CHAPTER II: Review of Literature

INTRODUCTION

Job satisfaction is crucial not just for the employee but for employers as well. A satisfied employee is an asset to the organization. However, the word satisfied is subjective and can mean different meanings to different individuals. For instance, job satisfaction has been defined as the degree to which employees have a positive affective orientation towards employment by the organization (Price, 1997). Another definition which supports affective component is one which defines it as an affective (emotional) reaction to a job that results from the incumbent’s comparison of actual outcomes with those that are desired (Cranny, Smith, Stone, 1992). In a survey conducted by career builder India, it was found that though employees were satisfied with their current job but still they would actively look for the current openings. Thus the survey concluded that job satisfaction may not necessarily result in job loyalty. Employee job satisfaction is associated with how people perceive, think, and feel their jobs (Spector, 1997). The investigators have defined job satisfaction as the general behavior and employee’s attitudes towards his job (Robbins et al., 2010). Job satisfaction is enjoyable emotional state ensuing from appraisal of one’s job and job experience (Locke, 1976). Ellickson and Logsdon (2002) support this view by defining job satisfaction as the extent to which employees like their work. Reilly (1991) defined job satisfaction as the feeling that a worker has about his job or a general attitude towards work or a job and it is influenced by the perception of one’s job. Wanous and Lawler (1972) refer to job satisfaction as the sum of job facet satisfaction across all facets of a job. Hawthorne study (1924-1933) is truly a prologue to the study of job satisfaction. The study was conducted by Elton Mayo of the
Harvard Business School who solicited to find the effects of different conditions on the workers productivity. The study was a series of four experiments which ultimately showed that changes in work conditions temporarily effects productivity. Later it was observed that the increase in productivity was from the fact that they were being observed. This was a strong evidence that workers work for reasons other than pay as well and that those reasons are equally important.  

Another theory that has contributed to the understanding job satisfaction is the motivation-hygiene theory of the American psychologist Frederick Herzberg (1923 to 2000). The results of the theory were based on the interviews conducted in the late 1950s with accountants and engineers. The respondents were asked to explain the times when they felt good or bad about their jobs. Through these interviews Herzberg identified two dimensions to job satisfaction: motivation and hygiene. The motivation factors included recognition, achievement, the work itself, responsibility, advancement and growth. The hygiene issues, such as company policies, supervision, salary, interpersonal relations and working environment, are considered as the conditions to be met in order to prevent dissatisfaction. Herzberg's theory did not take into account the individual needs and differences and was criticized on the same grounds. This further led the researchers Richard Hackman, from Harvard University, and Greg Oldham, from the University of Illinois, to create a job characteristics model in 1976. Hackman & Oldham’s Job characteristics Model is widely used as a framework to study how particular job characteristics impact on job outcomes, including job satisfaction. The model talks of five core job characteristics (skill variety, task identity, task significance, autonomy, and feedback) which impact three critical psychological states (experienced meaningfulness, experienced responsibility for outcomes, and knowledge of the actual results), in turn influencing work
outcomes (job satisfaction, absenteeism, work motivation, etc.). The five core job characteristics can be combined to form a motivating potential score for a job, which can be used as an index of how likely a job is to affect an employee's attitudes and behaviors.²

**Literature Review**

Morge (1953) in his study on the Job satisfaction of the employees of white collar jobs found that fifty five male teachers were satisfied with their job with oppose to thirty five percent female employees who were not satisfied with their job. This study highlighted the relationship between gender and job satisfaction and concluded that satisfaction is affected by gender.

Gardon (1955) in his research on the Job satisfaction of the workers of industrial concern and human needs industries found that if person’s individual needs are satisfied then their job satisfaction increases; thereby reflecting a positive relation with the job satisfaction.

Bidwel and Charles (1956) studied on the Job satisfaction and school management and concluded that effective education is necessary to develop good image of the school and that teachers, Job satisfaction increased by perfect management.

Sinha and Singh (1961) studied the relationship between job satisfaction and absenteeism. A random sample was selected from various departments of Tisco, Jamshedpur. The sample consisted of high and low absentee workers. Respondents consisted of 50 each from both the categories. Job satisfaction questionnaire consisted of items of four components of job satisfaction namely nature of work, wages and security, supervisors and supervision and company’s overall personnel policy. It was found that low absentees were significantly more satisfied with their job than high absentees.
Sinha and Sharma (1962), conducted a research on attitude and job satisfaction with the help of randomly selected 100 workers which were from a light engineering factory around Calcutta. It was found that job satisfaction was inversely related to favorable attitude towards the union. This implies, greater the job satisfaction, the less favorable was the attitude towards the union.

Prasad (1964) studied the personality and the relative elements of Job satisfaction namely age and experience. In his study he concluded that the age of professionals had no effect on job satisfaction, while job satisfaction increase with the frequencies of experience thereby showing significant relation with the Job satisfaction.

Rajgopal (1965) in his study explored the relationship between satisfaction and productivity of textile mills workers belonging to high and low productive mills. Six mills, three high and three low (Productivity was indexed in terms of operative hours per unit of Production four the past three years) were chosen for the study. 75 workers each from high Productive and low Productive mills were chosen for the study. They were asked to indicate their degree of satisfaction/dissatisfaction on a 5-point scale ranging from extreme satisfaction to extreme dissatisfaction on thirty items representing seven aspect of work (i.e., salary, job, management, working condition, welfare facilities, coworkers, and union management relations). The results highlighted that high productive mill workers were significantly more satisfied with five of the seven aspect excluding job and coworkers. Lodahl&Kejner (1965) found in a study that Job satisfaction is affected by meaningfulness of work and adequacy of supervision. Kapoor and Rao (1969) had examined the age and attitude towards officers in understanding the Job satisfaction of 146 female employees. His research highlighted that female employee and married female employee having more than twenty five years of age always oppose against
injustice and struggle against management too. Jawa (1971) collected data on 70 semi-skilled workers in his study on anxiety and job satisfaction. On the basis of the anxiety scale filled by the respondents and their scores, anxiety was divided into three groups of high, average and low anxiety. In addition to this a satisfaction questionnaire was also filled by the respondents. The results indicate a trend of increasing satisfaction with decreasing anxiety level Smith, Scott and Hulin (1977) selected 4000 managers of the 145 company for the sample of the study on Job satisfaction of professional employees of the company. It was found out through this research that satisfaction increase with the age. Thus, indicating a positive relation of Job satisfaction with the age. *3

Richmond, Mccroskey and Davis (1982), stated that “moderately satisfied employees may be more productive than dissatisfied employee; extremely satisfied employees may form the type of work group known as the “happiness for lunch bunch” (McCroskey, Larson & Knapp, 1971) and be more of a social group than a work group, hence lowering productivity.

Bhatt (1987) studied the personality determinations of Job satisfaction of college teachers of Saurashtra University and all college teachers were included in the sample of the study. It was found that female teachers were more satisfied than male teachers, also no significant difference was found in the mean scores of married and unmarried teachers. It was also found that Job satisfaction had no significant relation with the age, area of the work, educational qualification and experience.

Sharma(1987) examined the effects of work culture on employee satisfaction, sense of participation, role stress and alienation in private sector and public sector and found that the private sector and the public sector varied significantly on the dominant culture variables and there was significant correlation between the work culture variable and role stress variables.
Rajendran (1987) in a public sector industry highlighted a significant correlation between work culture and employee satisfaction.

Rain et al., (1991) stated that job satisfaction has a correlation with life satisfaction. People who are satisfied with life will tend to be satisfied with the job and vice versa Cardona (1996) in a survey of members of the Association for Investment Management and Research found that 81% of the managers were satisfied or very satisfied with their job. Most managers named professional achievement, personal or professional growth, the work itself and their degree of responsibility more important than compensation as the factors that create positive feelings about their job. Factors like company policies, administration, relationships with supervisors, compensation and the negative impact of work on their personal lives were viewed as those which create negative feelings about the job.

National Center for Education Statistics, (1997) in a report on job satisfaction among American teachers identified that more administrative support and leadership, good student behavior, a positive school atmosphere, and teacher autonomy as working conditions associated with higher job satisfaction. A weak relationship was found between faculty satisfaction and salary and benefits. Research also shows that demographic variable such as age and gender have little or no significant impact on job satisfaction.

Yankelovich Partners (1998) in their study surveyed 10,339 workers across 10 European countries, Russia, Japan, and the United States. Researchers consistently identified the same top five key attributes in a job: ability to balance work and personal life, work that is truly enjoyable, security for the future, good pay or salary and enjoyable co-workers. Across the four major geographic regions studied, importance of potential advancement and the
opportunity to build skills as a way to maintain employability and job security was emphasized by the workers.

**Karl & Sutton (1998)** found that from an employee point of view, job satisfaction is a desirable outcome in itself. While from a managerial or organizational effectiveness point, job satisfaction is important due to its impact on absenteeism (1) turnover, (2) and pro-social “citizenship” behaviors such as helping coworkers, helping customers, and being more cooperative. Thus it becomes important for the managers to understand what employees value in order to redesign jobs, reward systems, and human resource management policies that will result in optimum job satisfaction and productivity.

**Gohil(1999)** studied on the motivation vis-à-vis job satisfaction and organizational perception of bank employees in Saurashtra region and was confined to the officer and clerical staff of the public sector commercial banks of the Saurashtra region. The study was conducted on 780 employees and a significant difference was found in the average scores of job satisfaction of managerial cadre and clerical. A significant difference was also observed between (a) academic qualification and means scores of job satisfaction, (b) family tension and means scores of job satisfaction, (c) family environment and means scores of job satisfaction. The study also highlighted correlation in length of service and mean scores of job satisfaction.

**Ali and Akhtar (1999)** studied and explored the effect which work culture has on employee satisfaction and found that those who scored high on work culture also differed significantly on satisfaction scale.

**Wiggins & Bowman (2000)** studied the relationship among career experience, life satisfaction, and organizational factors for managers. The study was conducted in healthcare organizations. Nine domains of important job skills, knowledge, and abilities necessary for
success as healthcare managers were identified in a two stage Delphi analysis of American College of Healthcare Executives (ACHE) members. Cost/finance, leadership, professional staff interactions, healthcare delivery concepts, accessibility, ethics, quality/risk management, technology, and marketing were the nine domains.

Resheske (2001) examined job satisfaction among full time faculty of the College of Human Development at Wisconsin University. Thirty-six full time faculty members were included in the study. The results indicated that overall the faculty of the College of Human Development at UW-Stout was satisfied with their current employment and that group cohesion does play a role in overall job satisfaction. The study also determined that job autonomy, working with the students and fellow colleagues and supervisors were the top three best reasons for working here. It was also concluded that pay, having more time and assistance with meeting deadlines and having equal workloads between colleagues were the three top priorities for improving the work environment.

Harter (2002), selected 7,939 business units in 36 organizations for the sample of the study on job satisfaction sentiments and employee engagement. The study examined aggregated employee job satisfaction sentiments and employee engagement.

Schneider (2003) studied the relationships between several facets of employee satisfaction and organizational financial (return on assets; ROA) and market performance (earnings per share; EPS). The study included 35 organizations over a period of eight years. Significant positive relationships were found between attitudes concerning satisfaction with security, satisfaction with pay, and overall job satisfaction with financial (ROA) and market performance (EPS).
Niranjana and Pattanayak (2005) tried to explore the dynamics of organizational citizenship behavior, learned optimism, and organizational ethos represented by OCTAPACE in service and manufacturing organizations in India. The manufacturing sector was found to have a better work culture whereas service sector had high organizational citizenship behavior and learned optimism.

Singh (2009) revealed a significant difference between high and low work culture groups which are related to their satisfaction with management. The possible reason for it being the obligation towards others produced a sense of responsibility within individuals which made them more satisfied in comparison to low scorers on this dimension.

Vagh (2010) highlighted that most of the employees of Municipal Corporation of Saurashtra Region were not satisfied. Employees of the Municipal Corporations have many questions and there is a strong need to give the attention on solution of employees questions as and when it arises.

Adeniji (2011) in his study on Organizational Climate and Job Satisfaction among Academic Staff in Some Selected Private Universities in Southwest Nigeria. The study was based on the responses received from 293 respondents of five private Universities in the South-West Zone of Nigeria. The results showed a positive relationship between organizational climate and job satisfaction. Herzberg’s Two-Factor theory was used as a framework for this study

Dev (2012) in his study on Public and Private Sector Banks found that clients of private sector banks are more satisfied than those of public sector banks in most of the dimensions except Interest rates and other Charges and Accessibility whereas the clients of public sector banks are more satisfied than the clients of private sector. One area where both types of Banks are lacking the most is Customer orientation. Performance norms have also suffered in all types of
banks. It was also observed that banks in India, especially the public sector banks need to equip themselves with the latest technology.

Gurusamy & Mahendran (2013), in their study found that Salary occupy the First Rank for determining job satisfaction compared with other major determinants. The study was conducted on 300 respondents and was limited to the automobile industries of India.

Rashid Saeed et al., (2014), in his study found promotion, pay, fairness and working condition to be the key factors that contribute to employee job satisfaction. The study was conducted on 200 telecom sector employees of Pakistan. It was concluded that money and compensation play an important role in the job satisfaction of the telecom employees of Pakistan.

Utilizing from the employees is important for the effectiveness of the firms. This contributes to have competitive advantage; and mostly, human resource management (HRM) deals with this subject in the organizations. There is the ‘employee concept’ in the center of HRM. These employees may be working for that firm or have the possibility of working for that firm. HRM can be defined as the management of the decisions and actions related with the employees in the organization to implement the strategies for creating competitive advantage. Another definition about HRM is from Armstrong (2000), that it is the strategically management of the members of an organization who contribute to the achievement of that organization’s objectives. These definitions make us conclude that HRM is a strategic business and should be concerned strategically. Strategy may be defined as the statement of; what an organization wants to become, the objectives it wants to reach and, how to reach to these objectives (Armstrong, 2000). Strategic HRM (SHRM) helps the organization in reaching its objectives, and the main players in SHRM are the “employees”. Lawler (1986) argued that a firm’s HR
strategy should be centered on developing skills and ensuring motivation and commitment (Wallace, Eagleson, & Waldersee, 2000). In this statement, ‘ensuring the motivation’ is concerned with the employee satisfaction. That is why; the satisfaction of the employees takes an added importance. 

Employees are more loyal and productive when they are satisfied (Hunter & Tietyen, 1997), and these satisfied employees affect the customer satisfaction and organizational productivity (Potterfield, 1999). Employee satisfaction is defined as the combination of affective reactions to the differential perceptions of what he/she wants to receive compared with what he/she actually receives (Cranny, Smith, & Stone, 1992). Therefore, the organizations should try to supply the employee expectations in order to approach the employee satisfaction. In addition, emotional state of the employees may also affect their satisfaction. This forces the managers to create and sustain the desired working environments in the organizations. One the other hand, as stated by Organ and Ryan (1995), the employee satisfaction is one of the basics of organizational citizenship behavior (Ozdevecioglu, 2003). That is, the well-satisfied employees will work more willingly and this contributes to the effectiveness of their organizations.

There is no limit for the employees to reach the full satisfaction and it may vary from employee to employee. Sometimes they need to change their behaviors in order to execute their duties more effectively to gain greater job satisfaction (Miller, 2006). Having good relationships with the colleagues, high salary, good working conditions, training and education opportunities, career developments or any other benefits may be related with the increasing of
employee satisfaction. When investigating the employee satisfaction, it should be known that; -an employee may be more satisfied by a satisfying item, whereas the other employee may be less satisfied with the same item-. Because of this, analyzing the employee satisfaction from a large perspective will be better. That means; the sum of all satisfying factors composes that employee’s satisfaction level. As a general definition, the employee satisfaction may be described as how pleased an employee is with his or her position of employment (Moyes, Shao, & Newsome, 2008). To investigate what the employees are satisfied by and measuring the employee satisfaction in the workplace is critical to the success and increases the profitability of the organization for having competitive advantage (Kelley, 2005).

Therefore, researching the employee satisfaction in terms of different factors and, on various areas (such as manufacturing industry, service industry or etc) will enrich the literature and contribute to organizations.

Culture and the organizations

The people learn most of the behaviors and beliefs from the people they grow up with. Although each individual has unique talents and personal preferences, the behaviors and beliefs of the people in the same organizations show common properties. This helps the organizations to create their own cultural properties. Since the members in the organizations work together in performing a job, the created culture will enable the organization members to understand each other easily and work effectively. Deshpande and Webster (1989) make a definition for culture that, it is the pattern of shared values and beliefs that help members of an organization understand organizational functioning and thus teach them the behavioral norms in the organization (Kandemir & Hulth, 2004). Culture is the shared knowledge and schemes
created by a set of people for perceiving, interpreting, expressing, and responding to the social realities around them (Lederach, 1995), and is an active living phenomenon through which people jointly creates and recreates the worlds in which they live (Morgan, 1997). The beliefs and ideas of the organizations have created the culture, which cannot be seen but its physical manifestations are felt in the work place. Actually, the working environment is surrounded by the culture, which shapes the job relationships and processes in the organizations. For Schein (1992), the organizational culture helps the organizations to solve its problems of external adaptation and internal integration by creating a shared pattern. As the new members come into the organization, they perceive and think these problems in this shared pattern.  

According to these definitions; a group of people come together to perform a job, they need a set of rules to act in common manner and they need to know how to act in various circumstances. Knowing how the other members of the organization act in the same circumstances, gathers the organization members under the same umbrella. Organizational culture is also taken into consideration in the decision making process of long-term plans for strategic planning. O'Cass and Ngo (2007) states that market-oriented behaviors (which generally take place in the organizations’ strategy maps) are driven by the organizational culture that manifests itself in specific behaviors. That is why the strategic planners place much emphasis on the strong role of culture. This helps the organizations to have competitive advantages and nourishes the organizational health.

It is widely accepted in the literature that the organizational culture is a complex concept. It may be analyzed from various perspectives. In accordance with our research analysis, the multidimensional nature of organizational culture will be investigated in terms of involvement,
collaboration, transmission of information, learning, care about clients, strategic direction, reward and incentive system, system of control, communication, coordination and integration (Ginevičius & Vaitkūnas, 2006). For Ginevičius and Vaitkūnas (2006), the first dimension - involvement- is providing favorable conditions for all the members of the organization for decision making and giving various ideas or suggestions. Collaboration is the encouragement of the teamwork rather than individual work. Transmission of information is defined as the reaching of new or other important information to the employees in due time. Learning is the process of the activities to increase the existing knowledge. Care about clients is related with the satisfaction of the customers. Strategic direction deals with achieving the pre-identified goals and plans of the organization. Reward and incentive system provides motivation for the employees. System of control assists the managers in supervising the employees. Communication is the lifeblood for an organization that builds bridges among the employees within the organization. Coordination and integration is different from communication that it ensures to work effectively with the persons from other departments or groups when carrying out common activities.*8

Despite its wide usage in scientific research, as well as in everyday life, there is still no general agreement regarding what job satisfaction is. In fact there is no final definition on what job represents. Therefore before a definition on job satisfaction can be given, the nature and importance of work as a universal human activity must be considered.

Different authors have different approaches towards defining job satisfaction. Some of the most commonly cited definitions on job satisfaction are analysed in the text that follows.
Hoppock defined job satisfaction as any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say I am satisfied with my job (Hoppock, 1935). According to this approach although job satisfaction is under the influence of many external factors, it remains something internal that has to do with the way how the employee feels. That is job satisfaction presents a set of factors that cause a feeling of satisfaction.

Vroom in his definition on job satisfaction focuses on the role of the employee in the workplace. Thus he defines job satisfaction as affective orientations on the part of individuals toward work roles which they are presently occupying (Vroom, 1964).

One of the most often cited definitions on job satisfaction is the one given by Spector according to whom job satisfaction has to do with the way how people feel about their job and its various aspects. It has to do with the extent to which people like or dislike their job. That’s why job satisfaction and job dissatisfaction can appear in any given work situation.

Job satisfaction represents a combination of positive or negative feelings that workers have towards their work. Meanwhile, when a worker employed in a business organization, brings with it the needs, desires and experiences which determinates expectations that he has dismissed. Job satisfaction represents the extent to which expectations are and match the real awards. Job satisfaction is closely linked to that individual's behavior in the work place (Davis et al.,1985).

Job satisfaction is a worker’s sense of achievement and success on the job. It is generally perceived to be directly linked to productivity as well as to personal well-being. Job satisfaction implies doing a job one enjoys, doing it well and being rewarded for one’s efforts.
Job satisfaction further implies enthusiasm and happiness with one’s work. Job satisfaction is the key ingredient that leads to recognition, income, promotion, and the achievement of other goals that lead to a feeling of fulfillment (Kaliski, 2007).

Job satisfaction can be defined also as the extent to which a worker is content with the rewards he or she gets out of his or her job, particularly in terms of intrinsic motivation (Statt, 2004).

The term job satisfactions refer to the attitude and feelings people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction. Negative and unfavorable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006).

Job satisfaction is the collection of feeling and beliefs that people have about their current job. People’s levels of degrees of job satisfaction can range from extreme satisfaction to extreme dissatisfaction. In addition to having attitudes about their jobs as a whole People also can have attitudes about various aspects of their jobs such as the kind of work they do, their coworkers, supervisors or subordinates and their pay (George et al., 2008).

Job satisfaction is a complex and multifaceted concept which can mean different things to different people. Job satisfaction is usually linked with motivation, but the nature of this relationship is not clear. Satisfaction is not the same as motivation. Job satisfaction is more of an attitude, an internal state. It could, for example, be associated with a personal feeling of achievement, either quantitative or qualitative (Mullins, 2005). We consider that job satisfaction represents a feeling that appears as a result of the perception that the job enables the material and psychological needs (Aziri, 2008).
Job satisfaction can be considered as one of the main factors when it comes to efficiency and effectiveness of business organizations. In fact the new managerial paradigm which insists that employees should be treated and considered primarily as human beans that have their own wants, needs, personal desires is a very good indicator for the importance of job satisfaction in contemporary companies. When analyzing job satisfaction the logic that a satisfied employee is a happy employee and a happy employee is a successful employee.

The importance of job satisfaction specially emerges to surface if had in mind the many negative consequences of job dissatisfaction such a lack of loyalty, increased absenteeism, increase number of accidents etc. Spector (1997) lists three important features of job satisfaction. Firsts, organizations should be guided by human values. Such organizations will be oriented towards treating workers fairly and with respect.

In such cases the assessment of job satisfaction may serve as a good indicator of employee effectiveness.

High levels of job satisfaction may be sign of a good emotional and mental state of employees. Second, the behavior of workers depending on their level of job satisfaction will affect the functioning and activities of the organization's business. From this it can be concluded that job satisfaction will result in positive behavior and vice versa, dissatisfaction from the work will result in negative behavior of employees. Third, job satisfaction may serve as indicators of organizational activities. Through job satisfaction evaluation different levels of satisfaction in different organizational units can be defined, but in turn can serve as a good indication regarding in which organizational unit changes that would boost performance should be made.
EFFECTS OF JOB SATISFACTION

Job satisfaction causes a series of influences on various aspects of organizational life. Some of them such as the influence of job satisfaction on employee productivity, loyalty and absenteeism are analysed as part of this text.¹¹

The preponderance of research evidence indicates that there is no strong linkage between satisfaction and productivity. For example a comprehensive meta-analysis of the research literature finds only a 0.17 best estimate correlation between job satisfaction and productivity. Satisfied workers will not necessarily be the highest producers. There are many possible moderating variables, the most important of which seems to be rewards. If people receive rewards they feel are equitable, they will be satisfied and this is likely to result in greater performance effort. Also, recent research evidence indicates that satisfaction may not necessarily lead to individual performance improvement but does lead to departmental and organizational level improvements. Finally there is still considerable debate whether satisfaction leads to performance or performance leads to satisfaction (Luthans, 1998).¹²

Employee loyalty is one of the most significant factors that human resource managers in particular must have in mind. Employee loyalty is usually measured with the Loyalty Questionnaire and can cause serious negative consequences when not in a high level.

Usually three types of employee loyalty are considered: affective loyalty, normative loyalty and continuity loyalty. Affective loyalty has do with the cases when an employee feels an emotional connection to the company, normative loyalty is a sort of loyalty that appears in
cases when the employee feels like he owes something to the company and continuity loyalty comes as a result of the fact that the employee does not have an opportunity to find a job somewhere else. *13

Research conducted by Vanderberg and Lance (1992) during which they surveyed 100 professionalisms in the information services for five months showed a strong relations between job satisfaction and employee loyalty.

Their research proved that the higher the degree of job satisfaction the higher is the level of employee loyalty. Employee absenteeism causes serious additional costs for companies, therefore managers are in permanent pursue of ways how to decrease and reduce it to its minimum. Probably, the best way to reduce employee absenteeism would be through a increase in the level of employee satisfaction. The main idea behind this approach is that the higher the degree of job satisfaction is the lower employee absenteeism should be.

Even though the effects are modest the fact that job satisfaction contributes to decreasing the level of employee absenteeism remains. So satisfaction is worth paying attention to, especially since it is potentially under your control – unlike some of the other causes of absenteeism (e.g. illness, accidents). But said circumstances can alter this equation. As a manager you could be implicitly encouraging absenteeism by enforcing company policies. If people are paid for sick days, and if they must be “used or lost” this is pretty strong encouragement for employees to be absent. In other words, you’ve helped create a culture of absenteeism that can overcome the “satisfaction” effect. (Sweney and McFarlin, 2005). When satisfaction is high, absenteeism tends to be low; when satisfaction is low, absenteeism tends to be high. However as with the other relationships with satisfaction, there are moderating variables such as the degree to
which people feel their jobs are important. Additionally, it is important to remember that while high job satisfaction will not necessarily result in low absenteeism, low job satisfaction is likely to bring about high absenteeism.

**Conclusion**

Job satisfaction represents one of the most complex areas facing today’s managers when it comes to managing their employees. Although thousands of papers and research have been conducted on job satisfaction all over the world, in the Republic of Macedonia this is one of the least studied research fields.

Many studies have demonstrated an unusually large impact on the job satisfaction on the motivation of workers, while the level of motivation has an impact on productivity, and hence also on performance of business organizations.

There is a considerable impact of the employee’s perceptions for the nature of his work and the level of overall job satisfaction. Financial compensation has a great impact on the overall job satisfaction of employees.
References


