

# GENERATION Z THRIVES, GENERATION X LAGS: EVIDENCE ON JOB SATISFACTION IN CROATIA'S FINANCIAL SECTOR

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DOI: 10.7906/indecs.23.5.1  
Regular article

*Received:* 23 May 2025.  
*Accepted:* 2 July 2025.

## ABSTRACT

Numerous recent studies have demonstrated the profound impact of employee job satisfaction on job performance, and consequently, on overall corporate success. Main purpose of this research was to investigate the determinants of job satisfaction within the financial sector in Croatia, focusing on how various socio-demographic and institutional factors influence employee satisfaction. A comprehensive survey of 3 141 employees across different financial institutions, including banks, insurance companies, pension funds, and leasing companies, was conducted. The study utilized factor analysis, t-tests, and ANOVA to examine the effects of gender, age, education level, salary, duration of employment, type of financial institution, department, employment level, company size, and ownership structure on job satisfaction. The findings reveal that gender, education level, salary, duration of employment, type of financial institution, department, employment level, and ownership structure significantly influence job satisfaction. Notably, younger employees, particularly those from Gen Z, report higher job satisfaction than their older counterparts, with Gen X employees being the least satisfied. Additionally, employees in higher managerial positions and those with advanced educational qualifications, such as postgraduate degrees, tend to exhibit higher levels of satisfaction. Conversely, those in lower-level positions, administrative roles, and with longer tenure in the financial sector report lower job satisfaction.

## KEY WORDS

job satisfaction, internal marketing, socio-demographic factors, financial institutions, Croatia

## CLASSIFICATION

JEL: G2, M31

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## **INTRODUCTION**

In a rapidly changing world, a multitude of complex social, economic, and political shifts impact corporate employees, who must adapt by acquiring new skills, approaches, and knowledge across a broad spectrum. Digitalization and the rise of social media usage have changed the way people learn, communicate, and make buying decisions [1]. Social networks irreversibly change their stakeholders, making them more informed than ever before, and changing the way, speed and ease of information [2]. The demands of the market and the workplace environment constantly challenge employees. To sustain their roles and thrive, they must become part of a learning society. However, considering the diverse backgrounds, cultures, and values of individuals, achieving job satisfaction is a complex endeavour. Each employee's unique preferences and values significantly influence their satisfaction levels, making it difficult to create a one-size-fits-all approach to job satisfaction. Recent studies confirm that these complexities are particularly visible in service industries like banking, where environmental, psychological, and organizational factors all contribute to perceived satisfaction levels [3]. In particular, the physical work environment, ergonomic design, and safety culture have been found to significantly influence job satisfaction among financial service employees [3].

Job satisfaction has been extensively studied and defined in various ways over the years. One of the most widely recognized definitions describes job satisfaction as “a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences” [4]. This definition highlights the emotional and evaluative nature of job satisfaction, which encompasses not only the feelings employees have about their work but also their perceptions of how well their job meets their needs and expectations.

Further definition of the defining job satisfaction is “the way people feel about their work and how they perceive their work” [5]. This definition underscores the subjective nature of job satisfaction, which can be measured in degrees and evaluated through various methods and instruments. The significance of job satisfaction goes beyond personal well-being; it plays a critical role in organizational performance. Job satisfaction is strongly correlated with job performance, implying that more satisfied employees tend to be more productive, innovative, and committed to their organizations [6]. Also, job satisfaction reflects how employees feel about their treatment by the employer [7], arguing that that organizations should prioritize job satisfaction, not only because it is the right thing to do from a humanistic standpoint but also because it can lead to better organizational outcomes. This is particularly important in banking, where employees' motivation and satisfaction are significantly influenced by training, compensation, and internal communication practices [8]. Recent research highlights those intrinsic motivators – such as autonomy, purpose, and professional growth – also strongly shape performance outcomes [9]. When employees are satisfied, they are more likely to put in the effort necessary to help the organization achieve its goals.

The two-factor theory of job satisfaction categorizes job-related factors into “hygiene factors” and “motivators” [10]. Hygiene factors, such as salary, job security, and working conditions, do not necessarily lead to job satisfaction but can cause dissatisfaction if they are inadequate. Motivators, such as achievement, recognition, and responsibility, are the factors that truly drive job satisfaction. New research also links these motivational drivers with broader organizational goals, including environmental performance and corporate sustainability, showing that motivated bank employees tend to exhibit more green behaviours. Additionally, transformational leadership has been shown to significantly impact employee motivation and satisfaction by fostering a culture of recognition, trust, and shared vision [11]. This theory has influenced many organizations in designing their human resource policies to focus on both maintaining good hygiene factors and enhancing motivators to foster job satisfaction.

The study of job satisfaction and its impact on organizational performance is a relatively recent development. Significant interest in employee management and job satisfaction only began in the 19th century [12]. Early pioneers such as Robert Owen and Charles Babbage laid the groundwork for modern management theories by recognizing the importance of human resources in an organization [12]. Owen, a British industrialist, was among the first to advocate for the well-being of employees, understanding that their satisfaction was crucial for productivity. Babbage, an English mathematician, focused on the efficiency of production and believed that mathematical calculations could optimize the use of materials and human resources. The early 20th century saw a shift towards a more scientific approach to management, with figures like Frederick W. Taylor, Frank Gilbreth, and Henry Gantt leading the way. Their work, often referred to as “scientific management”, sought to improve employee performance through systematic analysis and optimization of work processes. However, this approach often neglected the human aspects of work, such as job satisfaction and motivation. Taylor’s principles of scientific management focused on the efficiency of tasks but were critiqued for treating workers as mere components in a machine, rather than as human beings with individual needs [13]. Henri Fayol, Lyndall Urwick, and Max Weber contributed to the administrative theoretical approach, which focused on the organizational rather than the individual level of management. Fayol, in particular, is known for identifying the four main functions of management: planning, organizing, leading, and controlling. Despite these advancements, the classical approach to management was criticized for being too rigid and failing to account for the increasingly dynamic business environment and the diverse needs of employees.

In response to the limitations of classical management theories, a more humanistic approach to management emerged. Behavioural management theories focused on the individual needs and motivations of employees. Hugo Munsterberg, often referred to as the father of industrial psychology, was one of the first to apply psychological principles to the workplace. He advocated for the use of psychological testing in hiring, training, and employee motivation, emphasizing the importance of job satisfaction [14]. Mary Parker Follett, another prominent figure in behavioural management, emphasized the importance of treating employees as individuals with unique needs and preferences. Her work laid the foundation for later studies that explored the impact of job satisfaction on organizational performance. Follett’s ideas about collaborative management and the importance of social factors in the workplace were ahead of their time and continue to influence modern management practices [15]. One of the most influential studies in this area was the Hawthorne Studies, conducted by Elton Mayo from 1927 to 1932. Mayo’s research concluded that employees’ productivity was influenced not only by their physical working conditions but also by their social environment and the attention they received from management. This study marked a significant shift towards recognizing the importance of job satisfaction and the human aspect of work. The Hawthorne Studies revealed that employees are not motivated solely by financial incentives but also by social factors and recognition [16]. Building on these ideas, Abraham Maslow and Douglas McGregor further developed theories that linked job satisfaction to employee motivation. Maslow’s hierarchy of needs theory suggested that individuals are motivated by a range of needs, from basic physiological needs to self-actualization. In the workplace, this theory implies that for employees to be satisfied and productive, their basic needs must first be met before they can pursue higher-level goals [17]. McGregor’s Theory X and Theory Y proposed two contrasting views of employees: Theory X assumes that employees are inherently lazy and require close supervision, while Theory Y assumes that employees are motivated by a desire to achieve and can be trusted to take responsibility for their work. McGregor advocated for Theory Y, suggesting that organizations should create environments that promote job satisfaction by empowering employees and meeting their higher-level needs [18].

Modern management theories have integrated these historical perspectives, emphasizing the importance of understanding human behaviour in the workplace. Contemporary approaches to job satisfaction recognize that it is influenced by a complex interplay of factors, including stress, motivation, leadership, and organizational culture. Managers are now encouraged to adopt a more holistic view of their employees, recognizing them as valuable resources rather than mere tools for achieving organizational goals. This perspective is supported by recent findings showing that organizational culture, leadership style, and work conditions jointly influence employees' commitment and intent to stay within financial institutions [19].

The importance of “positive organizational behaviour” is related to fostering strengths, optimism, and resilience in employees [20]. This approach suggests that enhancing job satisfaction can be achieved by creating a positive work environment that supports employees' psychological well-being. Moreover, research on organizational commitment has shown that employees who are satisfied with their jobs are more likely to be committed to their organizations, leading to lower turnover rates and higher organizational stability [21]. Job Demands-Resources (JD-R) model also provides insights into how job satisfaction can be enhanced by balancing job demands with adequate resources [22]. According to this model, when employees have sufficient resources, such as support from management, opportunities for professional development, and a positive work-life balance, they are more likely to experience job satisfaction, even in the face of high job demands. In this context, employee commitment and the intention to leave are central to long-term organizational planning, especially in high-pressure sectors like banking [23]. Moreover, recent conceptual research underscores that tailored work-life balance practices – especially for female employees – significantly contribute to satisfaction and performance in banking environments [24].

Today, the emphasis is on creating a work environment that fosters job satisfaction through effective communication, opportunities for professional development, and a supportive organizational culture. The labour market has never been as competitive as it is today [25]. Studies have shown that organizations that prioritize job satisfaction tend to perform better, as satisfied employees are more likely to be engaged, motivated, and committed to their work [12]. Furthermore, research confirms that high job satisfaction among frontline banking staff translates into improved customer service quality, reinforcing the performance link. This not only enhances individual performance but also contributes to the overall success and sustainability of the organization.

Job satisfaction is a critical factor in corporate performance. As the workforce becomes increasingly diverse and the business environment more complex, organizations must pay close attention to the needs and preferences of their employees. By understanding and addressing the factors that influence job satisfaction, organizations can create a more productive, engaged, and loyal workforce, ultimately leading to improved organizational performance and success. A recent meta-analysis confirms that key drivers of job satisfaction include leadership support, workload manageability, and meaningful recognition—factors particularly relevant in the financial sector [26]. The integration of classical, behavioural, and contemporary management theories offers a comprehensive approach to understanding and enhancing job satisfaction in today's dynamic work environments.

The primary goal of this article is to explore how job satisfaction varies across generational cohorts within the Croatian financial sector, with a particular focus on comparing Generation Z and Generation X employees. This generational comparison, particularly between the youngest and middle-aged employees, is emphasized throughout the analysis and represents a central focus aligned with the research title. By identifying the socio-demographic and institutional factors that influence job satisfaction, the study aims to provide evidence-based insights that can help managers in financial institutions better understand their workforce. The

article strives to create detailed profiles of both highly satisfied and dissatisfied employees, thus contributing to more effective human resource practices and internal marketing strategies.

This research is motivated by the growing generational diversity in the labour market and the managerial challenge of meeting differing expectations, motivations, and satisfaction levels across age groups. In particular, the increasing presence of Gen Z in the workforce calls for a reassessment of traditional employee engagement approaches, while the persistent dissatisfaction among Gen X poses a risk to retention and performance. Understanding Generation Z job seekers' expectations and job pursuit intentions can help organizations successfully attract them [27]. The Croatian financial sector, undergoing rapid consolidation and increased foreign ownership, provides a timely and relevant context for examining these generational dynamics in job satisfaction. Numerous national and multinational strategies try to encourage educational systems, focusing on ICT to acquire skills, competencies and knowledge more effectively, which should represent added value to all future generations [28].

The article begins with a theoretical overview of job satisfaction and its significance for organizational performance, followed by an analysis of the structure of the Croatian financial sector. The methodology section details the data collection and statistical techniques used to examine the influence of various factors on job satisfaction. Empirical results are then presented, emphasizing differences between generational cohorts, particularly Gen Z and Gen X. The article concludes with practical implications for management, a summary of findings, and suggestions for future research.

## **BACKGROUND: CHARACTERISTICS OF THE FINANCIAL SECTOR IN THE REPUBLIC OF CROATIA**

The financial sector in the Republic of Croatia is composed of various institutions, including banks, housing savings banks, investment companies, investment fund management companies, investment funds, pension fund management companies, pension funds, pension insurance companies, insurance companies, leasing companies, and factoring companies.

As described in Table 1, which present the asset structure of the financial sector as of June 30, 2024, banks dominate the sector, holding over 68% of the total assets. Following banks, pension funds represent 17,56% of the sector's assets, while insurance companies hold 6,69% of the assets.

Banks are the most significant financial intermediaries in Croatia, reflecting their dominance in terms of both representation and asset control. A notable trend in the Croatian financial market is the ongoing consolidation of credit institutions, which began in 2010 and accelerated from 2018 onwards. By the end of 2023, only 20 credit institutions were operating in Croatia, including 19 banks and one housing savings bank. This consolidation has led to increased concentration in the banking sector, with the top five banks collectively holding 81.4% of total banking assets, up from 75%.

Foreign ownership in the banking sector has also increased. As shown in Table 2, the number of foreign-owned banks fell from 24 in 2020 to 18 in 2024. However, their share of total banking assets rose from 89,6% in 2020 to 91,3% in 2024. Conversely, the share of domestic ownership decreased from 10,4% to 8,7% over the same period. This indicates a growing trend of foreign influence in the Croatian banking sector.

The consolidation of the Croatian banking sector, coupled with the increasing dominance of foreign ownership, has implications for both market competition and financial stability. Foreign-owned banks typically bring with them international expertise, capital, and stability. Bank reputation can be dependent on the quality of different products and services a bank offers, so a deeper understanding of bank reputation needs to take a wider aspect, analysing

bank portfolio and reputation from the employee, client, supplier, and general public point of view [32].

**Table 1.** Asset structure of the financial sector of the Republic of Croatia. Source: Croatian National Bank, 2024 [29, 30].

<b>Financial institutions</b>	<b>Assets (in billions of EUR)</b>	<b>Share, %</b>
Banks	63,07	68
Housing savings banks	0,77	0,83
Investment companies	0,02	0,02
Investment fund management companies	0,05	0,05
Investment funds	3,5	3,78
Pension fund management companies	0,11	0,12
Pension funds	16,29	17,56
Pension insurance companies	0,09	0,09
Insurance companies	6,21	6,69
Leasing companies	3,2	3,45
Factoring companies	0,2	0,21
In total	93,5	100

**Table 2.** Ownership structure of banks and the share of their assets in the assets of all banks (at the end of the period by year). Source: authors' work based on the data extracted from the Croatian National Bank [31].

<b>Year</b>	<b>No. of Banks</b>	<b>Domestic Ownership, %</b>	<b>Foreign Ownership, %</b>	<b>State Ownership, %</b>
2020	24	10,4	89,6	6,0
2021	22	9,8	90,2	5,9
2022	21	9,5	90,5	6,1
2023	19	9,0	91,0	6,2
2024	18	8,7	91,3	6,3

## **METHODOLOGY**

### **DATA**

The data were collected by online surveys of employees in a total of 50 companies (medium and large by size), of which 23 are banks, 17 insurance companies, 10 leasing companies and 5 pension funds that employed at the time of survey a total of 25 519 employees. A total of 3 141 employees participated in the research. Primary data has been collected for more than three months, beginning in December 2021 and ending in March 2022. The main research goal was to explore the effect of different independent socio-demographic and institutional characteristics of the sample on the level of their job satisfaction. Job satisfaction was measured by a highly structured questionnaire using the Job Satisfaction Survey (JSS) methodology [33]. Main characteristics of the respondents have been provided in the following tables, including gender, age, education level, type of financial institution they work for, department in which they work, total duration of their employment in the financial sector, company size, etc.

### **RESEARCH INSTRUMENT**

The dimensionality of the job satisfaction scale was examined using Exploratory Factor Analysis under the Principal Components model, Table 3. Bartlett's test determined the significance of the correlation matrix, and the suitability of the correlation matrix for factorization was assessed using the Kaiser-Meyer-Olkin test of sampling adequacy. Bartlett's

test for the significance of the correlation matrix yielded a high value ( $\chi^2 = 10\,878,385$ ) and was significant at a risk level of less than 1%. The Kaiser-Meyer-Olkin index of sampling adequacy was 0,85, indicating that the correlation matrix of the variables in the measurement instrument was suitable for factorization.

**Table 3.** Factor loadings of the job satisfaction scale. Source: authors' work, based on a survey collected from December 2021 to March 2022.

#	Research item	Factor loadings
1	I am satisfied with the opportunities for a salary increase	0,592
2	My effort is rewarded as it should be	0,460
3	If I'm hardworking, I know I'll be rewarded for it	0,444
4	I am clear about the goals of the department and the institution I work for	-0,360
5	Those who prove to be good at their job have opportunities for advancement	0,577
6	I feel valued when I think about my salary	0,369
7	I have all the benefits at work that I should have	0,474
8	When I do my job well, it is recognized, and I get praise	0,576
9	The privileges I have at work are fair	0,543
10	I am satisfied with my opportunities for promotion	0,672
11	It is possible to advance quickly in my job	0,518
12	I feel proud doing my job	-0,320
13	My boss is fair to me	0,353
14	My supervisor shows enough interest in my job	0,406
15	I'd like to keep my boss	0,373
16	I have privileges at work, and my needs are met	0,350
17	The benefits I have are like those of competing companies	0,441
18	Administrative tasks do not bother me, and I do them well	-0,397
19	There are a lot of rules and regulations that help me in my work	-0,338
20	I am satisfied with needed effort required by my job	-0,323

To verify the suitability for a single-factor solution, a restriction was set to extract one factor, representing general job satisfaction. The items that did not have sufficient loadings of less than 0,32 on the factor were excluded from the overall score [34]. The overall score was calculated as the average value of responses to all items that belong to this factor. The single factor explained a total of 20,68% of the variance (eigenvalue equals 4,136). The reliability of this scale was relatively low, with a Cronbach's alpha of 0,640, which is expected given that the original scale comprises several distinctive factors.

## RESEARCH RESULTS

### RESPONDENT CHARACTERISTICS

Table 4 presents the main demographic characteristics of the sample, which consisted of 3 141 respondents, of whom 56,2% were females (1765) and 43,8% were males (1376). The majority of the sample falls within the Gen Y (25-40 years) age group, representing 40,6% (1276) of the population. This is followed by Gen X (41-56 years) at 30,7% (965), Boomers (57-75 years) at 18,4% (577), and Gen Z (18-24 years) at 10,3% (323). In terms of educational attainment, the largest portion of the sample, 51.2% (1609), holds a specialized postgraduate degree, M.Sc., or Ph.D. This is followed by those with a bachelor's degree at 27,8% (872), high school level education at 20,9% (658), and a very small fraction with only elementary education at 0,1% (2).

**Table 4.** Main demographic characteristics of the sample. Source: authors' work, based on a survey collected from December 2021 to March 2022.

Variable	Modalities	No of respondents (N = 3 141)	percentage
Gender	Female	1765	56,2
	Male	1376	43,8
Age	18-24 (Gen Z)	323	10,3
	25-40 (Gen Y)	1276	40,6
	41-56 (Gen X)	965	30,7
	57-75 (Boomers)	577	18,4
Education	Elementary school	2	0,1
	High school level	658	20,9
	Bachelor level	872	27,8
	Spec. postgrad, M.Sc. or Ph.D.	1609	51,2

As shown in Tables 5 and 6, the data provide a detailed overview of the institutional and workplace characteristics of the respondents employed in Croatia's financial sector.

Table 5 presents the distribution of respondents according to the type of financial institution, company size, ownership structure, and department. Most participants are employed in insurance companies (46,6%) and banks (43,3%), with a smaller proportion working in pension funds (9,4%) and leasing companies (0,6%). Regarding company size, most respondents work in large institutions (69,5%), and more than half (51,8%) are employed in foreign-owned organizations, followed by those in government-owned (28,7%) and domestically owned (19,5%) institutions. Department-wise, respondents are predominantly based in administration and back office (36,8%), finance (20,0%), and IT (9,6%), reflecting the operational core of financial institutions.

**Table 5.** Characteristics of the institution of participating respondents (N = 1341). Source: authors' work, based on a survey collected from December 2021 to March 2022.

Variable	Modalities	No. of respondents	percentage
Type of financial institution	Bank	1361	43,3
	Insurance	1465	46,6
	Pension fund	296	9,4
	Leasing company	19	0,6
Company size	Medium (51-250)	957	30,5
	Large (>250)	2 184	69,5
Majority ownership	Domestic	611	19,5
	Foreign	1627	51,8
	Government	903	28,7
Department	Administration/Back office	1156	36,8
	Sales	368	11,7
	Risk management	21	0,7
	Treasury	2	0,1
	Claims	19	0,6
	HR	6	0,2
	Finances	627	20,0
	Marketing	316	10,1
	Accounting	297	9,5
	Executive board	8	0,3
	Management	16	0,5
	IT	301	9,6
	Procurement	4	0,1

A large share of participants (47,9%) have between 11 and 15 years of work experience, followed by 38,7% with 16 to 40 years, indicating a mature and experienced workforce (Table 6). Most employees (77,7%) hold non-managerial roles, while a smaller portion occupies lower (19,8%), middle (1,3%), or upper (0,9%) management positions. Salary distribution shows a concentration in the 900-1200 EUR (38,9%) and 1200-1500 EUR (38,9%) ranges.

**Table 6.** Workplace characteristics of the participating respondents ( $N = 3\ 141$ ). Source: authors' work, based on a survey collected from December 2021 to March 2022.

Variable	Modalities	No. of respondents	percentage
Total duration of employment in the financial sector, years	0-1	28	0,9
	2-5	345	11,0
	6-10	48	1,5
	11-15	1505	47,9
	16-40	1215	38,7
Employment level	Executive board	10	0,3
	Upper management	27	0,9
	Middle management	42	1,3
	Lower management	623	19,8
	No management respons.	2439	77,7
Monthly net salary, EUR	0-500	11	0,4
	501-900	330	10,5
	901-1200	1222	38,9
	1201-1500	1221	38,9
	>1500	357	11,4

## RELATIONSHIP BETWEEN JOB SATISFACTION AND RESPONDENT CHARACTERISTICS

Table 7 presents the job satisfaction across sample demographics. The mean job satisfaction for males is slightly higher (2,85) than for females (2,81). There is a statistically significant difference in job satisfaction between males and females, with a 1% significance level, with males reporting slightly higher job satisfaction on average. However, the difference, though statistically significant, is relatively small in magnitude. There are more interesting findings regarding job satisfaction between different age groups, with Gen Z employees being the most satisfied group ( $M = 3,00$ ) while Gen X seems to be the least satisfied with their jobs ( $M = 2,74$ ). The variation in job satisfaction is highest within Gen Z and lowest within Boomers, as

**Table 7.** Job satisfaction across sample demographics. Source: authors' work, based on a survey collected from December 2021 to March 2022.

Variable	Modalities	$N$	Mean	St. Dev.	t-value / F-test	p-value
Gender	Female	1765	2,81	0,38	-2,792	0,005**
	Male	1376	2,85	0,37		
Age	14-24 Gen Z	323	3,00	0,43	43,625	0,000**
	25-40 Gen Y	1276	2,85	0,40		
	41-56 Gen X	965	2,75	0,37		
	57-75 Boomers	577	2,82	0,25		
Education	High school level	658	2,82	0,45	0,8858	0,041
	Bachelor level	872	2,84	0,28		
	Postgrad, M.Sc., Ph.D.	1609	2,82	0,39		

\*\*statistically significant at 1%

indicated by the standard deviations, significant at the 1% level. Post Hoc Tukey HSD Test shows that Gen Z displays the highest level of job satisfaction, significantly higher than all other groups, while Gen X has the lowest job satisfaction and differs significantly from all other groups except Boomers, Table 8.

**Table 8.** Tukey post hoc analysis of job satisfaction across age groups. Source: authors' work, based on a survey collected from December 2021 to March 2022.

Age Group (I)	Age Group (J)	Mean difference, I-J	Std. Error	Sig.
14-24 Gen Z	25-40 Gen Y	0,152	0,023	0,000**
	41-56 Gen X	0,261	0,024	0,000**
	57-75 Boomers	0,184	0,026	0,000**
25-40 Gen Y	14-24 Gen Z	-0,152	0,023	0,000**
	41-56 Gen X	0,109	0,015	0,000**
	57-75 Boomers	0,032	0,018	0,308
41-56 Gen X	14-24 Gen Z	-0,261	0,024	0,000**
	25-40 Gen Y	-0,109	0,015	0,000**
	57-75 Boomers	-0,077	0,019	0,000**
57-75 Boomers	14-24 Gen Z	-0,184	0,025	0,000**
	25-40 Gen Y	-0,032	0,018	0,308
	41-56 Gen X	0,078	0,019	0,000**

\*\*statistically significant at 1%

Table 9 provides valuable insights into how institutional characteristics influence employee job satisfaction. When analysing satisfaction across types of financial institutions, employees in leasing companies report the highest levels ( $M = 3,45$ ), albeit based on a small subsample, which should be interpreted cautiously. Higher satisfaction is also observed among employees in pension funds ( $M = 2,89$ ), while those in insurance companies show the lowest satisfaction ( $M = 2,81$ ), suggesting that institutional culture and operational pressure may differ significantly across financial sub-sectors. In terms of company size, differences are minimal, with slightly higher satisfaction in larger institutions ( $M = 2,83$ ) compared to medium-sized companies ( $M = 2,81$ ), possibly due to more established HR systems and advancement opportunities in larger firms. Ownership structure is another key factor: employees in domestically owned companies report marginally higher satisfaction ( $M = 2,86$ ) than those in foreign-owned ( $M = 2,83$ ) and government-owned entities ( $M = 2,80$ ). This may reflect perceived autonomy, cultural alignment, or internal communication practices more attuned to local expectations. The most significant variation is observed across organizational departments. Employees in HR, executive board, and risk management roles demonstrate notably higher satisfaction, often exceeding  $M = 3,80$ , reflecting strategic influence and autonomy within those functions. Conversely, roles in marketing, procurement, and claims show the lowest satisfaction levels (e.g., marketing  $M = 2,64$ ), suggesting possible issues with job scope, recognition, or workload stress. These differences highlight how job function and visibility within the organization shape employee perceptions of fulfilment and engagement.

Table 10 analyses job satisfaction based on individual workplace characteristics, offering insights into how personal work experience and position within the hierarchy affect satisfaction levels. A strong tenure effect is observed: employees with the shortest tenure (0-1 year) exhibit the highest satisfaction ( $M = 3,58$ ), confirming the presence of a "honeymoon period" among new hires. Satisfaction declines gradually with increased tenure, stabilizing at lower levels ( $M = 2,79$ ) among those employed 11-40 years, possibly due to routine, stagnation, or limited advancement opportunities. Employment level strongly influences satisfaction. Members of the executive board and upper/middle management show the highest satisfaction scores ( $M = 3,87$ ,  $M$  within 3,56-3,78), likely due to greater influence, recognition, and compensation. In

contrast, employees without managerial responsibilities report significantly lower satisfaction ( $M = 2,79$ ), pointing to the need for better engagement strategies among non-managerial staff.

**Table 9.** Job satisfaction according to the employment institutions of participating respondents. Source: authors' work, based on a survey collected from December 2021 to March 2022.

Variable	Modalities	N	Mean	SD
Type of financial institution	Bank	1361	2,82	0,38
	Insurance	1465	2,81	0,36
	Pension fund	296	2,89	0,35
	Leasing company	19	3,45	0,93
Company size	middle (51-250)	957	2,81	0,39
	large (> 250)	2 184	2,83	0,37
Majority ownership	Domestic	611	2,86	0,45
	Foreign	1627	2,83	0,39
	Government	903	2,80	0,29
Department	Administration/Back office	1156	2,73	0,30
	Sales	368	3,03	0,50
	Risk management	21	3,39	0,87
	Treasury	2	3,48	0,04
	Claims	19	2,70	0,70
	HR	6	3,93	0,48
	Finances	627	2,87	0,31
	Marketing	316	2,64	0,27
	Accounting	297	2,86	0,27
	Executive board	8	3,83	0,60
	Management	16	3,81	0,80
	IT	301	2,90	0,28
	Procurement	4	2,70	1,08

**Table 10.** Job satisfaction according to the workplace of the financial institution among participating respondents. Source: authors' work, based on a survey collected from December 2021 to March 2022.

Variable	Modalities	N	Mean	SD
Total duration of employment	0-1 years	28	3,58	0,91
	2-5	345	3,03	0,48
	6-10	48	3,05	0,84
	11-15	1505	2,79	0,32
	16-40	1215	2,79	0,31
Employment level	Executive board	10	3,87	0,99
	Upper management	27	3,56	0,60
	Middle management	42	3,78	0,68
	Lower management	623	2,87	0,29
	Without managerial responsibilities	2 439	2,79	0,34
Monthly net salary, EUR	0-500	11	2,81	1,19
	501-900	330	2,98	0,42
	901-1200	1222	2,80	0,34
	1201-1500	1221	2,76	0,31
	> 1500	357	3,02	0,49

Regarding salary, job satisfaction tends to increase with income level. Employees earning more than 1500 EUR show the highest satisfaction ( $M = 3,02$ ), while those earning between 901 and 1200 EUR and 1201-1500 EUR cluster around  $M$  within 2,76-2,80. This reinforces the link between financial compensation and perceived job value, particularly in high-pressure sectors like finance.

A Univariate Analysis of Variance (ANOVA) was conducted, examining the effects of those demographic and professional factors (gender, age group, education, duration of employment, monthly net salary, type of financial institution, department, employment level, company size and ownership) on job satisfaction. An interpretation of the results that follows focuses on the significance of the main factors in determining job satisfaction, Table 11.

**Table 11.** Results of Univariate Analysis of Variance with effect of different independent variables on job satisfaction in financial institutions in the Republic of Croatia. Source: authors' work, based on a survey collected from December 2021 to March 2022.

Tests of Between-Subjects Effects					
Dependent Variable: Job satisfaction					
Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	170,407 <sup>a</sup>	37	4,606	52,189	0,000**
Intercept	167,770	1	167,770	1901,122	0,000**
Gender	0,947	1	0,947	10,731	0,001**
Age Group	0,174	3	0,058	0,656	0,579
Completed education level	16,037	3	5.346	60,575	0,000**
Type of financial institution	6,180	3	2,060	23,345	0,000**
Department	22,427	12	1,869	21,178	0,000**
Duration of employment	12,884	4	3,221	36,498	0,000**
Monthly net salary	2,062	4	0,516	5,842	0,000**
Company size	0,375	1	0,375	4,247	0,039*
Ownership structure	8,282	2	4,141	46,926	0,000**
Employment level	10,573	4	2,643	29,954	0,000**
Error	273,833	3 103	0,088		
Total	25527,913	3 141			
Corrected Total	444,240	3 140			

\*\* statistically significant at 1%

<sup>a</sup> $R^2 = 0,384$ , adjusted  $R^2 = 0,376$

The analysis reveals that the model is statistically significant, explaining 38,4% of the variance in job satisfaction ( $R^2 = 0.384$ , adjusted  $R^2 = 0,376$ ). This indicates a moderately strong relationship between the factors analysed and job satisfaction levels. Notably, gender differences, though statistically significant ( $F = 10,731$ ,  $p = 0,001$ ), account for only a small portion of the variance, with males reporting slightly higher satisfaction than females. Educational attainment proves to be a significant factor influencing job satisfaction, with a notable  $F$ -value of 60,575 ( $p < 0,001$ ). Employees with higher education levels, particularly those holding bachelor's degrees and specialist postgraduate degrees, tend to report higher satisfaction compared to those with only high school education or elementary school education. This trend suggests that higher education may lead to better job opportunities and roles that are more fulfilling, contributing to increased satisfaction. Furthermore, the type of financial institution significantly affects job satisfaction ( $F = 23,345$ ,  $p < 0,001$ ), with employees in

leasing companies showing the highest satisfaction, followed by those in pension funds, banks, and insurance companies.

Institutional characteristics such as department affiliation, duration of employment, monthly salary, company size, ownership structure, and employment level also play crucial roles in determining job satisfaction. Department affiliation shows a strong influence ( $F = 21,178, p < 0,001$ ), with HR and executive board members reporting the highest levels of satisfaction, while marketing and procurement departments report the lowest. Duration of employment is another significant factor ( $F = 36,498, p < 0,001$ ), where employees with 0-1 years of experience show the highest satisfaction, which gradually declines as tenure increases. Moreover, salary levels have a notable impact ( $F = 5,842, p < 0,001$ ), with higher salary brackets corresponding to higher satisfaction. Ownership structure ( $F = 46,926, p < 0,001$ ) and employment level ( $F = 29,954, p < 0,001$ ) are also significant, with foreign-owned companies and upper management roles being associated with higher satisfaction. These findings highlight the complex interplay between individual and organizational factors in shaping job satisfaction in Croatia's financial sector.

Based on the research findings, it is possible to derive a "profile" (characteristics) of most and least satisfied employee groups in the financial sector of the Republic of Croatia.

The most satisfied employees generally share several key characteristics. Younger employees, particularly those belonging to Generation Z, stand out as the most satisfied demographic. This could be attributed to their relatively recent entry into the workforce, which often brings a sense of novelty, enthusiasm, and opportunity for growth. Their high satisfaction may also reflect a work culture that increasingly values fresh perspectives and technological adeptness, which younger employees often bring. Male employees report slightly higher job satisfaction compared to their female counterparts, which might suggest underlying gender dynamics in job roles, responsibilities, or perhaps the balance between work and personal life. Employees with higher education levels, particularly those holding a bachelor's degree or advanced degrees like a master's or Ph.D., also report higher job satisfaction. This trend could be due to these individuals being better positioned to secure more intellectually stimulating and well-compensated roles, where their skills and expertise are fully utilized and appreciated. In terms of job characteristics, employees working in leasing companies and those holding positions on executive boards, management or within HR departments (HR might be dubious because of the low number of respondents and bias as a result of a good knowledge of job satisfaction surveys) are among the most satisfied. The high satisfaction levels in these groups could be due to the autonomy, influence, and strategic importance of their roles, which often come with greater recognition and rewards. Furthermore, employees who have been in their current roles for a very short time (0-1 year) report notably high satisfaction, likely due to the positive impact of new experiences, fresh challenges, and the honeymoon period often associated with new jobs. Large companies and domestically owned institutions also tend to foster higher job satisfaction, possibly due to more robust support systems, better resources, and a work culture that aligns more closely with the employees' values and expectations. Financial compensation is another significant factor, with employees earning higher salaries (over 1500 EUR) reporting greater satisfaction, underscoring the importance of adequate financial rewards in job fulfilment.

Conversely, the least satisfied employees tend to be from Generation X (aged 41-56), who might be grappling with mid-career challenges such as a plateau in their professional growth, increased responsibilities without commensurate rewards, or a sense of stagnation. This dissatisfaction may stem from mid-career challenges such as perceived stagnation, limited promotion prospects, increased work-related stress, or a misalignment between personal expectations and evolving workplace cultures. Employees with only an elementary school education report the lowest levels of job satisfaction, likely due to limited career progression

opportunities, lower pay, and potentially feeling less valued in the workplace. Those in marketing, procurement, and claims departments, as well as non-management roles, also tend to report lower satisfaction. These roles may involve repetitive tasks, high levels of stress, and fewer opportunities for advancement, which can contribute to a sense of dissatisfaction. Employees in insurance companies report lower satisfaction levels, possibly due to the demanding and often highly regulated nature of the industry, which can lead to stress and burnout. Medium-sized companies appear to offer less favourable conditions for job satisfaction compared to larger firms, which may be due to fewer resources, less structured career development opportunities, and potentially less job security. Additionally, government-owned institutions are associated with lower satisfaction levels, likely due to bureaucratic inefficiencies, slower decision-making processes, and less competitive compensation structures. Lastly, employees earning lower salaries generally report lower satisfaction, highlighting the significant impact of financial stress and the perception of being undervalued on overall job contentment. These findings suggest that a complex interplay of demographic factors, educational background, job roles, organizational characteristics, and compensation levels influences job satisfaction in the Croatian financial sector.

## **CONCLUSION**

This research conducted on job satisfaction among employees in financial institutions in the Republic of Croatia offers comprehensive insights into the various factors influencing employee satisfaction within the sector. The study identifies that socio-demographic and employment variables, including gender, age, educational attainment, salary, length of employment, and the type of financial institution, significantly impact job satisfaction levels. For instance, the findings reveal that younger employees, particularly those from Generation Z, exhibit higher levels of job satisfaction compared to their older counterparts. Generational difference is notable, as employees from Generation X are identified as the least satisfied group.

The contrast between the youngest and middle-aged generations underscores one of the most significant findings of this study. Generation Z, often entering the workforce with fresh perspectives and a strong affinity for flexibility and purpose-driven work, reports the highest satisfaction levels. In contrast, Generation X, facing mid-career challenges, limited advancement opportunities, and increased responsibilities, emerges as the least satisfied cohort. These results directly support the central theme of the paper and emphasize the importance of understanding generational expectations in workforce management.

Additionally, the research highlights the importance of job roles and positions within the organization. Employees in higher managerial roles, as well as those with advanced educational qualifications, report greater job satisfaction, likely due to increased responsibility, better compensation, and more opportunities for professional growth. In contrast, those in lower-level positions, administrative roles, or with longer tenure at the institution tend to experience lower levels of job satisfaction. This disparity may stem from a perceived lack of career progression, monotonous job tasks, or limited opportunities for skill development.

The study emphasizes the complex interplay between socio-demographic factors and job satisfaction, underscoring the need for organizations to understand and address the diverse needs of their workforce. By doing so, financial institutions can create a more satisfying work environment, leading to enhanced employee performance and organizational success. For managers and HR practitioners, these findings suggest that particular attention should be given to the disengagement of Generation X employees, while simultaneously nurturing the enthusiasm and expectations of Generation Z, who represent the emerging foundation of the financial workforce.

The study has some limitations that need to be acknowledged. First, the research is geographically limited to the Republic of Croatia, which may restrict the generalizability of the findings to other regions or countries. Secondly, the study focuses only on medium and large financial institutions, potentially overlooking the dynamics in smaller organizations. Furthermore, the data were collected during a specific period (December 2021 to March 2022), which may not fully capture the evolving nature of job satisfaction over time, especially in response to external factors such as economic shifts or changes in work environments.

For managers working in the financial sector, this study underscores the importance of addressing the varying needs and preferences of different employee demographics to enhance job satisfaction. Managers should consider implementing targeted strategies that cater to the unique motivations of younger employees while also addressing the concerns of older, more experienced staff. Ensuring opportunities for career advancement, providing fair compensation, and fostering a supportive work environment are crucial. Additionally, managers should be aware of the impact of organizational structure and job roles on employee satisfaction and should strive to create a balanced and inclusive workplace that promotes the well-being of all employees. By taking these steps, managers can enhance job satisfaction, leading to improved performance, lower turnover rates, and overall organizational success.

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