

Factors Affecting Employees' Job Satisfaction: Organizational and Individual Levels

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Abstract. In the study of modern business management, the importance of employees is being mentioned more and more. Employee satisfaction is also being emphasized as an important factor affecting the long-term development of enterprises. This paper summarizes and discusses the effects of organizational and individual level factors on employee job satisfaction, which have been frequently discussed in previous literature, by means of a literature review. It has the significance of summarizing. After discussing, the paper concludes that organizational environment, salary and benefits, career planning and leadership style are positively related to employee satisfaction. At the individual level, age, education level and work experience are mainly studied, and due to the different characteristics of the studied industries, different scholars have come up with various conclusions. Based on the discussion of these factors, this paper further provides suggestions that can be implemented by organizations to improve employee job satisfaction. For example, shortening the power distance, establishing a mentor system, and conducting frequent meetings to ensure that the different needs of employees are heard and so on.

1 Introduction

As the field of business management continues to be enriched with doctrines and theories, the important role that employees occupy in business development is increasingly being discussed. Majstorović, A. and Cerić, A. (2019) stated that because only people can learn, grow, and improve in the process of development and in turn contribute to the development of the enterprise, hence, people will become the foundation of the development of the enterprise as well as one of the most important factors [1]. Proper staff management and staffing can bring many benefits to business development. Many studies showed that appropriate human resource management (HRM) can improve the productivity of a company, the quality of its products and services and thus bring better economic benefits to the company [2]. Under this situation, if enterprises want to make themselves competitive in the industry by means of HRM, they must pay attention to the energy and resources invested in HRM [1]. Among HRM process, investments and efforts on improving employees' job satisfaction are quite important. Job satisfaction is an employee's attitude toward his or her job, which includes the employee's feelings, perceptions, and evaluations of the job [3]. Improving employee job satisfaction can increase the degree of employee commitment to the work, improve employee productivity, and improve employee loyalty to the enterprise, reduce the turnover rate of the enterprise, playing an important role in the management of the modern enterprise. Therefore, in this paper, we will

analyze what factors affect employee job satisfaction at the organizational level. However, job satisfaction is a subjective concept. As Sjarifudin, D. and Ali, H. (2023) mentioned employee satisfied or dissatisfied with the job will depend on whether they feel that the results they get meet their original vision, which is relatively personal [3]. In response to the existence of this subjectivity, in addition to the factors at the organizational level that may affect employees' job satisfaction, this paper will also analyze and discuss the employees' personal factors that may bring influence to the satisfaction of employees. In the field of job satisfaction up to now there have been many studies, such as the relationship between employee job satisfaction and employee performance, the relationship between employee job satisfaction and employee engagement, the impact of the economic situation on employee job satisfaction, and so on. However, there are still some comparative studies on the differences in job satisfaction among different industries, or the gaps in job satisfaction among different regions or countries, which may be due to the fact that such studies require a lot of manpower and time. In this paper, the previous researches, targeting to various industries, will be reviewed to discuss factors influence the employee job satisfaction from organizational and personal level. For example, corporate environment, salary and benefits, age and education level of employees. Based on the discussion, recommendations target to these factors will be given to help companies better managing their employees and improving the job satisfaction of the staff.

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2 Organizational Influential Factors of Employees' Job Satisfaction

After reviewing the existing literature, four factors that will affect job satisfaction of employees will be analyzed, that is, work environment, salary and benefits, career development and leadership style. All these four factors have a positive-correlations with the job satisfaction.

2.1 Working environment

The first aspect is the working environment. The organizational environment for individuals should be a primary consideration for the company, as it greatly affects the quality of work and production levels of employees [4]. Andriani, R. et al. (2023) demonstrated that there was a significant positive relationship between working environment and employee job satisfaction in the hotel industry by using the empirical examination [5]. Moreover, the increase in employee satisfaction also makes employees more motivated to work and reduces the turnover rate. Besides the hospitality industry, Anasi, S.N. (2020) conducted a survey of 102 library employees, using a self-structured questionnaire [6]. The results also showed a significant linear relationship between academic librarians' job satisfaction and their working environment [6]. Therefore, it is essential for a company or an organization to create an appropriate working environment.

2.2 Salary and benefits

The second factor is salary and benefits. Salary is a form of compensation and a regular reward for employee performance. Wages can play an important role in both improving employee performance and employee job satisfaction. If employees receive a salary that meets their personal needs, their job performance will improve accordingly. Therefore, today, many relatively modern companies link employee performance to salary and benefits to minimize job loss and employee turnover [7]. In addition to employee wages alone, Nugroho, S.H. and Bando, A. (2023) conducted a study of 167 government employees, which demonstrated that employee benefits such as workers' compensation insurance and pensions also have a positive impact on employee job satisfaction [8]. Therefore, it can be concluded that salary as well as subsidies can be used as a motivational element to increase the level of job satisfaction and engagement of employees.

2.3 Career development

The third aspect is the effect of career development towards work satisfaction. Career development was defined as helping an employee be the best individual they can be in the organization and finding the right place for them, but not just about promotion [9]. It can be seen that career development emphasize on the degree of matching between individual employee's ability and position as well as the enhancement of

individual employee's skills and qualities. Paying attention to this point can also be conducive to the realization of long-term strategic development of enterprises. Furthermore, a study of 154 employees of PT. Pos Indonesia (Persero) in 2015 and a survey of 121 employees of PT. Yuasa Battery Indonesia in 2019 both proved that there is a positive correlation between career paths and job satisfaction of employees [10], which demonstrates that assigning employees a clear career development plan makes them more loyal to the company and to their jobs.

2.4 Leadership style of an organization

Finally, leadership style can also influence the employees' work satisfaction. Mohamed Sultan, F.M. et al. (2023) stated that, in some cases, leadership can influence the extent to which employees are willing to dedicate themselves to the organization [11]. Li, H. and Zhou, C. (2023) pointed out that in previous studies, leadership style has been shown to have a significant positive correlation with organizational outcome and workers' attitudes towards job [12]. Among the many leadership styles, it has been found that inclusive leadership can better stimulate managers' sense of responsibility, improve employee performance and their job satisfaction, and help managers achieve better leadership results [12]. Leaders who adopt an inclusive leadership style are usually more responsive to the needs of their subordinates. This type of leader is more approachable and more open in their interactions with subordinates. Other studies also explain how inclusive leadership positively influence employees' job satisfaction. Inclusive leaders tend to accept different behaviours and perspectives from employees and respect their diversity [13]. Under this leadership style, its leadership charisma, and individualized care in this type of leadership will have a significant positive impact on employee job satisfaction.

3 Individual Influential Factors of Employees' Job Satisfaction

In addition to the organizational level factors that can affect employees' job satisfaction, studies also revealed that individual differences, including age, work experience, and educational level also related to different attitudes towards work, even if the employees are in the same position and the same company..

3.1 Age and job satisfaction

Some research showed that older employees are a valuable resource to an organization [14]. Although their cognitive abilities decline with age, they will have more experience and can serve as mentors to younger employees. However, researches on age and job satisfaction has shown inconsistent results for different groups of people. There are many studies that can show that job satisfaction increases with age and there is a significant relationship between the two [15]. For example, there was an experiment that proved that age

is highly and significantly correlated with the job satisfaction of Taiwanese IT workers [15]. In response to these statements, the hypothesis is proposed that there is a significant positive correlation between age and job satisfaction [15]. Based on the hypotheses, researchers conducted a study with a stratified random sample analysis of 320 Ugandan government workers, but proved that age was not significantly correlated to job satisfaction. In addition, in another study, 350 questionnaires was distributed to Japanese retail salespeople and received 315 valid responses [16]. Based on this response, the respondents were categorized into three groups by age, which are 18-29 years old, 30-39 years old, and over forty years old. After the ANOVA test, the scores of each age group did not differ significantly, thus proving that there is no significant relationship between age and job satisfaction. This phenomenon may occur because although it is often assumed that the older the employees are, the higher job satisfaction they will have. However, researchers may have overlooked the fact that less senior employees have a sense of freshness about their work and are more excited about the future development and advancement of their careers. This may lead to the fact that the effect of age on job satisfaction does not fluctuate much among different age groups.

3.2 Work experience and job satisfaction

Work experience is the skills and knowledge gained by an employee in the course of a previous job, and can be used to measure the amount of time and effort an individual has invested in a previous job [17]. Due to differences in job characteristics and length of time in the field, there is a wide range of experience among workers. Hence, surveys of employees in different industries do not reach the same conclusions. As described above, the research of Japanese retail workers conducted in 2023, by Pehlivanoğlu, M.Ç. [16]. In conducting an investigation on the extent to which work experience affects job satisfaction, he categorized the participants into three groups according to the number of years of participation in the workforce: 1-5 years, 6-15 years, and 16 years and above. The results of the data analysis demonstrated that there was no significant difference in the scores of the three groups, thus concluding that there is no significant link between work experience and job satisfaction. However, the results of the survey conducted in 2018 on 80 Indonesian bank staffs showed that the regression coefficient between the two is positive, i.e., there is a positive correlation between the employees' work experience and job satisfaction. The results show that for every one percentage point increase in the work experience of bank employees, job satisfaction will increase by 0.202 percentage points [18]. The reason for this difference may be due to the characteristics of the industry. Although the sales industry's employees also need to master the relevant knowledge, but grasp the characteristics of the product can be important, which can be mastered in the relatively short term. However, the banking industry requires more specialized financial knowledge, and the judgment of the financial industry trend requires a

longer period of accumulation. Therefore, employees in the banking industry will show a correlation between personal work experience and job satisfaction.

3.3 Education level and job satisfaction

A number of studies have pointed out that the level of education of employees can be negatively related to their job satisfaction, i.e., the higher the level of education, the lower the job satisfaction is likely to be [19]. This may be due to higher expectations for work among people with higher education levels. They are more likely to be disappointed when the job is too routine or does not fully utilize their skills. In response to this theoretical study, the authors formulated the hypothesis that the lower the level of education, the higher the job satisfaction of the employees, and conducted a study in the Spanish hotel industry, covering 585 employees in 73 hotels in Spain. After analyzing the data, they concluded that the education level of the employees could only explain part of the low job satisfaction. Because job satisfaction decreases as the level of education increases and gets lowest at the university degree, but job satisfaction increases for employees with a graduate degree. Besides, a survey on the education level and job satisfaction of Japanese sales personnel showed that employees without a Bachelor degree had higher job satisfaction compared to those with a higher degree [16]. Satisfying the hypothesis that the higher the level of education the lower the job satisfaction of employees. Through these two studies, it can be found that employees in the same industry, the higher the degree before reaching university, the lower the job satisfaction. On the contrary, starting with graduate students, the two showed a positive correlation. For employees in the same position, education has a negative impact on job satisfaction.

4 Suggestions to organizations and companies

In response to the above suggested factors that may affect employee satisfaction, organizations should make changes to improve employee job satisfaction. This is because increased job satisfaction can increase the motivation of employees and their work output, while on the other hand, low satisfaction can even lead to negative phenomena such as quitting the job and absenteeism [16]. In order to increase employee job satisfaction, a company can first create a clean, comfortable working environment and a positive, gentle and friendly corporate culture for its employees. Secondly, appropriate employee benefits and compensation are necessary. As an incentive, this will make employees feel that their efforts are equally rewarded and recognized by the company, thus increasing their commitment to their work. As discussed earlier, clear career development, not just job advancement, but also giving employees the right skills training and choosing the most suitable position for them is an effective way to increase employee job satisfaction. In terms of leadership, inclusive leadership,

as mentioned above, is an effective way to increase satisfaction, but in addition, embracing the diversity of employee behaviors and perceptions, demonstrating charisma and humanity, being a supportive leader and communicating positively with employees is the relatively ideal form of leadership.

The personal variables mentioned above are inherently difficult to change, but it is possible for companies to face these problems and to correct them. Although age and work experience may not be directly related to job satisfaction, the establishment of the concept of equality of all employees within the company, not according to seniority, and the reduction of power distance within the company will, to a certain extent, alleviate the possible dissatisfaction of young employees. It is also possible to establish a mentor system, whereby more experienced employees lead less experienced employees, helping them to quickly build up their work skills and reduce the low satisfaction of less experienced new employees due to their lack of skill in their work. As for the impact of education, the company should focus on communicating with employees to understand whether their dissatisfaction comes from the single content of the work or the inability to utilize their skills to the full extent of their learning, and give positive adjustments. Importantly, these individual demographic variables are not the only variables that affect job satisfaction, line managers should have frequent meetings with the HR department to implement strategic HRM policies, and adjusting their own employee policies based on the influencing factors of organizational level is an excellent way to increase employee satisfaction [16].

5 Conclusion

This paper focuses on four corporate-level and three individual-level factors that can have an impact on employee job satisfaction. These factors are analyzed and discussed through a literature review. First of all, from the enterprise level, employees' working environment, salary and benefits, and career planning have a significant positive impact on employees' job satisfaction. It means that a comfortable working environment, appropriate salary and clear career plan can increase the level of job satisfaction and motivation of employees. In addition to this, leadership style also affects employee satisfaction. A more accommodating and easy-going leadership style tends to result in more satisfied employees and higher output. Second, at the individual employee level. There are diverse findings on the impact of age and employees' work experience on employee satisfaction. Some scholars argue that both age and work experience have a positive effect on employee work experience, while others conclude that neither age nor work experience has a significant effect on employee job satisfaction. The reason for the different conclusions may be due to the differences in the job characteristics of the studied industries. In addition to the two previously mentioned factors, the level of education of employees has been shown to have an impact on employee job satisfaction. Within the same

industry, employee satisfaction was negatively correlated with employee education level before attaining a college degree and positively correlated after attaining a college degree. For the same position, the level of education has been shown to have a negative impact on job satisfaction. Based on this research, this paper also gives some suggestions for companies. The company should provide employees with more suitable salary and working environment, plan a clear career development path for employees, be more tolerant of the diversity of employees, shorten the power distance, actively communicate with employees and listen to their needs. This will help the company to improve employee job satisfaction and loyalty, which is conducive to the long-term development of the enterprise. Besides, there is a lack of comparative research on employee co-worker satisfaction, and although different industries are discussed in this paper, they are not comparable because of the different research variables. Therefore, in subsequent studies, more emphasis should be placed on comparative studies of employee co-worker satisfaction. For example, it is important to study the differences in job satisfaction of employees in the same industry or company in different countries or regions, as well as in different cultures. This will fill the research gap in the field of employee job satisfaction.

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