

RESEARCH BRIEFS

WHAT MAKES WORKERS HAPPY IN FORMER SOCIALIST ECONOMIES: DOES EAST NOW MEET WEST?

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RESEARCH QUESTIONS

Who doesn't want happy employees? After all, happiness is a worthwhile goal in itself and satisfied workers tend to be happier in life. Furthermore, job satisfaction has managerial implications. Happy employees tend to perform better at their jobs and tend to be better organizational citizens who perform beyond their duties. In contrast, dissatisfied employees are more likely to quit or to engage in absenteeism and destructive behaviors at work.

Given the benefits of satisfied workers, it is no surprise that what makes employees satisfied has been extensively studied. Much of the past research has focused on rewards as the main factor that drives employee satisfaction (Locke, 1976; Vroom, 1964). The main premise is that employees are satisfied when they receive rewards that they both value and anticipate receiving. The more (less) valued the rewards, the more (less) satisfied the employee. Moreover, the smaller (bigger) the gap between rewards expected and rewards received, the more (less) satisfied employees will be.

Psychologists have tended to focus on *intrinsic* rewards, that is, rewards linked to the job itself, such as performing meaningful tasks or acquiring new skills. Economists, on the other hand, have tended to focus on *extrinsic* rewards, that is, rewards received in exchange for performing the job, such as pay raises, job security, and opportunities for promotion. Because it may be hard for workers to assign a monetary value to intrinsic rewards and nonmonetary extrinsic rewards, their impact on job satisfaction may not be systematically related to how important or desirable employees actually judge them to be (McGraw, Shafir, & Todorov, 2010).

In their recent study, Susan J. Linz (Michigan State University, East Lansing) and Anastasia Semykina (Florida State University, Tallahassee) explored these reward issues, essentially bridging the gap between economics and psychology in the study of job satisfaction. Interestingly, their effort focused on workers in formerly socialist economies, thus also shedding light on whether previous findings on job satisfaction based on workers in Western,

capitalist countries also hold up in different cultural contexts.

STUDY DESIGN AND METHOD

Linz and Semykina surveyed 7,010 employees from over 600 workplaces in Armenia, Kazakhstan, Kyrgyzstan, Russia, and Serbia between 2005 and 2009. A variety of workplaces were included (e.g., manufacturing, construction, services, healthcare, education, government). Job satisfaction was measured by asking employees to rate, from 1 (strongly disagree) to 5 (strongly agree), the extent to which they were satisfied with their current jobs.

The extrinsic rewards assessed in the survey included pay increases, job security, promotion opportunities, praise from supervisors, and respect from coworkers. The intrinsic rewards assessed included the chance to learn new things, accomplish something worthwhile, develop skills, have freedom on the job, the friendliness of co-workers, and the extent to which the job made employees feel good about themselves. For each of these rewards, respondents were asked to indicate the degree of importance they attached to them and how likely they believed they were to receive each reward if they did their job particularly well (again on 5-point scales). Linz and Semykina also included other factors that have been shown to influence job satisfaction, such as whether the organization is public or private, opportunity for training, pay structure (e.g., pay for performance or not), other human resources policies, and worker characteristics (e.g., age, gender, marital status). All of these factors were entered in a regression analysis to determine their influence on job satisfaction.

KEY FINDINGS

The pair found that in Kazakhstan, Russia, and Armenia younger and older workers are more satisfied than middle-aged workers, which is consistent with results from studies of Western employees. Women and married men also tended to be slightly happier at work than their counterparts, except in

Kyrgyzstan, where the opposite held true, a finding Linz and Semykina speculated may reflect the tension between traditional cultural beliefs and aspirations in Kyrgyzstan: women there continue to be frustrated by ongoing discrimination while married men continue to be expected to be the main breadwinner in the face of dismal employment prospects.

Linz and Semykina also found that employees in supervisory positions tended to be happier—again consistent with findings from Western firms. Surprisingly, however, employees in private firms were no happier than employees in state-owned organizations, except in Serbia.

With respect to anticipated rewards, the findings were once again consistent with what has been found in the West. Workers were more satisfied when they anticipated receiving extrinsic rewards (e.g., pay increases, praise from supervisors) as well as intrinsic rewards (e.g., chance to learn new things, accomplish something worthwhile, have freedom on the job). However, there was one major exception to this pattern. Unlike in the West, promotion opportunities led to lower rather than higher job satisfaction. Linz and Semykina speculated that this finding may reflect the socialist legacy of “do more with less”—meaning that promotion is viewed as a negative rather than a positive event.

Further analysis added nuance to these results. For instance, Linz and Semykina found that Kazakh and Serb workers who felt job security wasn't that important were actually less, rather than more, satisfied when they viewed their jobs as secure. This might reflect the fact that most jobs in these countries are still in the public sector, where pay, promotions, and prestige are lower. In short, such jobs are likely to be seen as less desirable to begin with.

Praise by supervisors was associated with higher job satisfaction for Armenian and Kyrgyz workers, but only when they valued such rewards. On the other hand, praise from their bosses seemed to increase Russian and Serbian employees' job satisfaction regardless of its importance and desirability. Other surprising results involved the chance to learn new things and to develop new skills. Workers who desired these rewards in Kazakhstan, Kyrgyzstan, Armenia, and Serbia were less satisfied with their jobs than those who did not. Linz and Semykina speculated that workers who expect these rewards in these countries may feel that their workplaces lack opportunity for learning and developing skills. Indeed, when they both desired and expected to receive these rewards, employees in these countries tended to be more, rather than less, satisfied with their jobs.

With respect to pay, workers in the countries surveyed were more satisfied when they earned more,

except in Kyrgyzstan and Serbia, where no effect was found. In Kyrgyzstan, this may be due to the rarity of performance-based pay, and in Serbia—where workers with high education or extensive skills feel trapped in occupations that may pay well but are not necessarily desirable—to unsatisfactory job match. Workers in Kazakhstan, Armenia, and Russia also tended to be happier when their peers earned more than they did. The pair speculated that being out-earned could signal to these employees that higher pay was possible in the future. In Kyrgyzstan and Serbia, however, workers were less satisfied when their peers had higher earnings, possibly due to a culture where rivalry and status tend to carry more weight.

Overall, Linz and Semykina found that both intrinsic rewards and nonmonetary extrinsic rewards (e.g., praise from supervisors) led to higher job satisfaction even when workers did not view these rewards as important. This finding suggests that it is more difficult for workers to assess the value of nonmonetary rewards. In other words, even workers who say they don't feel such rewards are valuable and important nevertheless feel happier when they receive them.

CONCLUSIONS AND IMPLICATIONS

This study reveals that what makes workers in former socialist economies feel satisfied at work is largely the same as their counterparts in more developed Western countries. This general finding is significant for at least two reasons. First, it confirms and therefore strengthens past research about job satisfaction. Second, it means that the same policies and practices that increase job satisfaction in the West are more likely to work in places as diverse as Russia, Armenia, Kazakhstan, Kyrgyzstan, and Serbia. While differences remain and additional studies are needed to extend these results to an even broader set of countries and cultures, what drives job satisfaction for employees worldwide may be converging.

That said, two exceptions to this conclusion stand out. First, Linz and Semykina have shown us that the legacy of the Soviet era still lingers with respect to negative attitudes about promotion. Time will tell whether these attitudes will change, as promotions are associated with more valued consequences. Second, workers in some countries tended to perceive peers who earn more as a positive circumstance (perhaps interpreting it as a signal that they could earn more in the future themselves), while higher earning peers were viewed negatively in others (perhaps because of the status gap it may imply in places like Kyrgyzstan and Serbia). This divergence has managerial implications with respect to pay practices. In Kyrgyzstan and Serbia, managers may want to have a more egalitarian pay policy, while in Kazakhstan,

Armenia, and Russia, pay-for-performance policies may be more likely to motivate employees. Clearly, Linz and Semykina have given us a more refined understanding of what causes worker satisfaction in these five former socialist economies.

SOURCE

Linz, S. J., & Semykina, A. (2012). What makes workers happy? Anticipated rewards and job satisfaction. *Industrial Relations*, 51(4), 811–844.

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