

Analysis of Organizational Factors Affecting Employee Satisfaction: A Case Study from Serbia

Sladana VUJIČIĆ

Faculty of Business, Economics and Entrepreneurship, Belgrade, Serbia

**Corresponding author, sladjanakonto@gmail.com*

Oliver MOMČILOVIĆ

University Business Academy in Novi Sad, Faculty of Applied Management, Economics and Finance, Belgrade, Serbia

oliomaster@gmail.com

Claudiu TUDORACHE

Bucharest University of Economics Studies, Bucharest, Romania

tudoracheclaudiu17@stud.ase.ro

Vladan COGOLJEVIĆ

Faculty of Business, Economics and Entrepreneurship, Belgrade, Serbia

vladan.cogoljevic@vspep.edu.rs

Katarina PRLJIĆ

Singidunum University, Belgrade, Serbia

prljickatarina@gmail.com

Abstract. *In today's business environment, employees play a very significant role in the success of any organization. Numerous studies have shown that employee satisfaction is a crucial factor when measuring the performance of both the organization and individuals. Satisfied employees are more motivated, more dedicated to their work, perform tasks better, and care for others...*

In order to examine the impact of organizational factors on employee satisfaction in the Republic of Serbia, an empirical study was conducted through a questionnaire survey with a sample of 432 respondents from September to December 2023. The research indicated that salary, as an organizational factor, has the greatest influence on employee satisfaction.

Keywords: job satisfaction, organizational factors, employees, salary, colleagues, working conditions.

Introduction

Employees represent the primary developmental resource of every organization. Employee satisfaction has a significant impact on organizational productivity, performance, as well as personal well-being. Some studies analyzing employee satisfaction have shown that a satisfied worker is a happy worker, and a happy worker tends to become a successful employee. Gavrić et al. (2020) state that employees who are motivated are in a state of emotional and intellectual satisfaction and feel great attachment to the organization in which they are employed. Employee satisfaction can be considered one of the main factors of effectiveness and efficiency in business organizations. Job satisfaction represents a significant determinant of work motivation. Namely,

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job satisfaction positively influences employee motivation (Pešić Jenačković, 2021). In fact, the new management paradigm, which insists on treating employees primarily as individuals with their own needs and desires, is a strong indicator of the importance of job satisfaction in contemporary enterprises (Szymon et al., 2020).

Rotze argues that there are four determinants that influence employee satisfaction: "leadership," "job design," "workplace environment," and "pay for work" (Rötzel, 2012). However, each employee has different criteria for measuring their own job satisfaction. It is important to note that job satisfaction affects employees' sense of security within the organization. A satisfied employee feels better in the organization, performs better, and the factors that lead to satisfaction can be called "motivators."

Literature review

Job satisfaction represents a complex attitude that includes specific assumptions and beliefs about the job (cognitive component), feelings towards the job (affective component), and job evaluation (evaluative component) (Ilić Konderman, 2021). The theoretical basis of job satisfaction is Locke's Value Theory.

According to this theory, job satisfaction exists to the extent that people are satisfied with the outcome of the job itself (Locke, 1976). The more an individual receives from the outcome they value, the more satisfied they will be. Therefore, job satisfaction is influenced not only by the size of the reward but also by the type of reward received, i.e., whether the worker receives rewards they value for their effort. According to this theory, job satisfaction exists to the extent that the job outcome (the reward received by the individual) matches the desired outcomes.

Research on employee satisfaction and its impact on organizational performance is the subject of study for many authors. Job satisfaction can be viewed as the result of a chain reaction involving the motivation to fulfill needs. This chain combines several factors or motivators that will influence or encourage individuals to work (Marzuki, 2012). Wexley and Youkl (1984) defined job satisfaction as the feelings and attitudes of the employee towards work. Employee satisfaction is defined as the pleasant or positive emotional state generated by the evaluation of a job or work experience (Locke, 1976). Togia et al. (2004) believe that job satisfaction is a function of one's needs being met to some extent. Jovanović et al. (2023) state that by presenting the vision to employees, organizing training and education, supporting the professional and career development of their employees, and evaluating and rewarding their success, managers can contribute to improving employee satisfaction and organizational commitment.

Job satisfaction is influenced by numerous factors that can be individual and organizational. Organizational factors play a significant role in employee satisfaction (Sageer et al., 2012), stemming from the fact that employees spend most of their time in the organization where they work. Organizational factors of satisfaction encompass various organizational variables that can affect the level of employee satisfaction in some way. Organizational factors include organizational structure, working conditions, the nature of the job performed within the organization, employee interaction, reward systems, etc (Spector, 1985). Individual factors of job satisfaction include the harmony between personal interests and the job, work experience and age, position and status, overall job satisfaction.

Methodology

In order to investigate the impact of organizational factors on employee satisfaction in the Republic of Serbia, an empirical study was conducted through a questionnaire survey with a sample of 432 respondents from September to December 2023. The research covered the territory of Serbia, and the questionnaires were distributed to respondents in written electronic form.

Figure 1 presents the Theoretical System Model. It consists of three independent variables: A (salary), B (colleagues), and C (working conditions), and one dependent variable D (employee satisfaction).

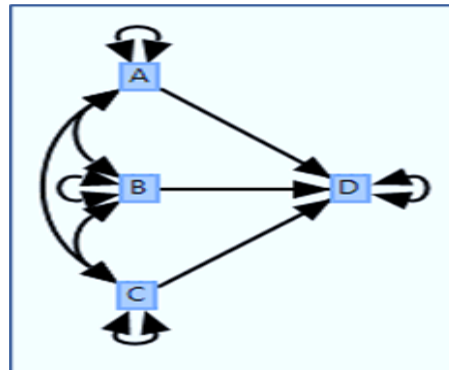


Figure 1. Theoretical system model

The research task is to determine whether: A (salary), B (colleagues), C (working conditions) do not influence or influence D (employee satisfaction).

Based on the projected Theoretical System Model, null and alternative hypotheses of the research are defined as follows:

H0: Salary, colleagues, and working conditions do not influence employee satisfaction.

Ha: Salary, colleagues, and working conditions influence employee satisfaction.

The research sample consists of 432 employees from the territory of the Republic of Serbia. Correlation and regression analysis were used in the research, which was processed in the statistical software JMP Pro 17.

A questionnaire was used in the study, where respondents were asked to provide personal opinions on the presented statements. Opinions were previously defined using a Likert scale from 1 to 5 (1 – I definitely disagree, 2 – I do not agree, 3 – undecided, 4 – I agree, and 5 – I definitely agree).

Results and discussions

In Table 1, the Mean and Std Dev for each variable are provided. The variable with the highest Mean is D (employee satisfaction) at 3.9058641975, while the variable with the highest Std Dev is C (working conditions) at 0.9811069741. The variable with the lowest Mean is B (colleagues) at 3.8271604938, and the variable with the lowest Std Dev is D (employee satisfaction) at 0.7041925594.

Table 1. Descriptive statistics

	Mean	Std Dev
A	3.8441358025	0.9462952411
B	3.8271604938	0.8520106259
C	3.8402777778	0.9811069741
D	3.9058641975	0.7041925594

On Figure 2, the standard contribution sizes of the established theoretical system model are displayed. The multiple coefficient of determination is 0.811051, indicating that 81.11% of the variance in the dependent variable (employee satisfaction, D) can be explained by the variables (A-salary), (B-colleagues), and (C-working conditions). The multiple correlation coefficient is 0.900583, indicating a strong and positive relationship. The variable (A-salary) contributes the most with 0.572786, followed by the variable (B-colleagues) with 0.41489, and the variable (C-working conditions) contributes the least with 0.25764.

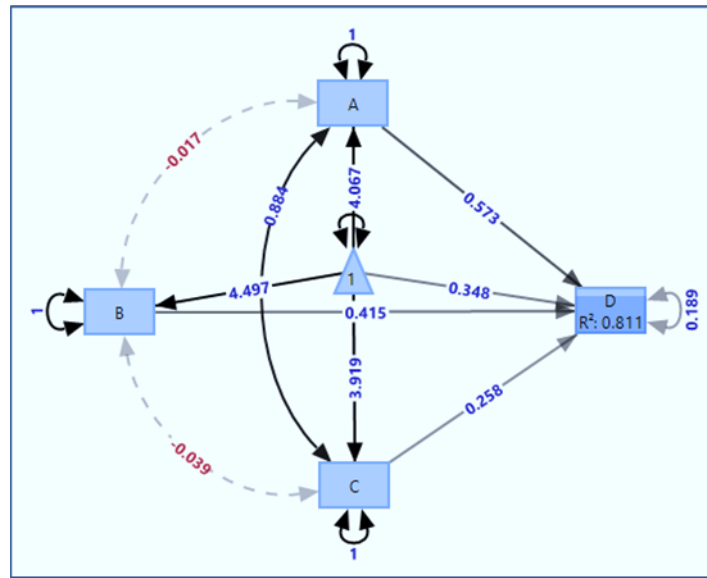


Figure 2. Standard contribution sizes

Based on the provided data, the statistical significance assessment in Table 2 yields $[F(3,428) = 612.3871, p < 0.0001]$. With this information, we can confirm the alternative hypothesis:

Ha: Salary, colleagues, and working conditions influence employee satisfaction.

Table 2. ANOVA

Source	DF	Sum of Squares	Mean Square	F Ratio
Model	3	173.34379	57.7813	612.3871
Error	428	40.38358	0.0944	Prob > F
C. Total	431	213.72737		<0.0001

On Figure 3, the unstandardized contribution sizes of the established theoretical system model are depicted. The largest variance is for the variable (C-working conditions), at 0.96, followed by the variable (A-salary) at 0.893, and the smallest value is for the variable (B-colleagues) at 0.724. The largest covariance is between the independent variables (A-salary) and (C-working conditions) at 0.818, which is positive. Next is between the independent variables (B-colleagues) and (C-working conditions) at -0.032, which is negative, and between the independent variables (A-salary) and (B-colleagues) at -0.014, which is also negative.

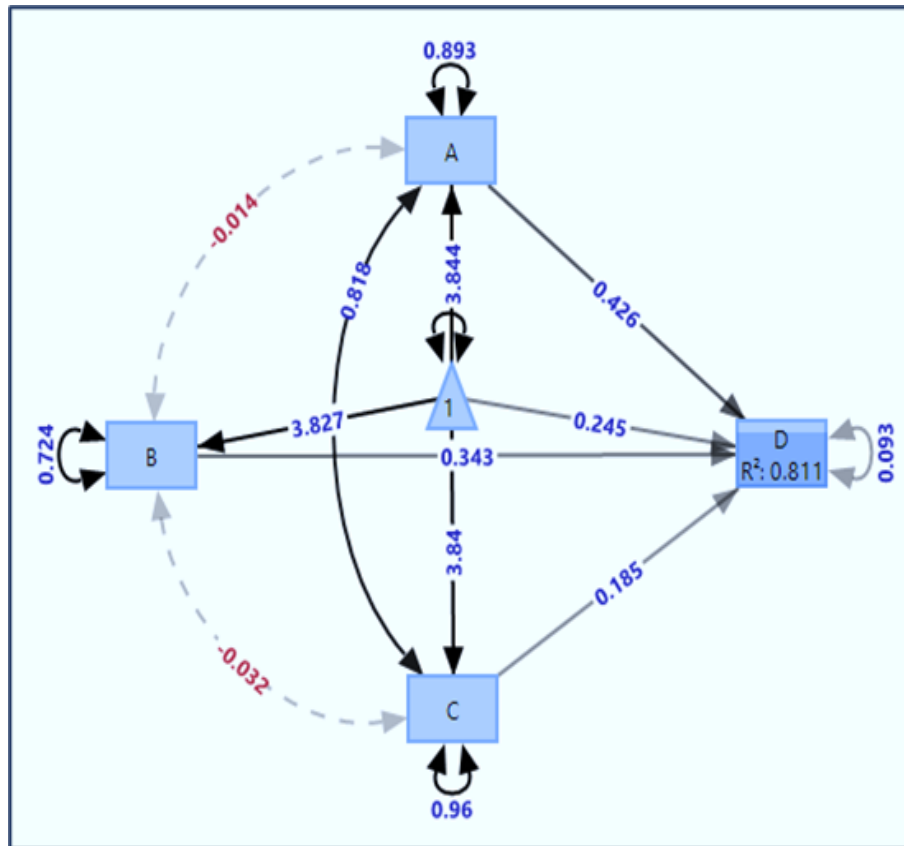


Figure 3. Unstandard contribution sizes

Based on the data shown in Figure 3, a multiple regression equation (formula a or b) can be formed, as also presented in Figure 4. The equation is as follows:

$$y = 0.244801 + 0.4262431 \cdot x_1 + 0.3429098 \cdot x_2 + 0.1849231 \cdot x_3 \quad (a)$$

or

$$\begin{aligned} &(\text{Employee satisfaction}) \\ &= 0.244801 + 0.4262431 \cdot (\text{salary}) + 0.3429098 \cdot (\text{colleagues}) \\ &+ 0.1849231 \cdot (\text{working conditions}) \end{aligned} \quad (b)$$

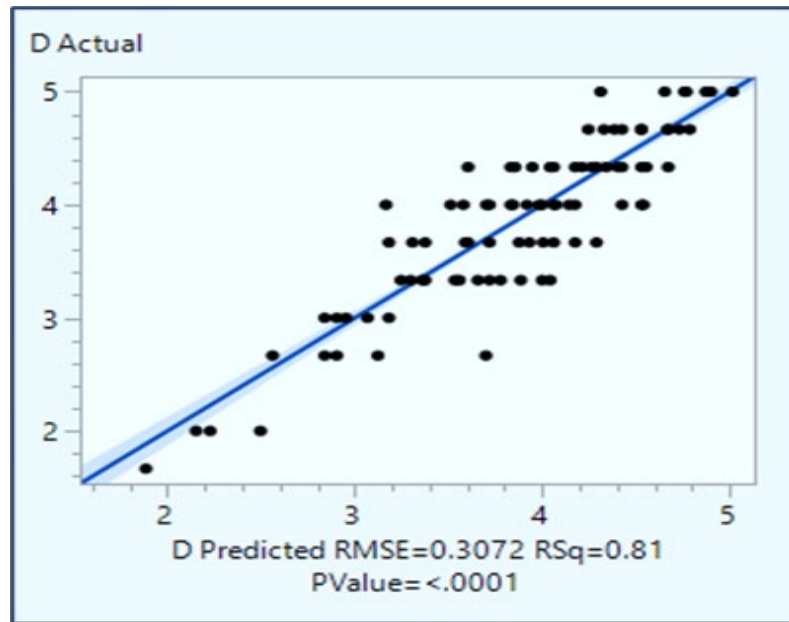


Figure 4. Multiple regression equation diagram

Based on the conducted research on a sample of 432 employees, it can be concluded that as salary increases, relationships with colleagues improve, and working conditions enhance, employee satisfaction also increases.

Conclusion

Employee satisfaction is becoming the foundation of the survival of modern organizations. Special emphasis is placed on job satisfaction as a significant indicator of job stimulus and overall work dimension.

Analysis of organizational factors influencing employee satisfaction shows that there is a deep connection between organizational efficiency and the well-being of its employees. Various factors such as salary, working conditions, collaboration, and organizational structure have a direct and significant impact on employee satisfaction. Research has shown that satisfied employees have higher work motivation, resulting in increased productivity and better organizational performance. Therefore, managers and leaders need to recognize the importance of maintaining high levels of employee satisfaction and actively work on improving organizational factors that contribute to it. Through the implementation of appropriate strategies, such as fair compensation, improvement of working conditions, and encouragement of teamwork, organizations can create a positive work environment that will support the growth and success of both employees and the organization itself.

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