

# FACTORS INFLUENCING JOB SATISFACTION IN AZERBAIJAN COMPANIES

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## ABSTRACT

The subjects embraced by the management science are very important for enterprises in a developing country such as Azerbaijan. For the success of companies technical and systematic subjects are not sufficient. The importance of human factor, which is among the significant factors for companies, is rising gradually. There is a necessity for researches in business world together with theoretical studies with regard to the human core subjects like mood, motivation and job satisfaction that have direct influence upon employee performance and productivity.

In this study, with the analysis of the survey data we tried to explain the fundamental factors influencing the job satisfaction in Azerbaijan companies.

**Key words:** Job satisfaction, factors influencing job satisfaction, measuring job satisfaction

## AZERBAIJAN ŞİRKETLERİNDE İŞ MEMNUNİYETİNİ ETKİLEYEN FAKTÖRLER

### ÖZET

Gelişmekte olan bir ülke olan Azerbaycan'da faaliyet gösteren işletmeler için, yönetim bilimi kapsamında yer alan konular büyük önem arz etmektedir. İşletmeleri hedeflerine ulaştıracak olan sadece tek başına teknik konular ve sistemler değildir. İşletmeler için en önemli faktörler arasında yer alan insan unsuruna yönelik konuların önemi giderek artmaktadır. Çalışanların performansına ve verimliliğine doğrudan etki eden moral, motivasyon ve iş memnuniyeti gibi insan eksenli konular üzerinde teoriyle birlikte iş dünyasına yönelik araştırmalara ihtiyaç vardır.

Bu çalışmada, Azerbaycan'da iş memnuniyetini etkileyen temel faktörler anket verilerinin analizleriyle açıklanmaya çalışılmıştır.

**Anahtar kelimeler:** İş memnuniyeti, iş memnuniyetini etkileyen faktörler, iş memnuniyetinin ölçülmesi.

## Introduction

After the collapse of the socialist system in Azerbaijan, which continued until 1991, the process of transition to market economy started. At this period of time the number of local and foreign investments, especially small and middle sized enterprises were increased. The socio-economic obstacles inherited from the old system have negatively affected the existing enterprises. The process of transition into the new economic system and lack of proper management

techniques for the new system has prevented both the domestic economic development and efficient growth of companies. Insufficient corporate management concept and environmental factors have generally caused low job satisfaction for employees. In general, the pessimistic spirit of the domestic population causes negative reflections in business world. The carelessness of companies on the real socio-cultural conditions in the country, lack of carrying out systematic studies to contribute positively to employee motivation, and lack of paying

much attention to “qualified staff preparation” because of high unemployment rate and due to other similar problems employees possess low level of job satisfaction.

### Literature Review

There are many definitions of job satisfaction in management area. Each approach defines an individual’s job satisfaction in different ways. The term job satisfaction refers to an individual’s general attitude to his or her job (Robbins, 2003: p. 72) A person with a high level of job satisfaction holds positive attitudes about the job, while a person who is dissatisfied with his or her job holds negative attitudes about the job. For Nelson and Quick job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences. (Nelson and Quick, 2002: p. 108) Job satisfaction is not a behavior – it’s an attitude, it’s an outcome with which many managers are concerned. (Robbins and DeCenzo, 2005: p. 263) From the standpoint of employee performance and work productivity, increase in job satisfaction is very important. Job satisfaction positively affects employee behavior and this fact provides additional contribution to company’s performance. Employees with high job satisfaction expect long-term perspectives regarding their position in a company, and they can be much more devoted to that organization and can obtain a high-level productivity in their work.

For employees job satisfaction reveals itself in different ways. Lawler defines job satisfaction as one-dimensional and states that “job” element is the main important factor for employees. Employees are either satisfied or unsatisfied with their jobs. But scholars like Smith, Kendall and Hulin say that job satisfaction is multidimensional. Employees might be satisfied much or less with their jobs, supervisors, salaries, work

places and other factors. But, according to Herzberg’s Two Factor Theory, quality of supervision, pay, company policies, physical working conditions, relations with others and job security are factors associated with dissatisfaction of employees. Factors those are increasing employees’ job satisfaction he calls motivators: promotion opportunities, opportunities for personal growth, recognition, responsibility and achievement. (Greenberg and Baron, 2003: p. 153)

Another important theory that examines job satisfaction is Value theory. This theory claims that job satisfaction exists to the extent that job outcomes (such as rewards) an individual receives matches those outcomes that are desired. The more people receive outcomes they value, the more satisfied they will be; the less they receive outcomes they value, the less satisfied they will be. The key to satisfaction in this approach is the discrepancy between job rewards and employees’ desires. The greater the discrepancy the less people is satisfied. (Greenberg and Baron, 2003: pp. 154-155)

The main factors influencing job satisfaction are opportunities, stress, leadership, work standards, fair rewarding and adequate authority. These factors can be expressed as:

1. *Opportunities*: Job related opportunities increase employee satisfaction. For example, a job which has an opportunity to participate in projects, presenting competition and requiring more responsibilities.
2. *Stress*: When negative stress is high it reduces job satisfaction. When a job does not correspond with employee’s personal life, or is the source of anxiety and confusion, it’s stressful.
3. *Leadership*: Workers are more pleased when they work with leaders-managers. Leadership involves motivating em-

ployees, efforts for reaching better performance and etc.

4. *Work standards*: Employee satisfaction increases when quality of work and its results are higher in the groups to which an employee is involved.
5. *Fair rewarding*: Employees are more satisfied when their works are fairly rewarded.
6. *Adequate authority*: Giving more freedom to employees in their job increases their satisfaction.

In the literature, there are also other factors that are influencing employee job satisfaction. Some of these factors are followings:

1. *Job*: Studies in this area prove that getting much satisfaction by employees from their jobs increases their motivation.
2. *Salary*: Material rewards are very important in job satisfaction. Money meets luxury needs and wants of people, along with their fundamental needs. Generally, employees accept salary as supervisors' reward for the work they have performed.
3. *Promotion*: Promotion opportunities influence job satisfaction in different ways. The reason is conducting promotion in many different ways. For example, "employees promoted based on their work experience" are less satisfied with their jobs than "employees which are promoted on the basis of their work results".
4. *Supervisors*: Managers are one of the main factors which affect job satisfaction. Managers interested in employees' work, assisting them in solution of their work related and personal life problems and also developing informal relations together with the formal ones are increasing employees' job satisfaction.

5. *Work groups*: Work groups have a direct effect on the job satisfaction of employees. For example, acceptance of an employee among his/her teammates, helping him/her and developing informal relations increase job satisfaction. When employee feels him/herself stranger inside of a group, employee losses motivation and morale and eventually shows low performance at work.
6. *Work conditions*: Work places must be in normal conditions allowing employees to do their job properly. In work places where there is not sufficient conditions employee motivation level decreases and such a situation affects employee job satisfaction negatively.

A person's job is more than just the obvious activities of shuffling papers, writing programming code, waiting on customers, or driving a truck. Jobs require interaction with co-workers and bosses, following organizational rules or policies, meeting performance standards, living with working conditions that are often less than ideal, and the like. This means that an employee's assessment of how satisfied or dissatisfied he or she is with his or her job is a complex summation of a number of discrete job elements. (Robbins, 2003: p. 78)

For measuring employees' job satisfaction the two most widely used approaches are a *single global rating* and a *summation score* made up of a number of job facets. The single global rating method is nothing more than asking individuals to respond to one question. Respondents then reply by circling a number between one and five that corresponds to answers from "highly satisfied" to "highly dissatisfied". The other approach, a summation of job facets is more sophisticated. It identifies key elements in a job and asks for the employee's feelings about each. Typical factors that would be

included are the nature of the work, supervision, present pay, promotion opportunities, and relations with co-workers. These factors are rated on a standardized scale and then added up to create an overall job satisfaction score. (Robbins, 2003: pp. 78-79)

**Methodology**

The fundamental factors influencing job satisfaction in Azerbaijan are shown by survey in this study. The fundamental factors are divided into two groups: work core and personal core factors.

The number of person who participated in this survey was 100. All participants are employee of Azerbaijan companies. 22 questions they were asked were answered through Likert’s 5 Scale Method. Every asked question was answered between 1-5 points. 22 questions in this survey were systematized in two different factor groups called: work core and personal core. Total points were determined for these 22 questions according to the answers given by 100 workers. Then, total points of every factor group were summed up again and each group’s total points were determined. The average of each factor group was determined through dividing the total points by the number of questions in every factor group times the number of workers. With the same way, the average of each 22 questions was found. Then, the share in percentage of each factor group and question in total was found. Finally, the average of percentages was found through dividing each factor group’s percentage in total by the number of questions in each factor group.

**Findings and Discussions**

In the first group, where factors for an ideal job in Azerbaijan are shown, the main goal is to define the fundamental factors influencing employee job satisfaction. According to the distribution of survey results, (19)

“My success drives me to work more” with 4.625% value attracts our attention as an important factor. According to this conception, for employees in Azerbaijan success is the most important argument.

**Table 1.** Fundamental Factors Influencing Job Satisfaction

|   | Contribution to Total Variance (%) | Factors Average | Average of Contribution to Total Variance (%) |
|---|------------------------------------|-----------------|---|
|   | 53,51                              | 3,934           | 4,116   |
| 1. To allocate enough time for my personal and family life.               | 4,053                              | 0,298           |   |
| 2. To have respectful supervisor.   | 4,230                              | 0,311           |   |
| 3. Popularity for success.  | 3,985                              | 0,293           |   |
| 4. Less probability to be fired.  | 4,244                              | 0,312           |   |
| 5. To have good and easygoing workmates.                                  | 4,230                              | 0,311           |   |
| 6. Interesting job.   | 4,516                              | 0,332           |   |
| 7. Asking your opinion in decision making.                                | 3,917                              | 0,288           |   |
| 8. A work place near home.  | 3,400                              | 0,250           |   |
| 9. Be well-mannered by family and workmates.                              | 4,040                              | 0,297           |   |
| 10. Opportunity for promotion.  | 4,421                              | 0,325           |   |
| 17. Ignoring the organizations in which one employee has two supervisors. | 3,605                              | 0,265           |   |
| 19. My success drives me to work much.                                    | 4,625                              | 0,340           |   |
| 20. I am sure that I am in right way to succeed.                          | 4,244                              | 0,312           |   |

The second most important factor is (6) "Interesting job" with 4.516% value. In developing country such as Azerbaijan desiring non-routine jobs by employees for their self-improvement is a very interesting fact. In this group, another important factor with 4.421% value is (10) "Opportunity for promotion". In Azerbaijan, concepts like "success", "interesting job" and "promotion" are very important for employees.

For employees in Azerbaijan, factors like (8) "A work place near home" (3.400%), (17) "Ignoring the organizations in which one employee has two supervisors" (3.605%) and (7) "Asking your opinion in decision making" (3.917%) are comparatively less important. In Azerbaijan collective decision making and transport opportunities are less important factors in employee job satisfaction, but matrix organization concept has much importance.

**Table 2.** Secondary Factors Influencing Job Satisfaction

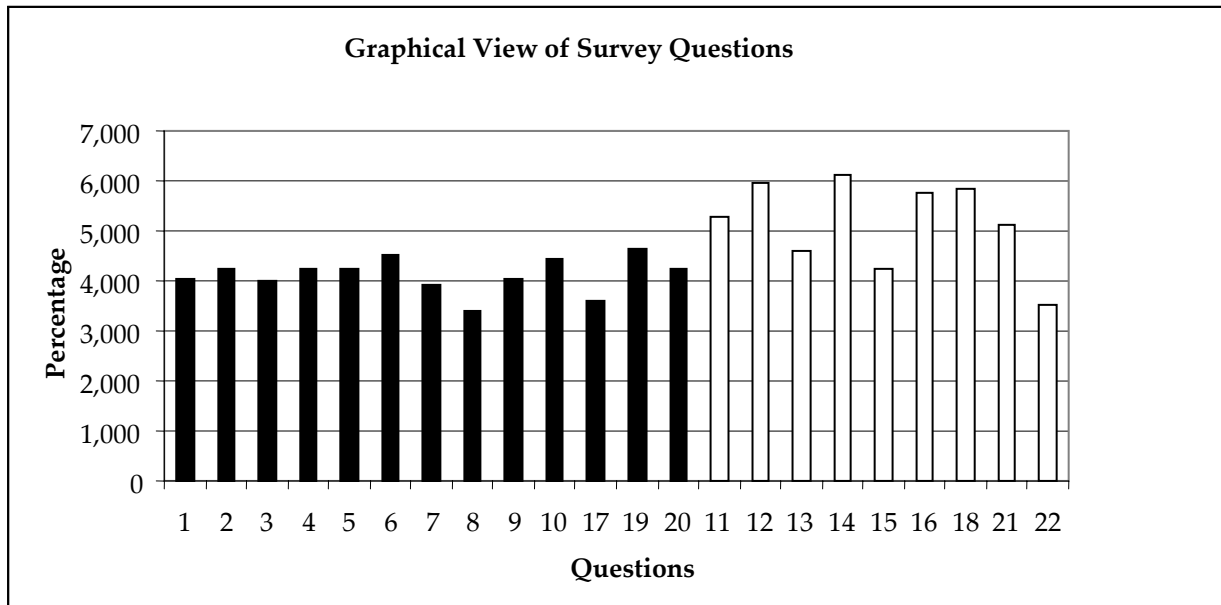
|  | Contribution to Total Variance (%) | Factors Average | Average of Contribution to Total Variance (%) |
|--|------------------------------------|-----------------|---|
|  | 46,49                              | 3,418           | 5,166   |
| 11. Allocating enough time to entertainment.                         | 5,264                              | 0,387           |   |
| 12. Religion   | 5,971                              | 0,439           |   |
| 13. How much do you feel yourself angry and strained?                | 4,597                              | 0,338           |   |
| 14. Are you happy?   | 6,121                              | 0,450           |   |
| 15. How much other people affect you to issue things those you want? | 4,257                              | 0,313           |   |
| 16. Are you the same man at home (or at school) an at work?          | 5,767                              | 0,424           |   |

|   |       |       |  |
|---|-------|-------|--|
| 18. It's important for me to have national lifestyle. | 5,849 | 0,430 |  |
| 21. I like much luxury in my life.                    | 5,128 | 0,377 |  |
| 22. If I could buy more things, I'd be happy.         | 3,537 | 0,260 |  |

In the second factors group, in which personal factors influencing job satisfaction have been handled, secondary factors were examined. According to the opinions of employees working in Azerbaijan companies (14) "Are you happy?" (6.121%), (12) "Religion" (5.971%) and (18) "It's important for me to have national lifestyle" (5.849%) factors have more effect on job satisfaction. Azerbaijani employees considering happiness in their personal life very important also put much more emphasize upon local and spiritual values.

According to the survey results, two less affecting personal core factors of employee job satisfaction are (22) "If I could buy more things, I'd be happy" (3,537%) and (15) "How much other people and events affect your decisions on doing things that you want to do?" (4,257%). For these consequences, buying more things and obstacles forming by other people are the factors which have less importance in influencing of job satisfaction.

According to the graphic above, the average distribution of the first 13 questions related to work core (4,116%) have comparatively less influence than the average distribution of 9 questions related to personal core (5,166%) on employee job satisfaction in Azerbaijan companies. Based on this, we can say that in Azerbaijan companies personal core factors have more importance in influencing employees' job satisfaction than work core factors.



### Conclusion and Suggestions

It's an important fact that in Azerbaijan "success" is a significant factor that affects job satisfaction. The companies' efforts for increasing job satisfaction might be unsuccessful, unless they will pay more attention to these factors.

For employees who want to develop themselves in a proper work medium, the lack of routine jobs is very significant. Like "success", advantages such as "interesting job" and "promotion opportunities" will make positive contributions to job satisfaction. Managers taking into consideration the abundance of such interests in employees, instead of hiring them to routine and monotone works will give them more exciting and satisfying jobs. For example, to ensure the participation in decision making processes of those who are successful, to encourage them to get involved in different projects, authority transfer and etc.

We can explain the increasing trend in employee layoff in Azerbaijan with rapid willingness of employees to change their work places. Paying more attention to personal core factors by survey respondents

confirms this hypothesis. Negative results of firing, like cost increase and psychological effects on employees forces companies to pay more attention to job satisfaction problems.

While factors such as happiness, devotion to the spiritual and local values are brought to front, the fundamental personal core factors that have significant effects on job satisfaction like obstacles formed by buying habits and other factors have little influence on job satisfaction of employees are among the survey results.

The following suggestions can be given on increasing the job satisfaction in Azerbaijan companies:

1. According to survey results, personal core factors affect employee job satisfaction more than work core factors do. Therefore, managers must launch solutions for employees' personal problems.
2. There should be developed an encouragement system for rewarding successful employees in Azerbaijan paying attention to country's economic conditions.
3. In Azerbaijan where an individual goal notion is much more important than collective goal, organization of team

works by companies which create collective habits such as “team spirit” and “we concept” is a good step towards eliminating one of the fundamental factors of employee dissatisfaction.

4. For increasing employees’ job satisfaction and organizational effectiveness, it will be useful to provide “individual consulting services” to employees in the companies.
5. Another tip for increasing employees’ job satisfaction might be developing projects that create the notion of “social responsibility” instead of “commerce quotient”.
6. Since, for Azerbaijani employees with high “practical quotient” doing routine work affects their job satisfaction negatively, “job empowerment” and rotation might be useful for companies to avoid such problems.
7. Formulation of a fair promotion system will increase employees’ motivation and their job satisfaction.
8. Different projects must be launched to increase trust in employees, for developing company’s performance and decreasing costs, also for decreasing fires.
9. Another way of increasing employees’ job satisfaction might be developing educational activities for personnel improvement and management consulting services for increasing managerial effectiveness.

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