Determinants of Job Satisfaction in Young Russian Workers

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Abstract

A growing economic literature regards the analysis of job satisfaction (as for Russia, see Linz, 2003; Senik, 2004; Linz and Semykina, 2012); however, as for young people the investigations are still scarce.

In this paper we analyse job satisfaction among Russian young workers by using the data collected for four items, the first of which concerns the general satisfaction about the job; the other three items concern specific aspects of job satisfaction with respect to work condition, earning, and opportunity for professional growth. The corresponding response variables are categorical with five ordered categories, from “absolutely unsatisfied” to “absolutely satisfied”. The longitudinal dataset also contains personal information about the respondents (gender, age, marital status, number of children, educational level, etc.). We use data from the Russian Longitudinal Monitoring Survey (the RLMS) – the household-based survey designed for measurement of individual and household economic wellbeing (the survey is conducted by the National Research University Higher School of Economics and ZAO “Demoscope” together with Carlina Population Center (University of North Carolina) and the Institut of Sociology RAS).

We estimate ordered logit models of job satisfaction with individual fixed effects for a panel data (Das and Van Soest 1999, Ferrer-i-Carbonell and Frijter 2004; Baetschmann et al. 2011) of Russian young workers, carrying out separate analyses for the general job satisfaction variable and three variables on specific aspects of job satisfaction.

The theory of compensating wage differentials predicts that higher job disamenities are compensated by higher wages; if wages adjusted to fully compensate workplace disamenities, we would expect that differences in job satisfaction across individuals would not be systematically related to wage differentials, ceteris paribus. But this is not the case for our panel: for all but one of the samples considered there is at least one job satisfaction variable with a significantly positive wage effect. We, therefore, interpret this result as a failure of the theory of compensating wage differentials in the Russian youth labour market. There is the interesting exception, though, that compensating wage differentials do seem at work among the older subjects in the panel. Our estimates also show strong gender and location effects.

The paper structure is the following: after introduction, the second section surveys the existing estimation strategies in the job satisfaction literature; section 3 presents the theoretical framework, while the dataset is described in Section 4 and the following section is dedicated at highlighting the key research question and to discuss the factors (potentially) affecting job satisfaction; section 6 contains the econometric model and the results are summarized in Section 7; final remarks are presented in the last Section.