and the Alderfer's ERG theory (1969, 142-175), we come to the conclusion that good working conditions and good wages are recognized as two factors that correspond to the first two levels of the Maslow's theory of needs, but also to the first part of Alderfer's ERG theory. The other factors determined in the questionnaire, such as: rewards, benefits and praise, recognition and respect by superiors, opportunity for advancement in the organization, opportunity for professional development, feel of happiness at work, feedback from the superiors, teamwork and positive working environment, refer to satisfying the need for self-esteem and the needs for self-realization of Maslow's or Alderfer's theory. Furthermore, the selected factors affecting job satisfaction were re-examined through a review of a number of recent studies in this field, which proved their reliability and validity over time.

The analysis at the level of all respondents finds that meeting the needs for self-esteem and self-realization are very important and are highest ranked on the scale of factors influencing job satisfaction. This finding deviates from the Maslow's theory where needs must be satisfied in sequence from the bottom to the top of the pyramid, one at a time, and it is closer to the ERG theory where different levels of needs can be satisfied at any time. This finding also coincides with the Herzberg's theory according to which managers need to
create conditions that ensure satisfaction of the high level of needs of the Maslow’s Hierarchy of needs in order to achieve real job satisfaction as a key motivational determinant for better performance.

According to the respondents’ gender, it can be noted that the teamwork is the first ranked job satisfaction factor for the male population. This can be explained by the traditional fact that male population from an early age is often included in collective sports, which determine their propensity to collectivization, hence, they also emphasize the team work and collectivity as significant in work placements. Also, we have found interesting that the financial factor of good wages is ranked among the top five factors, as a very important factor (4.0 mean value) that has a significant impact on the job satisfaction of male respondents. This is due to the fact that there is still the domination of the traditional views that a man should have higher income and that he should have the main contribution to family finances. In other words, economic family care is considered to be his obligation.

The analysis of the factors influencing job satisfaction indicates differences between the respondents according to their levels of education. For example, good wages and teamwork are identified as most important factors for the respondents with secondary education, versus the respondents of higher educational levels who rank these factors as very important, but not most important. The analysis additionally points out that financial factors (wages, rewards, benefits) are always more important for the employees with secondary education, versus those with higher education which is due to the fact that these people mostly perform routine – technical work which is provided to be less paid, so the increase in the financial incentive will have an impact on their higher motivation. The remaining factors are equally important for the respondents regardless of the level of education.

Regarding the consequences that are a reflection of the failure to meet the factors that lead to job satisfaction, the results have shown that the respondents from the overall sample agree that job dissatisfaction has a major impact on their productivity, their behavior and the satisfaction and loyalty of the customers of the organization, and a moderate influence on the absenteeism and the fluctuation of the workplace. With these findings we can notice that the lack of employee satisfaction reflects much more on their psychological situation than on their motive for taking a specific step, such as leaving the workplace or increasing absenteeism from work. There is a coincidence between these findings and the current situation in our country, that is, employees are aware that they can not leave the workplace so carelessly because the chances of finding a new job in a short period are really small. Also, dissatisfaction does not have a major impact on employee absenteeism because such behavior poses a potential risk of losing their jobs. These results remain relatively the same even if we observe them according to the demographic characteristics of the respondents individually. Only the difference in the ranking of these factors by gender occurs in females where dissatisfaction from their current workplace can more reflect in fluctuation than with males.

The application of this paper, guided by the above conclusions, is perceived in the possibility to serve as a starting point in Macedonian companies for understanding the needs of employees. It has also been proven that the factors of job satisfaction are relatively unstable, i.e. they are changing as a result of the demographic characteristics of the respondents.
REFERENCES


