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Global Management and Politics (GMAP)

MASTER THESIS

*The Reasons People Want to Quit Their Jobs in Baku at Public Sector
Over the Last Decade*

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Abstract

The present research seeks to identify the main causes of employee turnover in public sector of Baku, Azerbaijan during the last 10 years. Using semi-structured interviews of 17 respondents, the paper points the main factors that lead to job-leaving. Low pay is the most reported reason for leaving; however, the study indicates a nuanced relationship among financial, administrative, and psychosocial influences on turnover. The study identified key themes, including inadequate compensation and benefits, rigid and unattractive working conditions, deficient leadership and organizational culture, limited career development opportunities and individual alignment and career repositioning. That push-pull effect is echoed at a generational level, as younger workers desire flexibility, fast advancement and mission-driven work and as older employees value stability and predictability. While low pay is commonly cited as the number one reason for exit, the report insists that staff turnover is a multi-dimensional problem that requires systemic overhaul. This paper further recommends developing payment and grading policy, embracing flexible work programs, investing in leadership development, shifting to merit-based progression, and aligning culture with the changing expectations of workers. Although the qualitative design provides rich information, mixed-methods research is suggested for future research that increases generalizability. Dealing with these linked problems can enhance retention, job satisfaction, and the long-term health of public sector institutions.

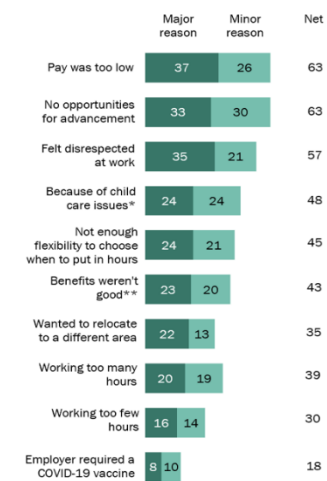
Keywords: Employee turnover, public sector, job satisfaction, leadership, career, generational gap, Azerbaijan.

Introduction

In the last ten years, employee turnover-especially voluntary quits-has emerged as a major issue for companies all over. Voluntary turnover refers to employees willingly leaving their jobs, as opposed to retirements, layoffs, or contract expirations. Surveys and studies conducted worldwide have revealed an increase in such resignations; many of them are attributed to avoidable causes by many employees. A 2022 Gallup poll in the United States, for example, indicated that self-reported turnover risk had hit its greatest level since 2015 and that 51% of workers were actively looking for new employment (Corey Tatel, 2024). Likewise, numerous nations had quit rates at a two-decade high in 2021 under the “Great Resignation” trend. These global tendencies underline the

Top reasons why U.S. workers left a job in 2021: Low pay, no advancement opportunities

Among those who quit a job at any point in 2021, % saying each was a ____ why they did so



*Among those with children younger than 18 living in the household

**Question provided health insurance and paid time off as examples.

Note: Figures may not add to subtotals due to rounding.

Source: Survey of U.S. adults conducted Feb. 7-13, 2022.

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necessity to understand why employees choose to depart. Though, even if this problem is well acknowledged worldwide, there is a striking dearth of concentrated study on voluntary turnover in the public sector of particular local settings (Kim Parker, 2022). This thesis fills that gap by looking at why people in Baku, Azerbaijan, over the past ten years, wish to leave their public sector employment, therefore highlighting a vital but under-researched issue in the area.

Figure 1. Top reasons why employees quit their jobs (major or minor reasons). A Pew Research Center survey of US workers who quit in 2021 found that low pay, lack of advancement opportunities, and feeling disrespected were the most frequently cited factors for leaving. These broad factors echo challenges that may also be present in Azerbaijan’s public sector.

Background and Importance of the Issue

The capital of Azerbaijan, Baku, is home to a sizeable share of the public sector workers in the nation. Traditionally seen as steady public sector employment - including government administration, education, healthcare, and civil service – has changed dramatically in the last decade. Economic and social development in Azerbaijan, notably changes in oil income, currency devaluations, and increasing living expenses, have stressed public institutions and their staff members. Azerbaijan’s labor market is especially marked by high turnover rates, which suggest a

flexible but unstable job climate (Ramiz Rahmanov, 2016). According to the State Statistical Committee of Azerbaijan, the country's overall employment was approximately 1.75 million as of early 2024, with about 900,000 in the public sector and a somewhat lesser number in the private sector. This indicates a transition from past years – for example, in 2020 the public sector employed roughly 911.7 thousand workers compared to 734.4 thousand in private sectors. By the end of 2023, though, the difference had significantly closed (899.1k public vs. 842.7k private). The tendency of the private sector catching up to (and maybe surpassing) the public sector in employment share implies that many people could be drawn to private possibilities or departing public jobs. This trend by itself indicates a possible retention issue in Baku's public sector.

Voluntary quits in Baku's public sector have several implications. First, public institutions suffer large expenses from high attrition. Replacing a teacher or seasoned civil worker is expensive and labor-intensive; studies project replacement expenses from roughly 40% of a frontline worker's yearly compensation to 200% for leadership positions (Geybulla, 2024). Apart from monetary expenses, regular turnover disturbs the consistency and excellence of public services. For instance, when experienced doctors or teachers leave their institutional knowledge and human capital are not readily replaced. In government offices, hospitals and schools this can result in a drop in the quality-of-service delivery. High voluntary turnover can also indicate more serious problems in the workplace. Shoot many public sector workers in Baku want to leave it would indicate underlying discontent or mismatch inside public organizations. Such a pattern could indicate issues in company culture, human resources management or public sector labor policies. It might also indicate more general socioeconomic concerns-for example, if public sector compensation does not match the cost of living in Baku workers will inevitably be more likely to depart for better paid positions elsewhere (Janashvili, 2020). Knowing these problems is thus not merely an intellectual activity but also of pragmatic relevance. Identifying my public workers are unhappy enough to quit might assist guide forcing measures to increase retention. Governance and public service delivery depend finally on the stability and efficiency of Baku's public sector workers; therefore, this study is important for both public administration practice and academia.

Public sector attrition trends in Baku

Though scant, current studies and statistics point to a growing voluntary attrition in Baku's public sector during the last 10 years. Labor turnover as tracked by Azerbaijan's State Statistics

Committee, is the annual number of people recruited and separated. Although thorough analyses or voluntary quits are not publicly disaggregated, overall statistics suggest significant turnover. Researchers have pointed out that Azerbaijan's labor market has a "high job turnover rate", which suggests a great degree of worker mobility between occupations. Anecdotal data and sectoral statistics in the public sector setting point to increasing quit rates. The education sector for instance has struggled with teacher retention: one study underlined that "teacher salaries are very low, and this discourages young people from entering the profession and has resulted in an ageing teaching population". As few replacements come in low entry of youth frequently corresponds with more exit of incumbents. To stop the flow the government has certainly reacted with regular teacher pay increases. It 20% rise in teacher salary in 2019 boosted the national average teacher compensation to roughly 600 manats per month. By the 2020-2021 academic year this increased the average monthly pay of teachers in Baku's public schools to almost 702 euros. Despite such increases teacher pay has not kept pace with inflation; from 2016 and 2022 secondary school teachers' salaries rose almost 55% but still trailed behind total inflation compromising actual income. Many teachers end up thinking about quitting for better-paying positions or perhaps changing professions. A like pattern may be seen in healthcare: Azerbaijan's public health care system is known for persistent underfunding and low pay. Of the 873.6 million manats set out for healthcare in 2019, around 388 million was for salaries split between roughly 32,000 doctors and 54,000 other medical personnel, which came to only 375 manats extra per month for each medical worker. Such poor wage levels have probably driven doctors and nurses to look for private sector jobs or opportunities overseas and have certainly increased dependency on informal payments. All these signs back up the idea that Baku's public sector has been undergoing significant voluntary attrition as workers respond to economic challenges and look for better conditions outside government jobs.

From an institutional point of view, it is also essential to consider administrative and governance elements that could affect departures. The public sector in Baku the administrative hub of Azerbaijan, is not free from problems of bureaucratic culture and governance quality. Studies have shown that Azerbaijan's state administration has traditionally battled favoritism and restricted meritocracy. One study noted that "systemic patronage and corruption have been undermining meritocratic principles" in the civil service. This might mean dissatisfaction among public workers; for instance, if promotions and career progression are seen to rely on relationships or

favoritism rather than performance skilled civil servants might feel stagnant and unappreciated, therefore living in quest of a more merit-based work environment (usually in international organizations or the private sector). The government has recognized these difficulties and, in response, started a change to professionalize the civil service. Efforts such as competitive exams for recruitment and wage increases for junior officials—a 40% pay raise for public servants in 2022, bringing average monthly pay for civil servants to €1785—were partly intended to enhance retention by raising morale and living standards. In fact, according to policy analysts, greater public compensation would “motivate to stay in their jobs instead of looking for more profitable private-sector work”. The we're in need of such actions suggests that low compensation and the absence of merit-based promotion have been major contributors to turnover.

Baku's Socioeconomic Scene

Understanding public sector cuts depends much on Baku's unusual social economic scene during the past 10 years. They even buy oil earnings the city has seen fast growth; nevertheless, oil price chains have caused economic instability as well. High inflation that outpaced income growth for several years followed significant currency devaluations in 2015-2016. Official paper even indicates that from 2016 to 2022, consumer prices – particularly for necessities and food - in Azerbaijan climbed quicker than average salaries, hence diminishing actual buying power. For the public sector worker in Baku, this meant that overtime asset government pay could afford less and less. Civil servants, teachers, and health care professionals whose salaries were not inflation-indexed in real time may have more stress from rising living costs in the capital including housing, utilities, and other urban expenses. The average nominal monthly pay in the country by 2023 was roughly 993 manats, while many public positions – such as early-career teachers or nurses—earned below this average. The government's annual changes to public sector pay skills and minimum salaries were meant to soften workers, but they usually followed major delays and did not completely offset cost-of-living raises. Financial incentives have therefore been a strong driving force for public workers in Baku: many have looked for private sector employment which usually provides better pay or they have chased chances overseas. Reflecting that many new occupations and higher paying positions are outside the government the private sector workforce in Azerbaijan has grown significantly in recent years. Being the financial center, Baker focused on most of these

new private prospects hence urban workers found it more and more possible to leave a public job for a private one.

The evolving expectations and job ambitions of the younger generation in Baku is another socioeconomic factor. Often younger workers, including those joining public service in the previous ten years give career advancement skill development and work life balance the top priority. New arrivals could not remain long if the public sector is seen as providing restricted growth or a strict work environment. Surveys in nearby areas have really revealed that public sector workers can have less turnover intention when they feel encouraged and involved but far higher intention to leave when they suffer bad leadership or lack of development possibilities. Also survey data for Azerbaijan's public sector is limited worldwide trends implied these elements are active. The most common reasons Americans left their jobs according to a recent Pew Research Center poll in 2021 (see Figure 1), were "pay was too low" (reported by 63% of respondents) and "no opportunities for advancement" (63%), followed by "feeling disrespected at work" (57%). These justifications ring true with probable circumstances in Baku's public sector: Common causes of employee turnover are low compensation, unchanging careers, and problems with workplace culture (disrespect or lack of appreciation). Certainly, stories have sometimes emerged of public sector offices in Azerbaijan where workers believe undervalued or suffer two bureaucratic obstacles which could drain drive. Moreover, outside influences like the COVID-19 epidemic add more pressure on public workers-especially the teachers and health care professionals-which may lead to burnout and cause some to leave early or switch professions. All these contextual factors-economic pressure generational transition and exceptional events come together to affect a public employee's choice to remain or go.

Static gap and justification

Notwithstanding the clear difficulties described above there is a significant lack of study on voluntary turnover in Baku's public sector. Although worldwide and regional studies have looked at work satisfaction and employee turnover very few peer-reviewed papers concentrate particularly on recent years' public sector attraction in Azerbaijan. Though not on the micro-level we point of why individual civil employees or public professionals choose to leave their jobs the literature on public administration Azerbaijan has frequently focused on reforms anti-corruption initiatives, and capacity building. Moreover, existing turnover research tends to aggregate all forms of turnover

without separating voluntary quits. Unlike structural existence, including retirements or layoffs this paper is specifically concerned with voluntary resignations-those quits started by the employees themselves. Focusing on voluntary departures, the study intends to highlight the push and pull elements as filed by employees instead of the mandates of policy or age restrictions. This emphasis is crucial as with the correct organizational adjustments volunteer turnover is sometimes seen as avoidable. Gallup's study reveals that 42% of those who left their jobs sold their company might have acted to retain them. Knowing the motivations behind voluntary quits in Baku's public sector could help one find practical areas for improvement-whether it be improving management methods raising pay implementing merit-based promotion systems or offering greater non-monetary rewards. Both practical and academic reasons support the rationale of this research. Practically Baku's public sector institutions-hospitals schools and ministries, etc., - stand to gain from knowledge of attrition. High turnover might weaken the government's ability to fulfill its public service and development objectives. Policymakers and administrators can create focused retention plans by means of knowing the main factors driving employee desire to leave; for instance, if lack of career advancement is a major concern implementing obvious promotion routes and professional development initiatives might help to address it. Should low pay be a major concern, finding from this study called back budgetary choices to raise public sector salaries or allowances in accordance with living expenses. From a scholarly perspective this study will add to the larger body of work on public sector human resources management in transitional and developing countries. Countries like Azerbaijan have settings that could create distinct turnover dynamics than those seen in western settings. Examining Baku helps this paper to provide a case study to the worldwide knowledge of voluntary turnover may be stressing how elements lack institutional reform sociopolitical circumstances or cultural expectations influence employees' desires to remain on the part. It tackles a gap identified in meta-analysis indicating that factors of turnover intention in the public sector require additional context specific research.

Literature Review

The significant changes in the motivations for Azerbaijani workers changing jobs over the last decade have been driven by economic, technological, organizational, demographic and regulatory factors. Economic changes, unstable market conditions and changing worker aspirations have contributed to Azerbaijan's rising job mobility during the last years. An expanding economy that is moving beyond its oil-oriented history offers a special case study in the context of Azerbaijan. Though voluntary employee turnover is a worldwide phenomenon with well-studied forecasts, the Azerbaijani environment provides a very different case. This literature study uses both local studies and foreign literature for comparisons and theoretical depth to find the main independent variables (drivers) affecting job-change behavior in Azerbaijan. This in-depth analysis of the literature compiles and examines the results from the last five years of peer reviewed research. A multitude of factors, including but not limited to economic stability, digital transformation, organizational practices, generational attitudes, and social policies have influence over employees' decisions to stay or quit their professions. These factors align with world trends. The next conversation sheds light on the reasons why workers in Azerbaijan have driven to change jobs over the past ten years by interweaving evidence from Azerbaijan studies with more general results and showing how these factors relate to or differ from trends noted in other locations.

Economic conditions-including reforms, diversification, and instability- largely drive employment changes. Job changes are mainly driven by economic circumstances. Over the last decade, the economy of Azerbaijan has gone through cycles of boom and recession (Huseynov A., 2025). Economic stability was compromised after a period of expansion driven by oil as a result of drop in world oil prices in 2014-2015 and following currency devaluations. Many companies in oil-dependent sectors closed or reorganized, causing job losses and pay cuts. Many employees had to change jobs out of need because of this, seeking roles either more stable or better paid in the light of growing prices and economic uncertainties (Huseynov A., 2025). Lack of economic diversification caused oil industry shocks to resonate throughout the labor market, which in turn caused a decline in job security. In fact, a recent study found that as of 2021, Azerbaijan's economy remained highly dependent on oil and gas industry with very limited diversification attempts (Karunanayake, 2023). Studies have shown that over dependence on one industry could cause economic instability and bear high risks. This system's lack of diversity has made jobs vulnerable

to changes in external prices and macroeconomic environmental instability (Becker, 2022). Often, workers who experienced wage erosion or whose companies shrank during the 2015-2016 recession decided to change jobs to deal with the circumstances or were forced to do so. Even individuals who secured their employment could have been searching for opportunities as a hedge against the prospect of future upheaval. Research from all across the world backs up this trend: voluntary turnover tends to be repressed in the immediate term under fear of unemployment when the economy is in the condition of crisis. But when the crisis is gone and conditions change, pent-up turnover intention is freed and it might skyrocket. According to the study conducted by Mr. Huseynov and his peers, the government of Azerbaijan carried out economic reforms and a “Employment Strategy 2019-2030” intending to strengthen non-oil sectors and raise number of accessible employments in the wake of economic recession. The economy started to recover towards the end of 2010’s, which led to the generation of new jobs especially in the construction, service and public works industries, which promoted mobility. These sectors attracted workers who had been trapped in less stable positions because of increased labor demand in these areas, which acted as a pull factor. During the recovery that followed the COVID outbreak, a similar phenomenon was seen all over the world: a record number of resignations resulting from a market driven by workers and excess job openings, sometimes known as the “Great Resignation” (Climek M., 2024). Although Azerbaijan didn’t have the same degree of employee turnover as the United States, surveys show that the economy started to recover around 2018-2019, more people were leaving their jobs in quest of better pay or working conditions. For instance, Tessema et al. (2022) observed that when labor markets are more competitive and chances rise, workers are more inclined to leave their jobs and seek new job opportunities. This is particularly true in cases when an outside shock, such as COVID-19, has caused people to reconsider their workplace objectives. Rising oil prices by the year 2018 and more government investment-such as rises in public sector employee pay- helped to boost labor market confidence in Azerbaijan. Improved economic outlooks drove workers “pulled” toward new roles promising better pay or chances for promotion. Conversely, times of rising volatility, as the short recession that happened during 2020 COVID-19 shutdown, have had the reverse effect: workers have grown momentarily worried about voluntary employees quitting their positions. In short, the economic elements affecting job changes in Azerbaijan are push factors (e.g., the risk of job loss and a decline in real income during times of economic depression) and pull factors (e.g., new possibilities and higher earnings during times of