

JOB SATISFACTION IN THE SERVICE ORGANIZATIONS IN SERBIA

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Abstract

In the service sector, human resource management is definitely one of the major factors of organization success. The purpose of this paper was to study the most important intrinsic and extrinsic motivation factors of job satisfaction in service sector in Serbia. Job satisfaction is very important issue in the service sector, regarding the fact that when the employees are satisfied with their jobs, they will give better

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service to their customers and in that way the level of customers satisfaction will increase as well. Job satisfaction theories were used as the basis for this research. Statistical techniques used in the study are descriptive statistics measures and statistical techniques of inference. Our overall conclusion is that employees in service organizations in Serbia are generally not satisfied with their jobs, and that there are opportunities for enhancement, but we have found no evidence of serious discontentment.

Key words

Job satisfaction, intrinsic and extrinsic motivation factors, service organizations, Serbia

Introduction

The importance of services in the economy of Serbia is measured as the value added of services as percent of the gross domestic product (GDP). Economy of Serbia is a service-based economy with the tertiary sector accounting for 70.8% of total gross domestic product in 2012. The services sector includes wholesale and retail trade, transport, financial services, education, health care, real estate, hospitality etc. In Serbian economy the employment capacity indicates the great importance of service sector. In the service sector, the human-centered approach in management processes is one of the most important factors which may help in delivering the long-term sustainable results (Nedeljković et al, 2012). The success of organizational change and development efforts is positively correlated with the extent to which these efforts activate an individual's internal resources (Jawahar et al.,1992).

The purpose of the study is to give us an insight into how the employees in service sector in Serbia perceive certain aspects of the job. The aim of this study is to identify potential differences between intrinsic, extrinsic and general job satisfaction within employees in service organizations in Serbia considering their gender, ages, educational level and employment type. Studying the way the employees perceive the company where they work is of key importance for the understanding of what determines the attitudes of the employees towards their job (Tuzun, 2009).

Literature review

Hopok did the introducing of *job satisfaction* into the scientific circles (Wright, 2006). He considers job satisfaction a combination of psychological and physiological circumstances, as well as the circumstances of the environment which cause the employee to say: "I am happy with my job" (Matanović, 2009). Hirschfeld (2000) connects job satisfaction to the extent to which the employees like their job. Locke (1976, 1300) defines job satisfaction as a pleasant emotional state which is the result of one's job or work experience. Rothmann i Agathagelou (2000) explain job satisfaction as a complex of variables which are affected by situational factors of the working environment. Within two-factor theory Herzberg et al. (1959) have examined different factors which affect job satisfaction.

By using the "key incident" method, Herzberg is one of the first theorists who discovered that job satisfaction and job dissatisfaction are not two extremes on the same continuum, but are separate dimensions caused by different factors of the working

situation. Thus satisfaction and lack of satisfaction are under the influence of external – extrinsic or hygienic factors and they are controlled by the management. They include: material compensations, working conditions, the relationship between the colleagues and the superior, job security, company's work policy. When met, these factors do not lead to higher motivation and employees' satisfaction, but only prevent job dissatisfaction. On the other hand, another group of factors which the above mentioned author calls motivators – intrinsic factors, are the source of working motivation and job satisfaction. These are the factors that relate to those job aspects which are related only to doing the job, such as: job challenge, the possibility of personal achievement and success, the level of responsibility, the possibility of growth and self-actualisation, the possibility of improvement and receiving credit for the effort made (Hancer, George, 2003). According to Lopopolo (2002) job satisfaction is a person's attitude towards their own job and emphasises five dimensions which affect job satisfaction, and these are the nature of relationships, hierarchy, job nature, focus on rewards and support, internal motivation and moral values. Spector (1997,2) defines job satisfaction as a feeling people have about their job and different job aspects. Spector states three dominant approaches in defining job satisfaction factors. The first approach points out to different work environment aspects as main factors of satisfaction, such as: the variety of skills, significance of tasks, task identity, independence, feedback on whether job is done correctly, etc. The second approach emphasises the significance of personal characteristics for the subjective feeling of satisfaction or dissatisfaction with the current job. The third approach emphasises the relation between the person and the environment as a significant prerequisite for job satisfaction.

Satisfaction of the employees is especially significant for the service companies. In such companies keeping the client is directly dependent on direct contact with the employees, which is why building job satisfaction of the employees can contribute to success of organisations to a great extent. (Lawler, 1973).

When it comes to job satisfaction we encounter two basic concepts in the papers. The first approach is a holistic one, which considers job satisfaction a one-dimensional construct (Lawler, 2005). It is a person's attitude towards the job, one central feeling related to the job which is not split to individual aspects. The second approach to job satisfaction is an additive approach which views this construct as multidimensional (Smith, 2005). According to this approach job satisfaction is satisfaction with individual job aspects. What a person feels about their job is a sum of satisfaction with individual job aspects.

LaLopa (1997) has pointed out to the fact that when employees feel satisfaction with their job, they are ready to commit themselves to the company and remain working there. Spinelli and Canavos (2000) have concluded that the workers feel more satisfied if they are involved in the process of making decisions and if they have had a proper training. Numerous benefits for the employees as well as efficient management have also been stated as significant factors which affect job satisfaction. In that sense, Lam et al. (2001) proposed organising workshops, trainings and other development plans, especially for the new and highly educated employees.

Materials and Methods

The sample consisted of 150 employees from the service organizations in Serbia. The questionnaire was distributed in paper form. Table 1. shows the demographic structure of the respondents.

Table 1. Demographic variables of the respondents

The questionnaire consists of two parts. The first part are the demographic variables. Other part was the the *Minnesota Satisfaction Questionnaire* (MSQ) (Weiss et al., 1967) which reflects to which extent the respondents are satisfied or unsatisfied with individual job aspects. The scale consists of 20 questions and it measures external (extrinsic) and internal (intrinsic) job aspects.

Minnesota Satisfaction Questionnaire assesses the respondents' attitude towards different job aspects (Schleicher et al., 2004):

- activity – possibility of maximum utilization of the working hours with work;
- independence – possibility to work independently;
- variability – possibility to do different jobs;
- social status – getting respect from others;
- supervision, *human relations* – relationship between the superior and the employee;
- supervision, *technical* – technical quality of controlling and monitoring;
- moral values – possibility to do the job with the presence of personal conscious and responsibility of the employee;
- security – the way the job ensures secure employment;
- social service – possibility to do the job as a favour to others;
- authority – having a chance to tell others what to do;
- ability utilization – possibility to do something thanks to personal abilities;
- company policies and practices – the way the organizational policy of the company is implemented;
- compensation – feeling of adequate financial compensation in exchange for the amount of work done;
- advancement opportunities – having possibility to be promoted at the job;
- responsibility – freedom to use personal judgment on work;
- creativity – possibility to apply some of the personal methods on work;
- working conditions – physical aspects of the working environment;
- co-workers – the relationship between colleagues;
- recognition – recognizing a job well done;
- achievement – feeling of personal contribution on work.

All variables that were on Likert-type scales were measured with responses ranging from '1 = Strongly Unsatisfied' to '5 = Highly satisfied'. Statistical techniques used in the study are descriptive statistics measures (arithmetic mean, standard deviation) and statistical techniques of inference (the T-test, the ANOVA test). SPSS statistical package was used for the statistical process.

Results

The scales showed good reliability. The Cronbach's alphas should be above 0.7 Nunnally (1978), which was achieved in each of the scales used for Intrinsic Job Satisfaction scale (INT) ($\alpha = .898$), Extrinsic job Satisfaction scale (EXT) ($\alpha = .890$) and General Job Satisfaction (MSQ Total) ($\alpha = .915$).

Results of descriptive statistics show that respondents are equally satisfied with both, internal (M=3.25) and external (M=3.24) aspects of job satisfaction.

Table 2. Descriptive Statistics: Intrinsic factors - motivators

In the case of internal factors - the motivators, that cause job satisfaction, employees are mostly satisfied with the ability to perform tasks in the presence of personal conscience and responsibility (3.57), and the ability to utilize the maximum of working time for their job duties (3.55). Results shows that respondents do not feel that financial compensation for their work is adequate (M=2.75).

Table 3. Descriptive Statistics: Extrinsic (Hygiene) factors

In terms of extrinsic, hygiene factors influencing the absence of dissatisfaction, but do not contribute to job satisfaction, results show that respondents are most satisfied with interpersonal relationships in the work place (3.79), as well as the physical aspects of the work environment (M=3.46). Respondents are the least satisfied with the possibility of career advancement (M=2.67), and the chance to demonstrate authority in the workplace (2.80).

Table 4. T-test by gender

Based on the item mean ranks and the T-test, it will be determined whether there are differences in the perception according to gender. Results shows that there is significant difference ($p < 0.05$) between men and women (Intrinsic motivation M=3.45, SD=.767; Extrinsic motivation M=3.42, SD=.786; General job satisfaction M=3.44, SD=.749) and women (Intrinsic motivation M=3.10, SD=.896; Extrinsic motivation M=3.42, SD=.883; General job satisfaction M=3.10, SD=.870).

Table 5. ANOVA test by age

By using the One-factor Analysis of the Variance the effect of age on the level of intrinsic motivation, extrinsic motivation and general job satisfaction for the six age groups was examined (group 1: under 20; group 2: 21 – 25, group 3: 26-30, group 4: 31-35, group 5: 36-40, group 6: more than 40). The results of ANOVA test have shown that there is no difference between six age groups considering that $p > 0.05$ level in any case.

Table 6. ANOVA test by education

ANOVA test results in shows that there is no statistical difference between four groups of employees considering educational level (group 1: high school; group 2: college, group 3: bechelor degree, group 4: master or PhD degree), $p > 0.005$ level in any case.

Table 7. T-test by employment type

T-test analyses two groups of employees, where the first group consists of employees with temporary jobs, and the second group consists of employees with permanent jobs. Based on the results of the T-test, it was determined that there is a statistically significant difference of the mean ranks ($p < 0.05$) of of intrinsic motivation, extrinsic motivation and generall job satisfaction.

Discussion and conclusion

Job satisfaction is generally attributed to various intrinsic and extrinsic factors which influence the behavior of employees. The way how employees perceive and feel about these various factors and how they affect their job is the basis for assessing job satisfaction. The primary goal of this paper was to study the most important intrinsic and extrinsic motivation factors of job satisfaction in service sector in Serbia. The secondary goal was to study the eventual existence of statistically significant differences between the intrinsic, extrinsic and general job satisfaction of employees in service organizations, considering their gender, age, educational level and employment type.

Findings of the research shows that employees in service organizations in Serbia are generally not satisfied, but also they are not dissatisfied with their job. Results of descriptive statistics show that employees in the service sector is almost equally satisfied with both, internal and external aspects of job satisfaction, which can be explained by the fact that employees in Serbia do not identify the difference between these factors, or do not recognize their impact on job satisfaction and job dissatisfaction. Due to unfavorable economic situation in Serbia, it is possible that employees recognize contextual motivation factors as more significant, so they can achieve job satisfaction when the job has little potential to satisfy their need for self-actualization. Poor economic situation to a great extent affects the fact that in such conditions a person is satisfied with the very existence of their employment, so they often equate the possibility to have a permanent job, regular income and legally defined rights of the employment with job satisfaction.

Management organizations need to understand the equal importance of both external as well as internal factors of motivation. Extrinsic job satisfaction is the emotional state which is controlled by the organization and they are not necessarily satisfying, but their absence could cause dissatisfaction. Intrinsic Job Satisfaction Factors could be a motivational force, although their absence was not necessarily dissatisfying.

In accordance with the previous studies results have shown that women show lower level of job satisfaction (Mora, Ferrer-i-Carbonell, 2009). Previous results in accordance with the study shown in the paper point out that employees with temporary jobs feel less satisfied with the job compared to employees who have permanent jobs (De Witte, Lagrou, 1990, Van Breukelen, Allegro, 2000).

Some studies conducted show that older workers are more satisfied (Davis, 1988,100). Kose (1985) found a meaningful relationship between the age and job satisfaction; (Hamshari, 1983) and have found that education increases job satisfaction (Well-Maker, 1985; Hamshari, 1986), which has not been confirmed in this study.

It is crucial for organizations to understand importance of job satisfaction. Job satisfaction effects on the physical health, longevity; mental health, and the impact it has on interaction between employees and the feelings of employees toward their jobs and social lives, but also for the total quality of life of the employee, behavior like absenteeism, complaints and grievances, frequent labor unrest and termination of employment (Buitendach, De Witte, 2005). Job satisfaction also predicts organizational commitment which has an influence on organizational performance, low level of fluctuation, intention to leave the organization, higher productivity of the employees, better financial results. Satisfaction of the employees is especially significant for service organizations because consumers' perception of the service is directly dependent on contact with the employees. Only satisfied employees are able to give their costumers high quality performance service (LaLopa, 1997).

Organizations should provide safe and comfortable work environment for their employees where employees could be included in decision making, encouraged to be creative, initiative, and where their results will be recognised. Positive working conditions will keep employees morale, motivation and productivity at the high level. To increase the level of job satisfaction of the employees, managers should strive to provide with a working environment which is sensitive to the employees' needs and their levels of competence.

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Table 1. Demographic variables of the respondents

Variable	Category	Number of respondents	Percentage
Gender	Male	63	42
	Female	87	58
Age	<20	32	21.3
	21-25	29	19.3
	26-30	39	26
	31-35	28	18.7
	36-40	14	9.3
	≥41	8	5.3
Education	High school	47	31.3
	College	25	16.7
	BA	62	41,6
	MA/PhD	15	10.7
Employment type	Temporary	70	46.7
	Permanent	80	53.3

Table 2. Descriptive Statistics: Intrinsic factors - motivators

Intrinsic factors					
Cronbach's Alpha .898					
	N	Minimum	Maximum	Mean	Std. Deviation
Activity	150	1	5	3.55	1.096
Independence	150	1	5	3.33	1.224
Variability	150	1	5	3.36	1.206

Moral values	150	1	5	3.57	1.149
Ability utilization	150	1	5	3.30	1.315
Compensation	150	1	5	2.75	1.068
Responsibility	150	1	5	3.11	1.207
Creativity	150	1	5	3.10	1.236
Recognition	150	1	5	3.17	1.169
Achievement	150	1	5	3.21	1.207
Total	150	1	5	3.25	.860

Table 3. Descriptive Statistics: Extrinsic (Hygiene) factors

Extrinsic factors					
<i>Cronbach's Alpha .890</i>					
	N	Minimum	Maximum	Mean	Std. Deviation
Social status	150	1	5	3.02	1.323
Supervision, <i>HR</i>	150	1	5	3.38	1.224
Supervision, <i>technical</i>	150	1	5	3.26	1.201
Security	150	1	5	3.43	1.318
Social service	150	1	5	3.35	1.210
Authority	150	1	5	2.80	1.204
Company policies and practices	150	1	5	3.22	1.134
Advancement opportunities	150	1	5	2.67	1.197
Working conditions	150	1	5	3.46	1.066
Co-workers	150	1	5	3.79	1.150
Total	150	1	5	3.24	.855

Table 4. T-test by gender

	Gender	N	Mean	Std. Deviation	t	Sig. (2-tailed)
INT	1 Male	63	3.45	.767	2.519	.013
	2 Female	87	3.10	.896		
EXT	1 Male	63	3.42	.786	2.257	.025
	2 Female	87	3.11	.883		
MSQ Total	1 Male	63	3.44	.749	2.452	.015
	2 Female	87	3.10	.870		

df=148

Table 5. ANOVA test by age

		Sum of Squares	df	Mean Square	F	Sig.
INT	Between Groups	1.812	5	.362	.482	.789
	Within Groups	108.261	144	.752		
	Total	110.073	149			
EXT	Between Groups	2.293	5	.459	.619	.685
	Within Groups	106.621	144	.740		
	Total	108.913	149			
MSQTotal	Between Groups	1.883	5	.377	.531	.753
	Within Groups	102.150	144	.709		
	Total	104.034	149			

Table 6. ANOVA test by education

		Sum of Squares	df	Mean Square	F	Sig.
INT	Between Groups	2.871	3	.957	1.303	.276
	Within Groups	107.202	146	.734		
	Total	110.073	149			
EXT	Between Groups	3.972	3	1.324	1.842	.142
	Within Groups	104.941	146	.719		
	Total	108.913	149			
MSQTotal	Between Groups	3.189	3	1.063	1.539	.207
	Within Groups	100.844	146	.691		
	Total	104.034	149			

Table 7. T-test by employment type

Group Statistics						
	Employment type	N	Mean	Std. Deviation	t	Sig. (2-tailed)
INT	1 Temporary	70	2.96	.848	-4.054	.000
	2 Permanent	80	3.50	.791		
EXT	1 Temporary	70	2.89	.820	-5.053	.000
	2 Permanent	80	3.54	.767		
MSQTotal	1 Temporary	70	2.92	.818	-4.677	.000
	2 Permanent	80	3.52	.750		

df=148