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Effective Leadership, Job Satisfaction, & Employee Motivation

Research Proposal

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Abstract

The purpose of this quantitative research proposal is to investigate the relationship between effective leadership and employee motivation in the nonprofit field. Effective leadership is a tool sought after in every industry and nonprofit fields are no different. This proposed study will look at the how leadership impacts employee motivation and if job satisfaction plays a mediating role. Keywords below will help define leadership styles and terms used throughout the proposed study. The literature review section examines previous studies conducted in the field of leadership, leadership techniques, as well as team and employee motivation. While effective leadership styles may differ culturally, the findings of this paper emphasize that they change little across industry and are vastly important to both job satisfaction and employee motivation. Data will be obtained through two sets of surveys, one given to leadership and one to staff, administered to 15 nonprofits with comparable staff sizes within Rhode Island. In total 128 surveys will be administered, 98 to staff and 30 to leadership. These surveys will use a Likert scale and assess the different leadership styles, job satisfaction rates, and employee motivation. The interaction of these 3 working aspects will inform best practices in nonprofit management.

Keywords: Transformational leadership, transactional leadership, organizational equity, employee motivation, job satisfaction, nonprofit.

Introduction

Leadership is a vital part of any industry. This is how an organization, whether for profit or not for profit, grows, maximizes efficiency, achieves organizational goals, and maintains success. An effective leader can motivate a team, provide guidance, communicate, and coordinate to build an efficient work environment that has the capacity to attain sound and stable growth. Companies and organizations across industries strive to improve their leadership through seminars, trainings, and new techniques. It is a rich area of study and there is a lot to be learned. For example, how does the impact of leadership change across industry? Are there certain aspects or leadership characteristics that are more effective for one industry than another? What is the impact of effective leadership?

This study aims to delve into the unanswered questions about leadership, specifically looking into the nonprofit industry. Most current research has been done within corporate or manufacturing settings, very little has been ascertained about the nonprofit industry. In order to properly understand and utilize leadership techniques and best practices, research must be conducted in different industries and organizational structures.

The proposed research will explore the impact that effective leadership has on job satisfaction and employee motivation. The secondary investigative question that will be addressed is how job satisfaction and employee motivation are themselves correlated. The impact that effective leadership has on job satisfaction and employee motivation is then bolstered by their mediating role with each other. Leadership is vital within any office; this study proposes to demonstrate the far-

reaching implications of leadership by exhibiting its impact on job satisfaction and employee motivation.

Statement of the Problem

It is necessary to understand effective leadership techniques and how these techniques shape the efficacy of an office. This is especially true in the nonprofit industry. An industry driven by mission and passion needs leadership that can harness such drive and properly direct it. Without understanding the vast impact that leadership has on employees an organization will not reach its productive potential.

Purpose of the Study

The purpose of this study is to identify the effect that leadership has on job satisfaction and employee motivation, while simultaneously exploring the correlation between job satisfaction and motivation. The study will aim to investigate how different leadership styles impact organizational staff in the nonprofit industry to better inform organizational success. Several studies have been conducted on effective leadership styles. However very little research has been conducted on nonprofit leadership and management. This research proposal aims to broaden existing research by exploring a new industry.

Hypotheses

This study will aim to test the following hypotheses:

H1: Effective leadership positively impacts job satisfaction.

H2: Effective leadership positively impacts employee motivation.

H3: Job satisfaction and employee motivation are positively correlated.

Definition of Terms

The following keywords are used throughout this research study:

1. Transformation leadership: leadership styles that are characterized by an emphasis on the collective mission, inspirational motivation, and consideration of individual needs, abilities, and development. These leadership styles encourage evolution and performance beyond expectations (Hu, et al., 2016).
2. Transactional leadership: leadership styles that are task-focused, typified by clear assignation of responsibility for performance targets and the rewards for achieving them, and the concentration of attention upon mistakes and failures (Hu, et al., 2016).
3. Organizational equity: Employees perception of integrity within the organization (Abou-Moghli, 2015).
4. Nonprofit Organization: A group organized for purposes other than generating profit and in which no part of the organization's income is distributed to its members, directors, or officers (LII Staff, Cornell University, 2016).

Theoretical Framework

There has been extensive research conducted to understand effective leadership and their impact. The dominant theory within the field of leadership is that transactional (task-focused) leaders achieve minimum standards and transformational (team-oriented) leaders inspire performance beyond expectations (Hu, et al., 2016). Therefore, the conclusion is drawn that the most effective form of leadership is transformational.

Literature Review

There have been numerous studies conducted on the topic of leadership, techniques, and impact. Each of these studies contributes a unique insight into the field and opens it to future research areas. To thoroughly understand the historical research leading up to this proposal, several leadership studies and findings will be reviewed in this section.

Many studies have investigated different aspects of leadership and team motivation. A study conducted by Kleef, Homan, Beersma, Knippenberg, Knippenberg, & Damen (2012) furthers that research by looking into disparate past findings that evidence positive team motivation as a result of both negative and positive leader emotional expressions. The question that the researchers addressed was this: Which is the most effective way for a leader to motivate their team, express positive or negative emotion? The results of this study clarify the juxtaposing implications of past studies by introducing the mediating factor of epistemic motivation. Applying these results in real life management scenarios is

not as clear-cut. This study shows that it is not “one size fits all”, but rather different teams need different leadership styles in order to achieve the most efficient and successful state. In order to be effective, a leader must understand what the team needs and modify behavior to meet those needs.

There are several studies that have found there are specific behaviors that leadership can engage in to increase the productivity and efficiency of their teams. A study by Rego, Cunha, & Simpson (2016) found that the humbler leaders do adopt more balanced processing behaviors with team members, which contributes to the leader being perceived as more effective. Similar studies by Kerr, Garvin, Heaton, & Boyle (2006) and Milhem, Muda, & Ahmed (2019) found that emotional intelligence plays a critical role in leader efficacy.

Another study found that the subjective experience leader power spills over to affect team performance in a number of ways including productivity, this can be addressed by increasing communications, increasing leadership’s perceived openness to the team, and leaders being reminded of the instrumentality of their team (Tost, Gino, & Larrick, 2013). Srivastava, Bartol, & Locke (2006) further corroborate these findings by also concluding from their research that communication was of vital importance to effective leadership and team efficacy.

Research conducted by Abou-Moghli (2015) examines the role of organizational support in improving the performance of employees. Organizational support is broken into through 3 sub-categories: organizational equity (employees’ perception of integrity within the organization), leader’s behavior supporting subordinates, and participation in decision-making. The research revealed that

there is statistically significant role at the level of (5%) for organizational support in improving employees' performance and highlighted the necessity of a leader's role to support as well as their role in involving employees in decision making processes.

Most recent research into the field of leadership finds that transformational leadership styles are the most effective. A study by Milhem, Muda, & Ahmed (2019) found that there is a positive relationship between transformational leadership and employee engagement. Research conducted by Chin, Lok, & Kong (2019) resulted in findings that transformational leadership has a strong correlation with employee engagement and the study ends with the recommendation that organizations devote more time and resources into the development of leadership and specifically trained in transformational leadership skills.

Methodology

Design

This quantitative study aims to understand the impact effective leadership has on employee motivation and job satisfaction. To test the hypotheses proposed at the beginning of the report primary data will be collected from 15 different nonprofit organization employees through the administration of two surveys. The nonprofit organizations will be selected by geographic location, budget size, and number of employees to ensure similar organizational management structures and validity of the study.

The two surveys will be administered separately, in a secondary and neutral location. General staff and employees outside the leadership team will be

administered a survey (Appendix A) to discern job satisfaction, employee motivation, perceived organizational equity, and confidence in organizational leadership. Leadership and management teams will be administered a separate survey (Appendix B) designed to assess leadership styles, job satisfaction, and gauge efficacy of leadership.

**Note: All participating organizations will be compensated for their time by being granted access to leadership training materials and access to the research once completed.*

Sampling

Fifteen nonprofit organizations will participate in this study and include all their one hundred and twenty-eight employees (n=128). The nonprofits will be selected through team and budget size, and all will be within the State of Rhode Island. The size and location of the nonprofits will allow each organization to have similar constraints and permit the researchers to explore how leadership styles differ within similar conditions. The participants from each nonprofit are separated into “leadership” and “staff”, these categories do not include boards or executive committees. Leadership will include all directors and staff will include all other employees.

Instrumentation

This quantitative study will include two iterations of a survey to understand how leadership styles effect employee job satisfaction and motivation. They will also be used to explore any correlation between job satisfaction and motivation. The

participants will be designated a survey based on their job titles, whether they qualify as a leader in their organization (Executive Director, Assistant Director, Program Director, etc.) or as a staff member. The surveys that will be taken can be seen in Appendices A and B.

The surveys will consist on ten questions and follow the Likert scale model, asking participants to rate their perceived organizational equity, humility, faith in leadership, and different measurements that will indicate effective leadership of the organization, job satisfaction, and employee motivation. The scale will be broken down as follows: 1. (strongly disagree) 2. (disagree) 3. (neutral) 4. (agree) 5. (strongly agree). The surveys will be distributed to 98 staff members and 30 leaders that are part of 15 nonprofit organizations.

Data Collection and Analysis

After the study one hundred and twenty-eight questionnaire responses will be collected, grouped by organization (sub-grouped by leadership teams and staff), and analyzed to understand: 1. the impact that effective leadership has on job satisfaction 2. the impact that effective leadership has on employee motivation and 3. the correlation between job satisfaction and employee motivation.

Once questionnaires have been assessed and proven accurate, the final findings will be determined by using SPSS™ for testing hypotheses with correlation and regression analysis. All statistical tests will be at a pre-established $\alpha = .05$. In addition, the findings will include tables, charts, and figures as needed. Lastly,

extensive interpretations and explanations of each of the findings will be provided and further research opportunities will be explored and discussed.

At the end of the study each participant and participating organization will be given a copy of the study and provided with an in-depth analysis of their organizational leadership efficacy, employee job satisfaction, and motivation. This analysis will also include recommendations to improve their current structure and leadership training materials. When the report is complete, it will be peer-reviewed to confirm validity and published in the appropriate academic journals.

Confidentiality of Participants

To ensure the confidentiality of each of the participants, as well as their organizations, any information collected during the study will be stripped of identifying factors, such as name, age, and other personal information. Any indicators of staff and leadership organizational employment will be withheld after analysis and only seen by researchers. It is of vital importance that staff, and leaders understand that their responses will remain confidential and are ensured there will be no repercussions. At the end of the study, each participant will be provided a copy of the study.

Suggestions for Future Research

Future research that can be further studied to understand the impact of effective leadership on job satisfaction and employee motivation includes the following:

1. Exploring the leadership role of the nonprofit Board of Directors and Executive Committees.
2. Exploring the efficacy of different organizational structure techniques and how they impact leadership and management.
3. Further exploration into more specific effective leadership and management strategies within nonprofit environments.
4. Further exploration into the correlation between job satisfaction and employee motivation across industries.

Discussion & Conclusion

The studies examined in this proposal justify the research questions posed above. There is very little research in the field of successful nonprofit management and leadership techniques. The importance of effective leadership, job satisfaction, and employee motivation is exacerbated within a nonprofit structure; a structure that depends upon motivated and passionate employees in order to drive a program of work laid out by leadership. This research would immensely impact the industry and allow for organizations to properly harness the potential of their workforce to fully realize their organizational mission. This study aims to grant underfunded nonprofits access to leadership techniques and training that will allow them to achieve success in the most effective ways available within their capacity and budgetary constraints.

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Appendix A (Staff Survey)

Instructions: Please respond to the following ten questions honestly. There are no wrong answers, and we ask that all questions be answered. The reason for this study is to better understand the organizational efficacy of nonprofit management. Please use the following key to answer the questions below:

Key: 1. (Strongly Disagree) 2. (Disagree) 3. (Neutral) 4. (Agree) 5. (Strongly Agree), please circle your choice.

1. I am engaged in meaningful work

1 2 3 4 5

2. I trust our leadership team

1 2 3 4 5

3. Leadership listens to me

1 2 3 4 5

4. My managers care about me as a person

1 2 3 4 5

5. I am aligned with the organizational mission

1 2 3 4 5

6. I feel involved in decisions that affect our organizational community

1 2 3 4 5

7. I know what is expected of me at work

1 2 3 4 5

8. I feel inspired by our organizational leaders

1 2 3 4 5

9. I am satisfied with my job

1 **2** **3** **4** **5**

10. I am motivated to do my best work

1 **2** **3** **4** **5**

Thank you for your participation in this study. To compensate you for your time all participating organizations will receive a free leadership-training guide.

Please sign the line below to consent to participating in the study. Thank you!

(Name)

(Date)

Appendix B (Leadership Survey)

Instructions: Please respond to the following ten questions honestly. There are no wrong answers, and we ask that all questions be answered. The reason for this study is to better understand the organizational efficacy of nonprofit management. Please use the following key to answer the questions below:

Key: 1. (Strongly Disagree) 2. (Disagree) 3. (Neutral) 4. (Agree) 5. (Strongly Agree), please circle your choice.

1. I reward innovation in my team

1 2 3 4 5

2. I listen to my staff

1 2 3 4 5

3. I do my best to address staff concerns

1 2 3 4 5

4. I trust my staff

1 2 3 4 5

5. I do the most amount of talking during staff meetings

1 2 3 4 5

6. Team creativity and innovation are the keys to success

1 2 3 4 5

7. I am aligned with the organizational mission

1 2 3 4 5

8. I feel inspired by our organizational leaders

1 2 3 4 5

9. I am satisfied with my job

1 **2** **3** **4** **5**

10. I am motivated to do my best work

1 **2** **3** **4** **5**

Thank you for your participation in this study. To compensate you for your time all participating organizations will receive a free leadership-training guide.

Please sign the line below to consent to participating in the study. Thank you!

(Name)

(Date)