INNOVATIVE BEHAVIOR AND EMPLOYEE JOB SATISFACTION IN TELECOMMUNICATIONS SECTOR

Anes Hrnjic[1], Amila Pilav – Velic[2], Irma Djidelija[3], Hatidza Jahic[4]

ABSTRACT

The prevailing characteristic of the current business market is accelerated dynamics and remarkable change power, which require continuous adjustment of strategy. Employees are crucial drivers for optimal handling and implementing changes and innovations. The telecommunications sector is a major segment of the services industry and companies´ organizational behavior in terms of innovation is determined by various factors whose number, direction and intensity are not yet clearly defined. The research is aimed to investigate the influence of job satisfaction oninnovative capacity development of telecom operators by examining effectiveness of HRM practices in the innovation process. The methodology consists of suitable instruments for assessment of employee satisfaction and innovative behavior. The data was analyzed using linear regression. The results showed that job satisfaction expressed through compliance of challenging tasks, management practices, working conditions, corporate culture, compensation system, and professional competence significantly increases employees´ innovative behavior in the process of creating novel methods, techniques and instruments of labor or finding original solutions for on-going issues and changes in the business environment. The calculated values of the coefficients within the constructed models confirm the research hypothesis, which states that job satisfaction has a positive influence on innovative behavior of employees and improvement in work tasks.

Keywords: job satisfaction, employee behavior, innovation, telecommunications, human resources management

JEL: L96, J28, O30

INTRODUCTION

In the contemporary business environment, the life expectancy of strategy is reduced. Hence, innovation has become the only means by which companies can extend their success consideringan extremely high degree of competition in different sectors of the economy, especially in the services sector such as telecommunications. In previous decades, many businesses were quite isolated from the competition within the industry as well as from the potential competition entry due to various factors. The supreme factors that have protected industry leaders from the competition include regulatory barriers, distribution monopolies, weak bargaining power of consumers, proprietary standards, economies of scale, etc. (Rahimic et al., 2013). These factors responsible for the privileged status of the most dominant companies collapsed as a result of deregulation and liberalization of markets, the emergence of new communication channels such as the Internet, degradation of many large companies through outsourcing activities, appearance of informed and well educated customers who have much higher negotiating power, and so on. Therefore, innovation became an imperative for companies that aim to be competitive in today's modified and highly dynamic business environment. Current employees are seen as key drivers of change which have an essential role in the creation of innovation (Hamel, 2007).

Increasing competition, rapid globalization and development of IT have resulted in the emergence of business concepts with the focus on customer satisfaction. In fact, previous studies show that it is five to six times more expensive to acquire a new customer than to retain the existing one (Keiningham et al., 2005). Hence, companies have

[1] *School of Economics and Business, University of Sarajevo, e-mail: anes.hrnjic@efsa.unsa.ba,*
[2] *School of Economics and Business, University of Sarajevo, e-mail: amila.pilav-velic@efsa.unsa.ba,*
[3] *Faculty of Economics, University Dzemal Bijedic Mostar, e-mail: irma.djidelija@unmo.ba*
[4] *School of Economics and Business, University of Sarajevo, e-mail: hatidza.jahic@efsa.unsa.ba,*

realized that closely related to the achievement of great customer satisfaction is a high level of job satisfaction among employees who are often appointed the term *internal customers* (Mahmood et al., 2014). Job satisfaction can be defined as employees´ positive emotional state and attitude which is accomplished through work experience and benefits of successfully performing tasks (Locke, 1976). Executive focus on the labor market and managerial commitment to considering needs and values of employees attempting to fulfill them is represented by the term *internal market orientation* (Yoon et al., 2004). Recent Human resource management (HRM) research highlights that psychological empowerment of employees has a great importance for present organization as a result of dynamic changes in the commercial ambient (Allameh et al., 2012). Psychological empowerment is not only seen as delegating to employees who are hierarchically below top management, but refers to employees´ psychological well-being affecting their emotional state as well (Conger et al., 1988).

Also, Spreitzer et al. (1997) believe that the concept of employee psychological empowerment is wide and that empowerment in that context can be defined as a psychological state or cognitive processes that are based on personal experiences within companies and employees´ perception of business processes. Psychological empowerment affects a wide range of outcomes in organizational context such as intention to leave the organization, appropriate and desirable organizational behavior, business performance, organizational learning, creativity of employees, job satisfaction, etc. (Singh et al., 2013) . Key factors influencing job satisfaction can be classified into six categories: opportunities for development, stress caused by job activities, superiors´ leadership skills, labor standards, adequacy of reward or compensation system, and authority/responsibility (Odzemir, 2009). Companies in which innovation is defined as a key competence are able to produce and deliver superior products or services. Strategic competitive advantage in these companies is achieved through exploitation of employees´ ability to generate new ideas that are at the same time knowledgeable and creative (Jafri, 2010).

Cummings et al. (2005) define innovation as the successful implementation of creative ideas, tasks or processes. De Jong et al. (2007) define innovative behavior as behavior aimed at initiating and implementing new ideas, products, processes and their connection with business performance, groups or organizations. Scott et al. (1994) point out that innovation is an iterative process and that each new level requires different activities and individual behavior in which the innovation is formulated on the basis of discontinuous, non-sequential operations. Thus, the key characteristics of innovation are: novelty, intentionality of benefits, and innovation process (West et al., 1996). Previous studies in the field of innovation management in different sectors have shown that the process of innovation is determined by various factors, but the number, direction and intensity of these factors is not clearly defined. Weeks et al. (2011) explored the relationship between innovation, the ability to absorb knowledge, and practices of human resource management. The results showed that the HRM has a direct impact on the level of knowledge absorption capacity and development of innovations.

The new position of the services sector in the economy has led to an increase in innovation, competition, employment and economic growth (Howells et al., 2004). Various studies in the European Union have shown that in the year of 2004, more than one third (precisely 39.9%) of employees were in the services sector and this particular sector created 46.2% of added value (Arundel et al., 2007). The growing role of the services sector imposes the need for analysis of the determinants of innovation, which provided a positive trend of market development. This research has an objective to explore the impact of job satisfaction on innovative capacity of telecoms operators in Bosnia and Herzegovina, evaluating efficacy of HRM practices in the process of creating and implementing innovation. The paper structure includes literature review presented in the introduction,detailed explanation of methodology applied, presentation of results obtained based on the collected primary data and, in the end, research results discussed in terms of practical implications, limitations and recommendations for upcoming/future studies followed by conclusions and list of references used.

2. METHODOLOGY

In the literature, we often find that customers are the central stakeholder, but in today's turbulent environment many HRM specialists consider that employees are the most important participants within the economy market because businesses cannot successfully complete their goals and deliver a top quality product or service if their employees are not satisfied or motivated. In order to achieve the research goals, the survey was conducted on a random sample of 116 respondents employed in the telecommunications sector. The online questionnaire consisted of 33 questions related to different segments of job satisfaction described in the literature review such as independence of decision-making, opportunities to perform variety of tasks and to influence other coworkers, supervisors´ leadership skills, ethical standards, job security, adequacy of compensation, promotion in line with the education/performances, interpersonal relations as well as the issues related to the possibility to show innovative behavior (use of new work methods, techniques and instruments, search for original solutions to current problems, new approaches to business tasks, transfere of enthusiasm in the process of innovation, systematic continuity in presenting new ideas, development of new technologies, etc.) ending with the demographic profile section including gender, age, and education level of the respondents.Given the literature demonstrates the importance of innovations for companies in dynamic business environment of increased competition, globalization, and development of the IT sector, the following hypothesis is proposed: *Employee job satisfaction is an important factor in their innovative behavior while completing daily tasks in the telecommunications sector*.

The questionnaire was created by combining two standard instruments used in scientific research designed to examine employees' job satisfaction and the manifestation of innovative behavior in corporate environment. One is The Minnesota Satisfaction Questionnaire was applied in order to determine the level of job satisfaction (a short version consisting of 20 questions) and the other is Scott-Bruce survey form for determining the degree to which employees have the opportunity to express innovative behavior in the organizational context. Gender-wise, demographic profile includes female 55 employees (or 47.41%) and 61 male respondents (or 52.59%). Almost a half of the respondents, precisely 48 (or 41.38%), belong to the age group 26-36, followed by 39 respondents in the age group 36-45 (or 33.62%). The lowest number of the respondents comes from the youngest category of employees aged 25 years old or younger (14 employees or 12.07%), which is understandable considering that the number of unemployed young people in Bosnia and Herzegovina is above 40%. It should be noted that the majority of the respondents completed undergraduate studies, precisely 47.41%. Also, 32.76% have completed some sort of post-graduate studies (master or doctoral studies). The high level of well-educated employees can be argued by the type of the sector in which the sample was collected asthe high-tech sector is characterized by a great degree of organizational professionalism (the level of highly educated workers).

The calculation of a priori statistical power at level 1 with a mean level of size effects (0.15) and a confidence level of $\alpha = 0.05$ was used to determine the sample size. The high statistical power reduces the probability of making a Type II error. The selected level of statistical power produces statistically significant results each time. All the questions in the online survey form were mandatory, so there were no missing data. Given that the dependent and independent variables are both ordinal, linear regression was used. Prior to the application of the method, it was investigated whether these variables met the statistical assumptions for its application (normality, linearity, heteroscedasticity). For the purposes of this analysis, eleven regression models were created. Ten models represent the individual analysis of the dependent variables related to measurements of innovative behavior. The eleventh regression model included a summary dependent variable for which we previously tested the possibility of its formation using the Cronbach's alpha test of reliability. All statistical calculations were performed using the software package SPSS.

3. RESULTS

Statistical characteristics of the variables resulted in the application of the linear regression method as stated in the methodology and the defined hypotheses of the paper was rephrased for the purposes of statistical analysis to the following form: *There is a statistically significant correlation between employee job satisfaction and their expression of innovative behavior in daily tasks in the telecommunications sector*. According to the methodological framework, the measurement of innovative behavior (using the data obtained by ten survey questions concerning the expression of innovative behavior in corporate environment of telecommunication operators) presented the basis for developing ten regression models. The statistical assumptions for the application of regression analysis are met in each individual model and assumptions are tested via appropriate graphic representations such as histogram, normal p-p plot and scatter plot. The independent variables within the constructed regression model represented the results on twenty statements about job satisfaction. The dependent variable in the first regression model (Table 3.1.) represented the initial statement in the survey questionnaire targeting to measure innovative behavior of employees ("I pay attention to issues that are not related to my daily tasks").

The results of regression analysis showed that 31.8% of the variability of innovative behavior can be explained by employee satisfaction. The model is significant at the level of reliability of 1% (p-value =0.006). The statistically significant independent variables, which contributed the most to these results, are job security in the future and a sense of personal accomplishment at the workplace. So, how much attention will employee pay to the issues not related to their daily work, depends on whether the job provides personal fulfillment and whether there is security in terms of future employment. Hence, more secure employment and a greater sense of personal fulfillment increase employee commitment to the issues that are not part of their daily business assignments. Additionally, previous research showed that job security is one of the most significant factors of job motivation, particularly in times of economic downturn (Senol, 2011).

In the next regression model (Table 3.2,), the second research question measuring the level of innovative behavior ("I think about how I could improve my work and business in general") was used as the dependent variable and the independent variables of job satisfaction remained the same as in the previous model. In the second model, 43.9% of the variability of innovative behavior is explained by the variables related to job satisfaction. The model is statistically significant at the level of reliability of 1% (p-value=0.000). The results show that thinking about strategies, techniques and methods to improve performance and business in general are most affected by daily preoccupation workloads, possibility of

Table 3.1. Representation of the 1st regression model

a) Correlation and determination coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.564[a]	.318	.174	.741	.318	2.213	20	95	.006***

Note: * 10%, ** 5%, *** 1%

b) ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.320	20	1.216	2.213	.006***
	Residual	52.189	95	.549		
	Total	76.509	115			

Note: * 10%, ** 5%, *** 1%

Table 3.2. Representation of the 2nd regression model

a) Correlation and determination coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
2	.663[a]	.439	.321	.669	.439	3.724	20	95	.000***

Note: * 10%, ** 5%, *** 1%

b) ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
2	Regression	33.324	20	1.666	3.724	.000***
	Residual	42.504	95	.447		
	Total	75.828	115			

Note: * 10%, ** 5%, *** 1%

participating in different types of assignments and performing tasks that are consistent with employees´ personal system of values. If an employee is actively engaged into assignments and have the opportunity to participate in various aspects of the tasks which are in accordance with his or her conscience, then he or she will think more about the modalities of improving daily tasks as well as improving the overall business performance.

In the model showed in Table 3.3. as in the previous two, the dependent variables included twenty measures of job satisfaction, while the dependent variable was the third question related to expression of innovative behavior in corporate environment ("I investigate the possible use of new working methods, techniques and instruments"). According to the results of the analysis, 37.2% of variability in terms of innovative behavior of employees is explained by using the appropriate variables of employees' job satisfaction. The model is significant at the level of 1% (p-value=0.000). Exploring usage of novel working methods, techniques and instruments, according to the results of this model, depends on whether the employee has the opportunity to develop an influential role among co-workers, whether he or she can instruct other colleagues in terms of modes of operation, and whether he or she has the necessary authority power to use personal judgment in decision-making processes. Employees who are capable of directing and influencing their colleagues in

Table 3.3. Representation of the 3rd regression model

a) Correlation and determination coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
3	.610[a]	.372	.240	.764	.372	2.816	20	95	.000***

Note: * 10%, ** 5%, *** 1%

b) ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
3	Regression	32.862	20	1.643	2.816	.000***
	Residual	55.440	95	.584		
	Total	88.302	115			

Note: * 10%, ** 5%, *** 1%

carrying out business tasks as well employees who are authorized to use personal judgment in decision-making are more successful in exploring and implementing new working methods and techniques.

In the next model (Table 3.4.), the dependent variable represented the fourth question, which was used for the measurement of innovative behavior ("I try to find original solutions to the problems faced at work"). The fourth model explained 37.7% of the variability of innovative behavior by applying measures of job satisfaction with significance at 1% (p-value=0.000). The model highlights that employees will try to find new solutions to working challenges in situations when their supervisor has not carried out tasks well, but at the same time employees need necessary authority for decision-making and peer support to act in accordance with their conscience.

In accordance with the previous procedure, this model (Table 3.5.) included the fifth question related to the innovative behavior as the dependent variable ("I try to find new approaches to perform business tasks") and the independent variables included twenty measures of job satisfaction, as well as in the previous models and in all subsequent ones. The results show that the employee will be motivated to find new approaches to perform business tasks if he/she is sufficiently incorporated in and familiar with the everyday

Table 3.4. Representation of the 4th regression model

a) Correlation and determination coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
4	.614[a]	.377	.246	.684	.377	2.878	20	95	.000***

Note: * 10%, ** 5%, *** 1%

b) ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
4	Regression	26.955	20	1,348	2,878	.000***
	Residual	44,494	95	,468		
	Total	71,448	115			

Note: * 10%, ** 5%, *** 1%

Table 3.5. Representation of the 5th regression model

a) Correlation and determination coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
5	.669[a]	.448	.331	.624	.448	3.849	20	95	.000***

Note: * 10%, ** 5%, *** 1%

b) ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
5	Regression	29.957	20	1.498	3.849	.000***
	Residual	36.965	95	.389		
	Total	66.922	115			

Note: * 10%, ** 5%, *** 1%

and specific work tasks or if he/she possess certain authorities, which provide the employee with the opportunity to experience his/her own methods of performing the tasks.

The sixth regression model (Table 3.6.) included the sixth question that measures innovative behavior ("I try to convey enthusiasm to other employees forthe proposed innovation/ improvement") as the dependent variable. The regression coefficients indicate that the employee will work harder to convey enthusiasm to others at the proposal of innovation if he/she is (as in the previous model) highly involved in the primary and general business activities that are in line with his/her own system of values (so that their knowledge can influence others). However, it is important that employees feel security regarding future employment, after making changes and implementing innovation.

In the seventh model (Table 3.7.), the dependent variable was presented by the seventh research question ("I try to get support of colleagues for my policy of improving business activities"). According to the results, if the employee is more involved in daily execution of tasks in line with his/her personal conscience and if there are warranties for further employment after the introduction of changes, then he/she will be more inspired to seek support of colleagues for their suggested improvements. Also, if the company does not successfully implement internal rules of procedure in its daily practice,

Table 3.6. Representation of the 6th regression model

a) Correlation and determination coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
6	.702[a]	.493	.386	.653	.493	4.612	20	95	.000

Note: * 10%, ** 5%, *** 1%

b) ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
6	Regression	39.344	20	1.967	4.612	.000***
	Residual	40.518	95	.427		
	Total	79.862	115			

Note: * 10%, ** 5%, *** 1%

Table 3.7. Representation of the 7th regression model

a) Correlation and determination coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
7	.621[a]	.385	.256	.608	.385	2.974	20	95	.000***

Note: * 10%, ** 5%, *** 1%

b) ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
7	Regression	22.002	20	1.100	2.974	.000***
	Residual	35.136	95	.370		
	Total	57.138	115			

Note: * 10%, ** 5%, *** 1%

then employees will require greater support of colleagues for their own innovative proposals.

As all the previous models, the eighth model (Table 3.8.)included twenty measures of job satisfaction as the independent variables and the dependent variable was the eighth question related to innovative behavior ("I present new ideas systematically, which are connected with improvement of business practices"). In this model, similar to the former one, the systematic presentation of new ideas of employees is affected by knowledge of tasks, security of further employment, and possession of the necessary authorizations for the use of personal assessment in decision-making. If the employee is better acquainted with the work tasks, has the necessary authority for decision making and is secure in terms of future employment, then he/she will systematically present new ideas for improvement.

In this model (Table 3.9.), the ninth question was used as the dependent variable ("I give my personal contribution in the implementation of new solutions"). The analysis of the ninth model shows that the employee will give higher personal contribution during the implementation of new ideas if he/she had the chance to be involved in the performance of different types of tasks. In that way the employee can acquire the necessary knowledge in various fields of company's activities and the employee will show greater engagement

Table 3.8. Representation of the 8th regression model

a) Correlation and determination coefficients

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Change Statistics**				
					R Square Change	**F Change**	**df1**	**df2**	**Sig. F Change**
8	.629[a]	.396	.269	.727	.396	3.117	20	95	.000***

Note: * 10%, ** 5%, *** 1%

b) ANOVA

Model		Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
8	Regression	32.984	20	1.649	3.117	.000***
	Residual	50.257	95	.529		
	Total	83.241	115			

Note: * 10%, ** 5%, *** 1%

Table 3.9. Representation of the 9th regression model

a) Correlation and determination coefficients

Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Change Statistics**				
					R Square Change	**F Change**	**df1**	**df2**	**Sig. F Change**
9	.637[a]	.406	.281	.778	.406	3.244	20	95	.000***

Note: * 10%, ** 5%, *** 1%

b) ANOVA

Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
9	Regression	39.262	20	1.963	3.244	.000[a]
	Residual	57.497	95	.605		
	Total	96.759	115			

Note: * 10%, ** 5%, *** 1%

in the implementation of innovation if his/her supervisor does not possess the necessary skills for this stage of the business decision.

In accordance with the previous procedure, the tenth regression model (Table 3.10.), included the tenth question related to innovative behavior, as the dependent variable ("I make efforts to develop new technologies that will improve company's business"). Similar to the third model, the results of this model show that employees will make an effort to develop new technology only if they possess: the necessary knowledge of business activities, the authority to make decisions individually and influence the behavior of other employees; or if the supervisor does not perform his/her duties well and adequately. All ten models, at the level of reliability of 1%, showed a significant correlation between the innovative behavior and job satisfaction through the obtained correlation and regression coefficients. Hence, significant variability in the occurrence of innovative behavior can be explained by job satisfaction.

In further steps of the research, the possibility of summarizing the measures of innovative behavior in an average variable using Cronbach's alpha test was checked. The value of Cronbach's alpha test of reliability at the level of 0.902 confirmed the possibility of creating an average of the dependent variable, which was then used in the eleventh regression model (shown in Table 3.11. below).

Table 3.10. Representation of the 3rd regression model

a) Correlation and determination coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
10	.717[a]	.514	.411	.761	.514	5.019	20	95	.000

Note: * 10%, ** 5%, *** 1%

b) ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
10	Regression	58.159	20	2.908	5.019	.000***
	Residual	55.039	95	.579		
	Total	113.198	115			

Note: * 10%, ** 5%, *** 1%

Table 3.11. Representation of the 11th regression model

a) Correlation and determination coefficients

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.746[a]	.557	.463	.44851	.557	5.962	20	95	.000

Note: * 10%, ** 5%, *** 1%

b) ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.984	20	1.199	5.962	.000***
	Residual	19.110	95	.201		
	Total	43.094	115			

Note: * 10%, ** 5%, *** 1%

According to the results of the last model, innovative behavior in corporate environment manifested by employees in the sector of telecommunication services in Bosnia and Herzegovina is most affected by the following factors: interest in and dedication to business assignments, opportunity to participate in and conduct different types of tasks, supervisor´ leadership competence and decision-making skills, tasks that are in accordance with employees´ own value system and ethical/ moral standards, guarantees related to job security in the future, necessary authority for personal assessment and action, possibility of instructing other coworkers on how to deliver daily assignments, and the company's ability to successfully implement internal procedures/ rules in an everyday business practice. Employees will more likely express innovative behavior if they are well-informed about the basic and additional work assignments which also fit their own personal system of values/ ethical standards. Further, if employees have the authority to make necessary decisions on their own as well as to instruct other colleagues in their business actions and if they are secured in terms of employment in the long run, it is more likely that the manifestation of some sort of innovative behavior will occur in their daily operations. The results of regression analysis showed that job satisfaction is expressed through compliance of challenging tasks, management quality and working conditions, corporate culture, adequate compensation as well as the level of professional competence and knowledge.

4. DISCUSSION

The study has showed that opportunities for further development will increase employee job engagement and consequently innovative behavior. Hence, development opportunities should be in line with the performance and results of employees, which should also be a solid ground for the planning of training activities within the company aiming to enhance specific skills necessary to successfully perform daily job assignments. Employees will express greater satisfaction with their job if they have the opportunity to participate in various projects. Tasks that are in accordance with employees´ own value systems as well as pleasant working conditions are important in manifestation of creativity within company. Work-related stress causes various disturbances to employees. Therefore, it is reasonable to address these job issues that cause stress in order to develop a more effective HRM practices (Lucanin, 2014). For example, stress can be related to the activities of others in the work environment and if the employee does not have adequate support of colleagues in his or her business activities, very often the situation leads to job dissatisfaction resulting in less innovative behavior.

The results also confirm that employees prefer to work with superiors who have solid leadership skills and invest extra effort to motivate their subordinates to achieve better job performance. If the staff head is a person who does not care about his/her subordinates and does not devote enough time and energy to talk to coworkers aiming to increase motivation, employees may become unhappy with the assigned tasks. One of the crucial aspects of studying the relationship between leaders and followers and its impact on job satisfaction and innovation is linked to the building of trust (Straiter, 2005). Companies that want to achieve a great level of employee satisfaction need to consider non-material motivation mechanisms. HRM specialists suggest that non-material incentives more appropriately address the needs of a higher order according to Herzberg hierarchy such as self-confirmation, autonomy of decision-making, respect of coworkers and others (Rahimic, 2010). Although assigning responsibilities and gaining authority is not the only element of psychological empowerment concept, the study results confirm its significance in achieving greater employees´ job satisfaction because more work authority and responsibility usually results in a higher degree of employee satisfaction, leading to more likely expression of innovation in working methods, techniques, and solutions.

5. CONCLUSION

The results of the overall regression analysis showed that job satisfaction expressed through compliance of challenging tasks, management

quality, working conditions, corporate culture and climate within the organization, type of compensation and reward amount as well as the level of professional competence and knowledge significantly increases workers' innovative behavior in the process of creating novel methods, techniques and instruments of labor or finding original solutions for on-going issues and changes in the business environment. Thus, the calculated values of the coefficients within the constructed models confirm the research hypothesis, which states that job satisfaction has a positive influence on innovative behavior of employees and improvement in work tasks. For example, if a supervisor does not have the necessary competence to successfully run a business unit or if internal rules and procedures in the organization are not implemented on a daily basis, then the employees who are knowledgeable, creative, and possess the necessary authority to self-act according to their conscience are more likely to find innovative solutions enabling the survival and progress of the company in the market.

Further development of the telecommunications sector will depend on the global market liberalization, so new technologies and competition positively affect the quality of services (Pejic-Bach et al., 2013). Hence, it is important to improve HRM practices in order to obtain adequate knowledge and competencies required for successful operations. Previous research in HRM and its impact on innovative capacity of the company came to similar conclusions. The evidence was found that increased job satisfaction as well as the emotional and psychological fulfillment of employees engaging in specific work positions within organizations have a positive impact on performance (Santos-Vijande et al., 2007; Swink et al., 2000). Only companies that have exceptional workers in terms of their knowledge, professional competency, and creativity will be able to produce outstanding service quality as well as innovative solutions.

The practical implications for managers and HR specialists in telecommunications for developing more effective HRM practices highlight the recommendation of innovation strategy based on creativity and engagement of employees. Therefore, the key task of HRM as well as top management should be focused on creating conditions that encourage creativity. Also, innovation and creativity require continuous investment in people by expanding their space and freedom of action, allowing participation in decision-making and organization democratization, establishing collegial relations and partnership, enhancing coworker cooperation, valuing teamwork, diversity of tasks and long-term orientation. Finally, it is important to point out the limitations of the study in terms of the validity of the results. Since previous studies have proved that differences in national cultures also affect employees´ behavior to some extent (Chen, 2001; Trompenaars et al., 1998; Hofstede, 1991), future research on the subject matter should take into account the possible impact of national culture on business behavior or collect a sample from several countries in order to overcome the possibility of cross-cultural errors in interpreting the results.

6. REFERENCES

1. Allameh, S.M., Heydari, M. & Davoodi, S.M.R. (2012) Studying the relationship between transformational leadership and psychological empowerment of teachers in Abade Township. Procedia-Social and Behavioral Sciences, 31, pp. 224-230.
2. Arundel, A., Kanerva, M., Cruysen, A. & Hollanders, H. (2007) Innovation statistics for the European service sector. Report. Brussels, Belgium: European Commission, DG Enterprise. [Online]. Available from: http://www.urenio.org/wp-content/uploads/2008/02/2007-innovation_indicators_for_the_european_service_sector.pdf[Accessed 27 February 2018]
3. Chen, M. (2001). Asian Management Systems. Thomson, London.
4. Conger, J.A. & Kanungo, R.N. (1988) The empowerment process: Integrating theory and practice. The Academy of Management Review, 13(3), pp. 471-482.
5. Cummings, J.N. & Kiesler, S. (2005) Collaborative research across disciplinary and organizational boundaries. Social Studies of Science, 35(5), pp. 703-722.
6. De Jong, J.P.J. & Den Hartog, D.N. (2007) How leaders influence employees' innovative

behaviour. European Journal of Innovation Management, 10(1), pp. 41-64.

7. Hamel, G. (2007) The future of management. Boston: Harvard Business School Press, p. 48.
8. Hofstede, G. (1991) Culture and Organizations: Software of the Mind. McGraw-Hill, NY.
9. Howells, J. & Tether, B. (2004) Innovation in services: Issues at stake and trends, Report. Brussels, Belgium: Commission of the European Communities. [Online]. Available from: https://halshs.archives-ouvertes.fr/halshs-01113600/document[Accessed 27 February 2018]
10. Jafri, M.H. (2010) Organizational commitment and employee's innovative behavior. Journal of Management Research, 10(1), pp. 62-68.
11. Keiningham, T.L., Vavra, T.G., Aksoy, L. & Wallard, H. (2005) Loyalty myths: hyped strategies that will put you out of business & proven tactics that really work. John Wiley&Sons.
12. Locke, E.A. (1976) ″The nature and causes of job satisfaction″, in M.D. Dunnette (ed.), Handbook of industrial and organizational psychology. Chicago: Rand-McNally.
13. Lucanin, D. (2014) Mjere prevencije i sprecavanja stetnih posljedica stresa, paper presented at the conference. Sigurnost, 56(3), pp. 223-234.
14. Mahmood, S., Attiq, S. & Azam, R. (2014) Motivational needs, core-self-evaluations and their link with job satisfaction: evidence from telecom sector of Pakistan. Pakistan Journal of Commerce and Social Sciences, 8(1), pp. 149-169.
15. Ozdemir, S. (2009) Factors influencing job satisfaction in Azerbaijan companies. Journal of Qafqaz University, Issue 26, pp. 103-108.
16. Pejic-Bach, M., Zoroja, J. & Jirous, Z. (2013) Croatian telecommunication market: Concentration trends in the period from 2003 to 2008. Interdisciplinary Description of Complex Systems, 11(1), pp. 131-142.
17. Rahimic, Z. & Podrug, N. (2013) Međunarodni menadzment. Ekonomski fakultet Univerziteta u Sarajevu. Sarajevo.
18. Rahimic, Z. (2010) Menadžment ljudskih resursa. Ekonomski fakultet Univerziteta u Sarajevu.Sarajevo.
19. Santos-Vijande, M.L., & Alvarez-Gonzalez, L.I. (2007) Innovativeness and organizational innovation in total quality oriented firms: The moderating role of market turbulence. Technovation, 27(9), pp. 514-532.
20. Scott, S.G. & Bruce, R.A. (1994) Determinants of innovative behavior: A path model of individual innovation in the workplace. Academy of Management Journal, 37(3), pp. 580-607.
21. Senol, F. (2011) The Effect of Job Security on the Perception of External Motivational Tools: A Study in Hotel Businesses. Journal of Economic and Social Studies, 1(2), pp. 33-60.
22. Singh, M. & Sarkar, A. (2013) Dimensions, outcomes and mediating roles of empowerment. Management and Labour Studies, 38(4), pp. 315-333.
23. Spreitzer, G.M., Kizilos, M.A. & Nason, S.W. (1997) A dimensional analysis of the relationship between psychological empowerment and effectiveness, satisfaction, and strain. Journal of Management, 23(5), pp. 679-704.
24. Straiter, K.L. (2005) The effects of supervisors' trust of subordinates and their organization on job satisfaction and organizational commitment. International Journal of Leadership Studies, 1(1), pp. 86-101.
25. Swink, M.L., & Mabert, V.A. (2000).Product development partnerships: Balancing the needs of OEMs and suppliers. Business Horizons, 43(3), pp. 59-68.
26. Tompenaars, F. & Hampden-Turner, C. (1998) Riding Waves of Culture. McGraw Hill, NY.
27. Weeks, M.R. & Thomason, S. (2011) An explantory assessment of the linkages between HRM practices, absorptive aapacity & innovation in outsourcing relatonships. International Journal of Innovation Management, 15(2), pp. 303-334.
28. West, M.A. & Altink, W.M.M. (1996) Innovation at work: Individual, group, organizational, & sociohistorical perspectives″. European Journal of Work and Org. Psychology, 5(1), pp. 3-11.
29. Yoon, M.H., Seo, J.H. & Yoon, T.S. (2004) Effects of contact employee supports on critical employee responses & customer service evaluation″. Journal of Services Marketing, 18(5), pp. 395-412.