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Factors Affecting Employees' Job Satisfaction: Organizational and Individual Levels

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Abstract: ***In contemporary business management studies, the importance of employees is increasingly emphasized, with greater focus on employee satisfaction as a foundational element for sustained organizational success. Employee satisfaction directly influences not only productivity and retention rates but also fosters a positive organizational culture that attracts and retains top talent. This paper synthesizes and reviews the impact of both organizational and personal factors on job satisfaction, frequently examined in existing literature, through a comprehensive literature review.***
Through an in-depth discussion of these factors, this paper highlights that organizational aspects, such as corporate climate, competitive compensation, opportunities for career progression, and inclusive leadership styles, are positively associated with higher levels of employee satisfaction. Satisfied employees are more likely to exhibit commitment to their roles, which in turn positively impacts team dynamics and organizational outcomes. At the individual level, characteristics like age, educational background, and work experience are explored, with findings showing varying effects on job satisfaction depending on industry and context. Differences in job satisfaction across demographic groups underscore the need for a tailored approach to management that considers diverse employee backgrounds and career stages.
Based on the analysis of these factors, this paper also offers actionable recommendations for organizations. Strategies such as reducing hierarchical distance, implementing mentorship programs, and facilitating regular feedback sessions ensure that employees feel valued and heard. By addressing both organizational and individual-level factors, organizations can cultivate a supportive work environment, ultimately enhancing employee satisfaction and contributing to long-term success.

I. INTRODUCTION

As the field of business management continues to evolve with new doctrines and theories, the vital role employees play in business growth is gaining more attention. According to Majstorović and Cerić (2019), individuals uniquely possess the ability to learn, develop, and improve over time, thereby contributing significantly to the advancement of an organization. Consequently, people serve as the foundation for organizational development and stand among the most critical factors in business success [1]. Effective workforce management and strategic staffing can bring substantial benefits to business growth. Numerous studies have shown that effective human resource management (HRM) enhances company productivity, improves the quality of products and services, and subsequently drives better financial outcomes for the organization . In this context, businesses aiming to gain a competitive edge through HRM must prioritize their investment of time, energy, and resources in HRM practices [1]. Within HRM, initiatives to boost employee job satisfaction are particularly essential. Job satisfaction reflects an employee's attitude toward their job, encompassing their emotions, perceptions, and evaluations regarding their work [3]. Increasing job satisfaction can strengthen employee commitment, enhance productivity, and improve loyalty to the organization, thus reducing turnover and playing a critical role in modern business management. In this paper, we examine the organizational factors influencing employee job satisfaction. Job satisfaction, however, is inherently subjective. As Saifuddin and Ali (2023) noted, an employee's satisfaction or dissatisfaction depends on whether the outcomes of their job align with their initial expectations, a highly individual perspective [3]. Given this subjectivity, in addition to organizational-level factors impacting job satisfaction, this paper also explores personal factors that may influence employee satisfaction. The field of job satisfaction has accumulated a substantial body of research, including studies on the relationship between job satisfaction and employee performance, the connection between job satisfaction and engagement, and the effect of economic conditions on job satisfaction. However, comparative studies on variations in job satisfaction across industries or regions remain limited, likely due to the extensive resources required for such research. This paper reviews previous research across various industries to analyse factors influencing job satisfaction at both organizational and personal levels, such as corporate environment, compensation and benefits, and employee age and education. Based on this analysis, recommendations

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targeting these factors are proposed to assist companies in effectively managing their workforce and enhancing employee satisfaction.

After conducting an ANOVA test, the job satisfaction scores across various age groups did not show any significant differences, indicating no meaningful relationship between age and job satisfaction. This outcome may be due to the common assumption that job satisfaction increases with age; however, researchers may overlook that newer employees often experience a sense of novelty in their roles and enthusiasm about future career growth. This enthusiasm among younger employees might balance the impact of age on job satisfaction, resulting in minimal variation across different age groups.

Work experience refers to the skills and expertise employees acquire through their previous roles, serving as a measure of the time and effort an individual has invested in past positions . Variations in job characteristics and tenure lead to a diverse range of experiences among workers. Consequently, research findings across different industries do not always align. For example, in a study conducted by Pehlivanoğlu, M.Ç. (2023) on Japanese retail workers, participants were divided into three groups based on years in the workforce: 1-5 years, 6-15 years, and over 16 years. The data analysis indicated no significant difference in job satisfaction across these groups, suggesting that work experience and job satisfaction are not strongly linked. Conversely, a 2018 study on 80 Indonesian bank employees showed a positive correlation between work experience and job satisfaction, with findings that each 1% increase in experience correlated with a 0.202% rise in job satisfaction [18]. This disparity may be due to industry-specific factors; for example, retail employees may acquire necessary skills relatively quickly, while bank employees require extensive expertise and judgment, which accumulates over a longer period. As a result, personal work experience may have a stronger link to job satisfaction in fields that demand specialized knowledge, like banking.

II. WORK EXPERIENCE AND JOB SATISFACTION

Work experience refers to the skills, knowledge, and competencies an individual acquires through prior employment, which can reflect the time and effort dedicated to past roles [17]. Variations in job roles and the length of tenure within a particular field contribute to a diverse range of work experiences among employees. As a result, research on this topic often yields different outcomes across various industries. For example, a study conducted by Pehlivanoğlu, M.Ç. in 2023 on Japanese retail workers categorized employees into three groups based on their years of experience: 1-5 years, 6-15 years, and over 16 years. The findings of the data analysis revealed no significant differences in job satisfaction scores among these groups, concluding that work experience does not strongly influence job satisfaction. In contrast, a 2018 survey of 80 bank employees in Indonesia demonstrated a positive correlation between work experience and job satisfaction. Specifically, the analysis showed that for every 1% increase in work experience, job satisfaction increased by 0.202%. This difference in findings may be attributed to the specific demands of each industry. In the retail sector, employees often gain the necessary skills relatively quickly by learning the product characteristics and adapting to the customer base, which can lead to faster job satisfaction. Conversely, the banking industry requires a deeper understanding of specialized financial knowledge and trends, which takes longer to accumulate, and thus work experience plays a more significant role in job satisfaction in such fields.

Additionally, industries with high levels of complexity and technical expertise, such as banking or engineering, tend to show stronger correlations between work experience and job satisfaction. The longer employees stay in their roles, the more confident they become in their skills, contributing to their overall satisfaction. Furthermore, experienced workers in these fields often have a higher level of responsibility and autonomy, which can positively impact job satisfaction. For instance, as employees gain more work experience, they may be entrusted with leadership roles or more complex projects, providing them with a sense of accomplishment and fulfillment. In contrast, employees in industries where tasks are more repetitive or require less specialization may not experience the same boost in satisfaction as their more experienced counterparts.

Moreover, companies that offer continuous learning and development opportunities can help employees build upon their prior experiences, making them feel more engaged and valued in their roles. Additionally, employees who have accumulated a wealth of knowledge may expect better job conditions, career advancement, and higher compensation, which can contribute to their satisfaction levels. Companies that recognize this need and align career development opportunities with employees' professional growth can foster higher job satisfaction. As work experience increases, employees are likely to seek more meaningful work and career progression, which can drive further job satisfaction if these needs are met by the organization.

Research also suggests that when organizations recognize the value of long-term employees and provide opportunities for them to mentor newer staff, job satisfaction can improve across the workforce. This mentoring system allows experienced employees to feel appreciated and respected, as they contribute to the success of less experienced colleagues. Additionally, as industries evolve, the gap between newer employees and experienced ones may decrease if companies invest in ongoing training programs. By

maintaining a learning environment, businesses can ensure that employees of all experience levels feel equipped to excel in their roles, ultimately boosting overall job satisfaction.

III. EDUCATION LEVEL AND JOB SATISFACTION

Several studies indicate a negative correlation between education level and job satisfaction, meaning that higher levels of education may correspond with lower job satisfaction [19]. This effect could stem from the higher expectations of highly educated individuals, who may feel disappointed if their job is overly routine or fails to utilize their skills fully. Supporting this theory, researchers hypothesized that lower education levels would correspond with higher job satisfaction. This hypothesis was tested in the Spanish hotel industry, with a study involving 585 employees across 73 Spanish hotels. Analysis revealed that educational level partly explained the lower job satisfaction, as satisfaction tended to decrease with education level, hitting its lowest for employees with a university degree, but then increased for those with graduate degrees. Similarly, a study of Japanese sales professionals found that employees without a bachelor's degree had higher job satisfaction than those with advanced degrees [16], reinforcing the idea that higher education can reduce job satisfaction. These studies reveal that within the same industry, job satisfaction generally declines with increasing education up to the university level, yet shifts positively from the graduate level onward, suggesting that education may negatively impact job satisfaction for employees in comparable roles.

IV. SUGGESTIONS FOR ORGANIZATIONS AND COMPANIES

To address the factors affecting employee satisfaction, organizations should consider strategic adjustments to enhance job satisfaction. Higher job satisfaction boosts employee motivation and productivity, while low satisfaction can lead to turnover and absenteeism [16]. Companies can adopt several key strategies to foster a positive work environment.

1) *Cultivate a Positive Work Environment and Culture:* A clean, comfortable workspace and a supportive, friendly organizational culture contribute to higher employee satisfaction. Promoting an inclusive and respectful atmosphere makes employees feel valued and can reduce stress.
2) *Provide Competitive Compensation and Benefits:* Appropriate benefits and fair compensation reinforce that employees' efforts are acknowledged and valued. When employees feel fairly rewarded, they tend to be more committed to their roles and motivated to perform well.
3) *Support Career Development:* Offering clear pathways for career growth, skill development, and opportunities for job advancement is essential for job satisfaction. This includes not only promotions but also providing training that aligns with employees' career goals and placing them in roles where they can best utilize their strengths.
4) *Foster Inclusive and Supportive Leadership:* Inclusive leadership is vital for enhancing employee satisfaction. Leaders who embrace diversity in employee perspectives, demonstrate empathy, and engage in positive communication create an ideal management style that fosters employee loyalty and satisfaction.
5) *Implement Equality and Reduce Hierarchical Distance:* Although age and work experience may not be directly related to job satisfaction, establishing an egalitarian workplace can reduce potential dissatisfaction, particularly among younger employees. Minimizing power distance within the organization and promoting equality across all levels can help create a more harmonious work environment.
6) *Establish a Mentorship Program:* A mentorship system can bridge the gap between newer and more experienced employees, facilitating skill development and reducing dissatisfaction among less experienced employees. Experienced employees can guide newcomers, helping them build their expertise and confidence.
7) *Address Education-related Dissatisfaction:* Companies should engage with employees to understand if dissatisfaction stems from unchallenging tasks or an inability to fully utilize their skills. Based on this feedback, organizations can make adjustments to better align job roles with employees' skillsets.
8) *Regularly Review and Update HR Policies:* Individual characteristics such as age, work experience, and education level aren't the only factors influencing job satisfaction. Line managers should frequently consult with HR to implement strategic HR policies tailored to the organization's specific needs. Regular policy updates based on both individual and organizational factors can significantly improve employee satisfaction

V. CONCLUSION

This paper examines four organizational-level and three individual-level factors that can influence employee job satisfaction. These factors are analyzed and discussed through a review of existing literature. At the organizational level, the working environment, compensation and benefits, and career development plans have a substantial positive effect on employee job satisfaction. This implies that a supportive work environment, fair compensation, and a clear career trajectory can enhance employees' satisfaction and

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motivation. Additionally, leadership style also plays a role in employee satisfaction. A more flexible and approachable leadership style typically leads to higher employee contentment and greater productivity.

On the individual level, research presents varied findings regarding the impact of age and work experience on job satisfaction. Some studies suggest that both age and experience contribute positively to job satisfaction, while others argue that they do not significantly influence satisfaction levels. These differing conclusions could stem from variations in the nature of the industries being examined. Moreover, the education level of employees has been shown to affect job satisfaction. Within the same sector, job satisfaction tends to be negatively correlated with education level before attaining a college degree, but positively correlated afterward. For the same role, higher education levels have been found to negatively affect job satisfaction.

Based on these insights, the paper offers several recommendations for businesses. Companies should provide employees with competitive salaries and a supportive work environment, establish clear career advancement opportunities, foster greater tolerance for diversity, reduce hierarchical distance, and actively engage in communication to better understand employee needs. Such strategies will help improve employee satisfaction and loyalty, ultimately benefiting the long-term success of the company. Additionally, there is a lack of comparative studies on employee satisfaction with co-workers. While this paper covers multiple industries, they cannot be directly compared due to varying research variables. Future studies should therefore prioritize comparative research on co-worker satisfaction, such as investigating differences in job satisfaction across countries, regions, or cultures within the same industry or company. This will help address existing gaps in the literature on employee job satisfaction.

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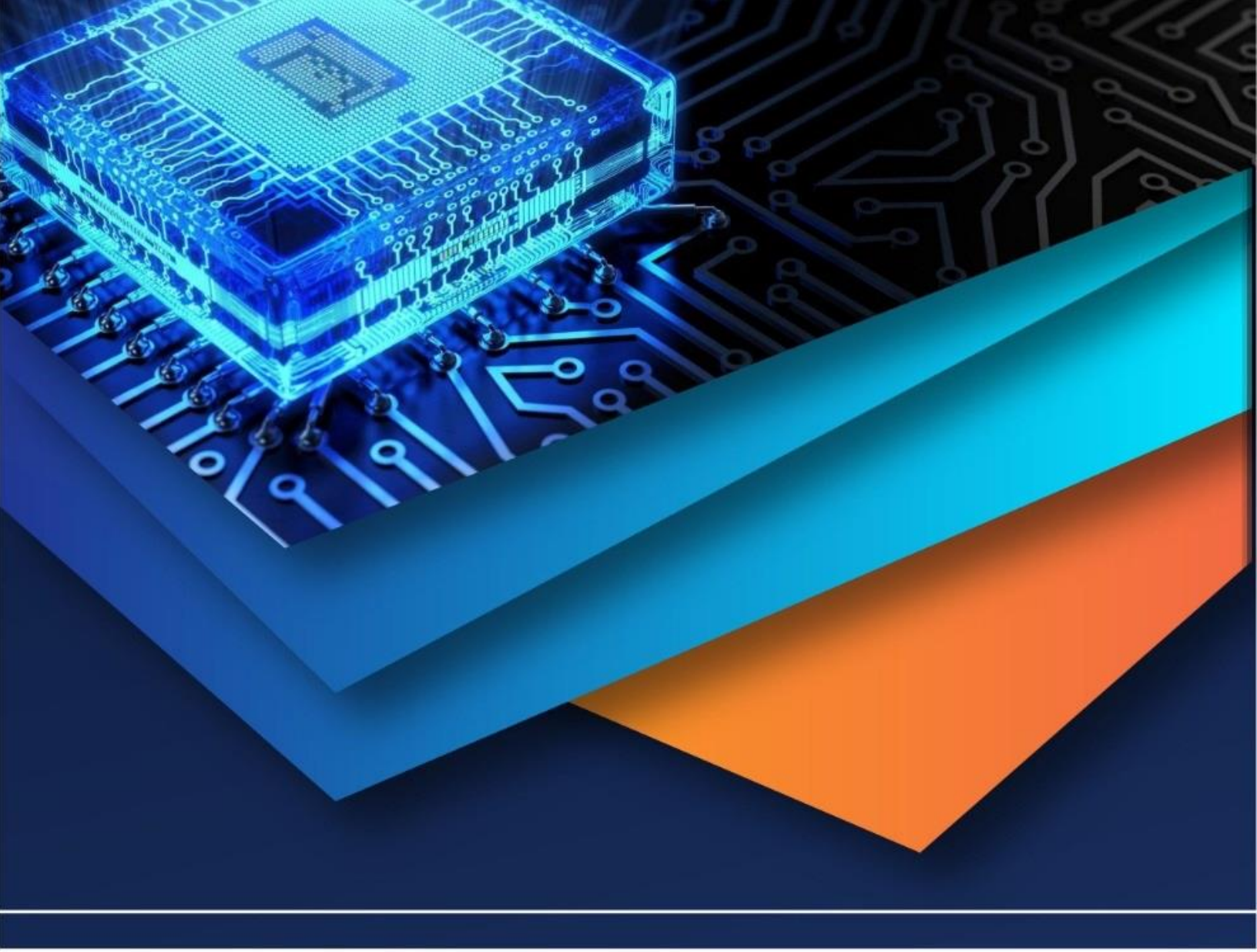

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