Does Cultural Heritage Affect Job Satisfaction:  
The Divide between EU and Eastern Economies

Nikica Mojsoska-Blazevski  
Marjan Petreski

Keywords: culture, Europe, job satisfaction, Eastern Europe, economy

Abstract

The objective of this paper is to examine the factors influencing worker’s job satisfaction aside the conventional factors, in the vein of the basic cultural values and beliefs, and then to put this into a comparative perspective for the South-Eastern European countries (SEE) and for Macedonia, in particular. Cultural values are grouped into traditional vs. secular-rational values and survival vs. self-expression values. The main result from the study is that cultural heritage exerts considerable impact on job satisfaction in SEE with some determinants – like the importance of work, religion and family – exerting stronger influence in South-Eastern Europe than in Central-Eastern Europe (CEE) and in western Europe. However, cultural values are found to affect job satisfaction in Macedonia with less pronounced significance. Mainly traditional cultural values are found important in the Macedonian case, while from the survival group only trust is found to likely affect job satisfaction, and with the effect being likely stronger than in the case of SEE, CEE and western Europe.

Introduction

Do workers in the eastern, ex-communist countries share the same values and beliefs as citizens of the western countries? What about Macedonians? Whereas economists are certain about the convergence in economic performance and the catch-up effect that eastern countries experienced in their accession to the EU, there is still only a small body of literature on the convergence of culture. In particular, there are two competing
theories, the first stating that economic prosperity brings convergence in cultures, the so-called ‘modernization theory’, whereas the opposite one argues that traditional values persist despite the economic and political progress (Inglehart & Baker, 2000). Given that almost two decades have passed after the break-up of the communist regimes, which is sufficient time for any cultural convergence to the EU to take place, this paper seeks to examine which of the two compelling hypotheses holds. There are few studies in this area. In addition to their approaches, we provide additional insights, given that we sub-divide eastern countries into two groups: the Central-Eastern European countries (CEE) and South-Eastern Europe (SEE). Such a division is intended to reveal any differences due to the different stages of economic development at which these regions are, the possible effect of geographical proximity of the CEE countries to the western-European countries, as compared to the SEE countries, as well as the prolonged period of political instability in the SEE region which might have slowed down the cultural convergence of these countries into the EU. We also provide individual-country estimates for Macedonia to check how it compares with the entire SEE group.

Moreover, while there is a growing body of multi-disciplinary literature investigating determinants of job satisfaction, ranging from human resource management, to sociology, psychology, labour economics, and so on, the issue of culture and its effect on worker’s well-being has largely been neglected (Fragher et al. 2008). Indeed, Mueller et al. (2009) argue that cross-national examination of job satisfaction has to go beyond the sole investigation of measurement equivalence of used measures, but to examine the influence of culture and values on different job satisfaction levels across countries.

In this regard, the aim of this study is twofold. First, we examine factors influencing worker’s job satisfaction aside conventional factors (like: personal background, individual labour-market characteristics, organizational culture, and so on) and introduce the basic cultural values and beliefs. The latter are grouped into traditional vs. secular-rational values and survival vs. self-expression values. Second, we investigate the relative importance of culture for job satisfaction in the (old) EU countries, CEE and SEE countries, and with an individual-country focus on Macedonia as an accession country. This issue has not been investigated in SEE and Macedonia, which is the main contribution this paper makes.
We continue with a brief literature review on the current studies in the area of the impact of culture and values on job satisfaction. In section 3, we explain data and in section 4, the methodology used. Section 5 presents and discusses the results, whereas section 6 concludes.

**Literature Review: Is There a Convergence of Culture?**

Culture can be defined as a set of interrelated values, attitudes and behaviours that form a group’s, organization's or country’s system of values (Mujtaba et al., 2009). Similarly, Guiso et al. (2006) define culture as "customary beliefs and values that ethnic, religious and social groups transmit fairly unchanged from generation to generation" (p.2). Both definitions have an implicit result that the common culture is (mostly unchanged) transferred from generation to generation, which implies that there is no convergence of culture and values among societies over time. The latter, however, is an issue that does not reach consensus in the literature.

In particular, there are two compelling theories about the convergence of cultures. The first – ‘the modernization theory’ - with Karl Marx being one of its most prominent representatives, argues that economic and political development brings about replacement of absolute norms and values with values that are rational, tolerant, and based on trust and which leads to wider society participation. In other words, modern and developed countries show the future for the less developed ones (Inglehart & Baker, 2000). However, until the second half of the twentieth century, modernization has been viewed as a process inherent to the western societies only. If this belief holds, modernization of non-western societies, including the ex-communist countries (or transition economies), would be made possible only if those countries discard their traditional culture and values and implement the (believed to be, superior) western culture and values. This also implies a convergence of culture and values of the new EU member states and the candidate countries to the old EU (or the EU-15) countries. But then, some eastern countries, mainly East Asia, outperformed their western peers, violating the assumption of western societies being a role model for the world.

The opposite school of thought argues that traditional values are persistent and independent of the broader economic and political changes (Roland, 2005; Inglehart, 2008). For instance, Roland (2005) asserts that culture, along with the values, beliefs, and norms, is among the “slow-moving” institutions in the society, which are difficult to change and which impact the
“fast-moving” institutions such as the political and legal institutions. The implication of this approach is that there would be no convergence of values towards some “dominant” model or set of values (present in the modern or developed societies), and that there is perpetual effect of the traditional values on cultural changes caused by economic and/or political changes (Inglehart & Baker, 2000).

On the empirical front, Inglehart and Baker (2000) and Inglehart (2008) used nation-level data from more than 40 societies from the World Values Survey and found persistent differences between values in low-income and high-income countries in the area of political, social and religious norms and beliefs, hence questioning the modernization theory. Based on the findings, the author formulated two dimensions which reflect cross-national differences; these are: 1) traditional vs. secular-rational values towards authority, and 2) survival vs. self-expression values. The society that has low tolerance for abortion and divorce, respects parental authority, puts high importance on family life, and is relatively authoritarian and religious, is considered as a traditional society. The secular-rational society/values emphasize the opposite. Survival values include preferring economic and physical security over self-expression and quality of life, traditional gender roles, distrust and intolerance. These distinctions are well rooted in the research literature (see, for instance, Inglehart & Baker, 2000). In addition, Fargher et al. (2008) argue that culture and beliefs do not only influence worker's job satisfaction, but have broader importance given they affect economic behaviour as well. The cross-cultural differences (once rooted by religion) become a part of the (distinctive) national culture and persist over time, fuelled by the family, education, local society, cultural institutions and media (Inglehart & Baker, 2000; Fernandez & Fogli, 2005; Guiso et al. 2006). Moreover, as Inglehart and Baker (2000) argue, economic development leads to changes in dominant values and beliefs, and, consequently, to a cultural change, but not necessarily to a cultural convergence.

While there is a growing body of multi-disciplinary literature investigating the determinants of job satisfaction, ranging from human resource management, to sociology, psychology, labour economics, and so on, the issue of culture and its effect on worker's well-being has largely been neglected (Fargher et al., 2008). Moreover, our study (similarly to that of Fargher et al.) investigates how job satisfaction is affected by the broad cultural values of a society, rather than by the organizational culture, and
hence adds to the current research literature which is dominated by the latter. This holds even more for transition economies where little research has been conducted in the area of job satisfaction, or human values associated with the corresponding economic behavior and job (Vecernik, 2003).

**Data**

To pursue the objective to examine the role of culture for job satisfaction, the data of the fourth wave (2008) of the European Values Survey (EVS) are used. The entire sample includes 47 countries. The western-countries group includes: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Great Britain and Northern Ireland. The Central-Eastern Europe (CEE) group includes: Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovak Republic and Slovenia (the new EU member states). The South-Eastern Europe (SEE) group includes: Albania, Bosnia Herzegovina, Croatia, Montenegro, Serbia, Macedonia and Kosovo (the candidate and potential candidate EU member states). This sub-division aims to reveal any differences among the groups due to the potential influences of, mainly, communist legacies as well as the different stages of economic and political development at which these regions are and is consistent with the suggestion in the literature (Inglehart & Baker, 2000) that post-communist economies are likely to be different cultural zones on the global cultural map. Moreover, we argue that the geographical proximity of the CEE countries to the western-European countries, when compared with the SEE countries, as well as the prolonged period of political instability in the SEE region made further cultural differences between the CEE and SEE countries. This type of analysis seems suitable, given that we have the EVS wave of 2008, almost 20 years after the beak-up of the communist regimes, which is sufficient to analyze whether cultural convergence has been occurring in those countries over the preceding two decades.

However, there might be some methodological problems when analyzing job satisfaction, and work values, in general, given that all measures of values and satisfaction are obtained indirectly, through opinion or perception surveys (Blanchflower & Freeman, 1997; Vecernik, 2003). For instance, researchers have to accept the self-reported job satisfaction as a reliable measure for one’s job satisfaction. In addition, the data collection can undermine the comparative research, given that cultural differences might lead to different
understanding of the same questions and concepts across countries. In the same line of arguments, different “survey literacy” of the population would lead to international inconsistency of the data. Besides these methodological caveats, the data from EVS are generally accepted and used by researches around the globe in comparative studies in different areas, though with some delayed interest by the economists.

The dependent variable we include is the job-satisfaction as an ordered categorical variable where 1 reflects complete job dissatisfaction, and 10 complete job satisfaction. This variable corresponds to the question “Overall, how satisfied or dissatisfied are you with your job?” Note that as such measured, the job satisfaction might reflect the satisfaction with a specific job contract or a workplace. However, we treat it as representing job satisfaction in general, despite the warning of Georgellis and Lange (2007a) that the latter might differ from the former. Such a distinction is not available in the EVS. Then, several demographical variables are included: gender, marital status, education and income level, that control for key demographic and socio-economic characteristics of surveyed individuals which are assumed to influence job satisfaction. The explanatory variables include several observations to distinguish traditional versus secular and survival versus self-expression values, as suggested by Inglehart and Baker (2000).

A concern might be raised over “the use of single-item measures of complex attitude structures” (Georgellis & Lange, 2007b, p.7), since values in the EVS are measured and approximated by a single question. Still, Wanous et al. (1997) use a meta-analysis of job satisfaction studies and find that single-item measures can be used in job satisfaction studies without that being considered as a flaw.

Data details are contained in Table 1.
### Methodology

Since the dependent variable is ordered categorical variable, an ordered probit regression will be used (McKelvey & Zavoina, 1975). Within the regression, it is assumed that a latent and continuous measure of the
dependent variable $S^*_i$ follows the normal distribution with $\mu_i$ mean and unitary variance. It is defined as:

$$S^*_i = \beta^* z_i + e_i$$

(1)

Whereby $z_i$ is a vector of explanatory variables describing individual characteristics, $\beta$ is the vector of parameters to be estimated and $e_i$ is the random error which is assumed to be well-behaved. Then, the observation mechanism is:

$$S_i = j \text{ if } \tau_{j-1} = S^*_i = \tau_j$$

(2)

For $j=1, \ldots, J$, where $J$ is the total number of categories.

Given the constraints $v_i < 1$ for all $i<m$ and $\tau_0 = -\infty$ and $\tau_J = +\infty$, it follows that the observed and coded discrete dependent variable $S_i$ is determined from the model as follows:

$$S_i = \begin{cases} 
1 & \text{if } -\infty \leq S^*_i \leq \tau_1 \\
2 & \text{if } \tau_1 \leq S^*_i \leq \tau_2 \\
\vdots & \\
10 & \text{if } \tau_9 \leq S^*_i \leq +\infty 
\end{cases}$$

(3)

Where $\tau_i$, for $i=1, \ldots, J$, represents thresholds to be estimated along with the parameter vector $\beta$.

The probability for each category is given by:

$$\Pr(S_i = j) = \phi(\tau_j \mid \mu_i) - \phi(\tau_{j-1} \mid \mu_i), \text{ with } j = 1, \ldots, J.$$  

(4)

Where, $\phi(\mu_i)$ is the cumulative distribution function for the normal distribution with mean $\mu_i$ and unitary variance. Note that the interpretation of this regression in this paper is based primarily on the coefficients and, hence, mainly accounts for the sign and statistical significance rather than for the calculated marginal effects. Positive signs for the estimated parameters indicate higher levels of job satisfaction as the value of the associated variable increases. With a decreasing value of the associated variable, negative sign for the coefficients suggest the opposite.
Results and discussion

Results are presented in Table 2. The first column represents the estimated coefficients for the entire sample, while the others for the different sub-samples defined in the data section. Our focus is here put on the job satisfaction determinants in the post-communist countries (CEE and SEE) and then these results are put in a comparative perspective with western Europe. Finally, estimates for Macedonia only are given.

At the very outset, results suggest that males are less satisfied with their job in the CEE region, with the coefficient being similar to that in western Europe, but no such differentiation for the SEE can be inferred, given the insignificant coefficient. Also, this coefficient is insignificant in Macedonia, suggesting that job satisfaction is not different between the two genders. The importance of age for job satisfaction varies across the groups of countries. In particular, age is important for job satisfaction in SEE, but not in CEE. SEE results are in line with those of the western countries. Moreover, a squared term is included to control for a convex relationship, which Clark et al. (1996) attribute to the personal circumstances in which individuals live, the life stage at which they are, as well as the factors outside employment that might affect job satisfaction. However, in all cases, the rising job satisfaction with age after the turning point is likely to be small, given the small estimated coefficient.

In all groups, the marital status displays a significant role for job satisfaction, suggesting that married people are more satisfied with the job compared to single people, but this is not true for divorced and widowed. Between groups, the satisfaction with marriage is likely to be higher in SEE than both CEE and western Europe. In Macedonia, the marital status is found not to play a role for job satisfaction. Education level is highly significant in all cases except Macedonia. Results suggest that the higher the education, the more satisfied people are from their job; but, these satisfaction-differentials with the educational level are pronounced in CEE and even more in SEE. The same applies for the income level, except for the case of SEE, whereby if the earner belongs to the high income group, then no statistical difference in job satisfaction can be inferred as compared to the base group. This can be attributed to the increased income inequality in SEE, whereby only a small fraction of employees belong to the high income group.
<table>
<thead>
<tr>
<th>Table 2: Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent variable – job satisfaction</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Gender (male=1)</strong></td>
</tr>
<tr>
<td><strong>Age (years)</strong></td>
</tr>
<tr>
<td><strong>Age-squared</strong></td>
</tr>
<tr>
<td><strong>Marital status (reference = single)</strong></td>
</tr>
<tr>
<td>Married</td>
</tr>
<tr>
<td>Widowed</td>
</tr>
<tr>
<td>Divorced</td>
</tr>
<tr>
<td><strong>Level of education (reference = lower education)</strong></td>
</tr>
<tr>
<td>Middle education</td>
</tr>
<tr>
<td>Upper education</td>
</tr>
<tr>
<td><strong>Income level (reference = low income)</strong></td>
</tr>
<tr>
<td>Middle income</td>
</tr>
<tr>
<td>High income</td>
</tr>
<tr>
<td><strong>Cultural values (traditional vs. secular)</strong></td>
</tr>
<tr>
<td>Importance of work</td>
</tr>
<tr>
<td>Importance of religion</td>
</tr>
<tr>
<td>Importance of family</td>
</tr>
<tr>
<td>Would never sign a petition</td>
</tr>
<tr>
<td><strong>Cultural values (survival vs. self-explanatory)</strong></td>
</tr>
<tr>
<td>Has to be careful when trusting people</td>
</tr>
<tr>
<td>A woman has to have children to be fulfilled</td>
</tr>
<tr>
<td>Job security is an important aspect of job</td>
</tr>
<tr>
<td>Tolerance and respect not most important things to teach a child</td>
</tr>
<tr>
<td>Homosexuality is never justifiable</td>
</tr>
</tbody>
</table>

** and *** indicate significance at the 10, 5 and 1% level, respectively. All estimators are ordered probit, except in the case of Macedonia, whereby logit and probit are presented also.
Now, turning the attention on the variables which are of primary interest of this paper, we conclude that cultural values are of importance for the workers’ job satisfaction in all regions. Results are consistent with the findings of Fargher et al. (2008) for western Europe and CEE, suggesting that cultural values are reluctant to change in the short run (Farger et al. makes the analysis on a previous EVS wave, conducted several years ago). This can be regarded as indirect but cautious support of the theory asserting that culture, along with the values, beliefs, and norms, is among the “slow-moving” institutions in the society, which are difficult to change (Roland, 2005). Results’ significance is found to be less pronounced in Macedonia, however. To test result’s robustness for Macedonia, we transformed the categorical variable of job satisfaction into a dummy variable, so that zero refers to job satisfaction from 1 to 5, while unity from 6 to 10 (columns 6 and 7) (1). However, results remained robust to this test, suggesting that, overall, cultural values affect job satisfaction in Macedonia only to a limited extent. The sporadic significance of the cultural variables in Macedonia might reflect the distressed situation on the labour market in the country, with an unemployment rate of above 30%, where workers, acting rationally, accept new jobs or stay at the current workplace even if it does not fit their skills, knowledge and preferences well, and because of the low probability of finding a new job. This would give rise to general job dissatisfaction in the country.

Work is found to be important for job satisfaction in Macedonia, as well as the other regions. However, on average, work is less important in CEE than in the west and further less important in SEE than in CEE and west. This might be explained with the role that other factors have for job satisfaction in those societies, like religion, family and friend ties. In Macedonia, though, the coefficient is the largest, suggesting that, in an atmosphere of large unemployment, the importance of having a job is very high. Overall, though, as in Farger et al. (2008), the effect of work importance on jobs satisfaction is stronger than the effect of income, which questions the current motivational activities (measures) of managers. Religion is found to be more important in SEE than in CEE and in the west, as expected, but not important in Macedonia. Also, family in SEE is found to be more important for job satisfaction than in the west. The coefficient is even more negative in Macedonia, suggesting that those who consider family as very important are, on average, less satisfied with their job, which can be likely justified by the priorities set by people in their lives. This might suggest that achieving a work-family balance in Macedonia is difficult, which can be related to the low use of
flexible work arrangements by Macedonian companies, and might be one of the causes for low labour market participation of females. The results on the 'petition singing' are diverse. This is not significant for job satisfaction in the west and in SEE, but is significant and positive in CEE and Macedonia, suggesting that people become more satisfied with their job if they have signed a petition before. This probably articulates the importance of the democratic values for freedom of expression as a determinant of job satisfaction.

In the survival vs. self-explanatory group of cultural values, some diversity is again observed across groups of countries. Notably, this contingent of values is less important in explaining job satisfaction in Macedonia. The more people are careful when trusting people, the more they are satisfied with their job, with the coefficient between groups being likely similar (coefficients are not statistically different between groups of countries, although the coefficient in Macedonia is estimated to be larger). Hence, in line with Farger et al. (2008), interpersonal trust serves as a particularly strong predictor of job satisfaction for both eastern and western Europe. The belief that a woman needs a child to be fulfilled reduces job satisfaction, which is expected given the satisfaction extracted from bearing and raising a child. Still, the variable is insignificant in Macedonia, which is unexpected given the persuasion in the society related to having and raising children. Job security is only significant in SEE, suggesting that if people place large value on job security, then they are more satisfied with their job. The significance in SEE might be only a result of the fragile labour markets in those countries, whereby loosing a job is associated to large personal and social losses, but this is not confirmed with the Macedonian case. Tolerance and respect in regard to teaching children are found not to be an important determinant of job satisfaction, while the justification of homosexuality is only relevant in the western world, expectedly, given the conservative attitude that eastern countries have (had) towards homosexuality. Overall, while the results suggest that there has been likely a cultural convergence in the SEE, this cannot be argued for the Macedonian case.
Conclusion

The objective of this paper has been to examine the factors influencing worker's job satisfaction aside the conventional factors (personal background, individual labour market characteristics, organizational culture, and so on) and introducing the basic cultural values and beliefs, and then to put this into a comparative perspective for the South-Eastern European (SEE) countries and for Macedonia, in particular. Cultural values have been grouped into traditional vs. secular-rational values and survival vs. self-expression values. The main result from the study is that cultural heritage exerts considerable effect on job satisfaction in SEE with some determinants – like the importance of work, religion and family – exerting stronger influence in SEE than in CEE and in western Europe. This finding adds some evidence for the persistency theory of convergence of values.

The impact of cultural values on job satisfaction in Macedonia has been found to be only limited. Mainly the traditional cultural values have been found important in the Macedonian case, while only trust from the 'survival' group likely affects job satisfaction and likely with the effect being stronger than in the case of SEE, CEE and western Europe. Some of the differences in values (and their effect on job satisfaction) in Macedonia might be related to the overall labour market performance, which is however not treated separately in this research and might be a question for further research.
Endnotes

1 An approach implemented, for instance, by Torgler, B. (2003), in a case of low variance of data for an ordered categorical variable measured on a ten-point scale.

References


