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THE RELATIONSHIP BETWEEN THE EMPLOYEES' PERCEPTION OF EFFECTIVENESS OF DIRECT MANAGER AND OVERALL EMPLOYEE SATISFACTION IN A COMMUNITY HOSPITAL

 $\mathbf{B}\mathbf{Y}$

William H. Anderson

A doctoral project submitted to the faculty of the Medical University of South Carolina in partial fulfillment of the requirements for the degree Doctor of Health Administration in the College of Health Professions

THE RELATIONSHIP BETWEEN THE EMPLOYEES' PERCEPTION OF EFFECTIVENESS OF DIRECT MANAGER AND OVERALL EMPLOYEE SATISFACTION IN A COMMUNITY HOSPITAL

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The Relationship Between the Employees' Perception of Effectiveness of Direct Manager and Overall Employee Satisfaction In a Community Hospital

By

William H. Anderson

Chairperson: James S. Zoller, PhD Committee: Thomas F. McIlwain, MPH, PhD Humphrey L. Lee, Ed.D.

The objective of this study was to determine the relationship between the employees' perception of the effectiveness of their manager and overall employee satisfaction in a community hospital. The data was from nine employee satisfaction surveys conducted by the study organization from 2002 to 2010. Effectiveness of manager was a seven question section of the survey and overall satisfaction was a four question section. The effectiveness of manager questions were based on six leadership principles that the organization used in training the managers. The study tested the relationship between effectiveness of manager and satisfaction and the increase in effectiveness and satisfaction over the nine years. The findings showed a significant positive relationship between effectiveness of manager and employee satisfaction. The findings also show that effectiveness and satisfaction increased at a statistically significant level from year one to year nine.

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INTRODUCTION

Background and Need

In the hospital industry human resources expenditures account for fifty-two to fifty-nine percent of the organization's total expenses (AHA Hospital Statistics, 2010). Yet the human resources in a hospital have the most direct effect on the customer, the patient. The employees have constant contact with the patients throughout their stay in a hospital. A hospital's investment in human resources must be effective for the success of the hospital organization. Maximizing the effectiveness of a hospital's human resources is a major challenge for the leaders of a hospital.

Just as the employees are in direct contact with the patient, the leader whose direct daily contact with the employees becomes a key to the success of the effective utilization and support of the employees. These front line leaders must not only be able to share the vision and mission of the hospital but must utilize effective leadership skills to position the employees to be successful in their duties and roles. So how do these leaders develop the skills necessary to accomplish these challenges? This is a question the author has sought to answer many times in my over 35 years in hospital leadership positions. Dr. John Kotter (1988), in writing "The Leadership Factor", stated that executives around the world are facing those kinds of challenges today.

Leaders need a simple, but effective, set of principles or guidelines that when provided to them with adequate training will allow them to develop the leadership skills necessary to be successful. Kotter(1988), Bennis and Nanus(2003), Kouzes and Posner(2003) and Northouse(2009) have all researched leadership and have developed suggested leadership principles and training as part of their work. In addition, the set of principles must be proven to be effective by having been tested in an actual workplace. One measure for determining the effectiveness of a set of leadership principles might be the actual employee satisfaction with their leader and the organization.

As organizational leaders seek to find effective training for their subordinate leaders, they find many approaches which are always theoretical approaches but have not been validated through appropriate statistical analysis. Many of these approaches are widely used in the business world and have been of financial success for the authors. One of the current rages is John Maxwell and his books "The 21 Irrefutable Laws of Leadership" and "The 21 Irrefutable Qualities of a Leader". In fact, Maxwell has developed an entire training course that he sells to organizations. Others that have enjoyed great success are Dr. James Collins whose book "Good to Great" defines five levels of leadership and he also will provide organizations training courses on attaining Level Five Leadership. Stephen Covey's "The Seven Habits of Highly Effective People" has been a bestseller for years and also comes with a training course for organizations. All three of these authors have enjoyed great success as evidenced by their lengthy stays on the New York Times best sellers list (Wikipedia.org, 2012)

The other type of leadership thought is following the example of proven leaders. Several examples of successful books from this school of thought are Jack Welch's "Jack: Straight From the Gut"; Lee Iacocca's "Iacocca: An Autobiography" and Rudy Giuliani's "Leadership by Rudolph Giuliani". While all these books and courses provide worthwhile information, none have been measured and validated.

The scholarly approach to research in this area has primarily been conducted from the perspective of the leader. This research looks at leadership by evaluating the character traits they felt were important for leaders, the skills leaders believed were important and the types of tasks leaders felt were appropriate for them to perform. These are important aspects for leadership which are needed today more than ever.

Bennis and Nanus (1985, pg. 8)) stated: "Managerial Mayhem" has been created. "Leaders have failed to instill vision, meaning and trust in their followers. They have failed to empower them. The key and pivotal factor needed to enhance human resources is leadership". They later stated there is a reluctance to followership; "the leader/follower transaction....has gone awry". Kotter (1990) found that leadership is a process that creates change—a process which often involves hundreds or even thousands of "little acts of leadership" orchestrated by people who have the profound insight to realize this.

Other authors on leadership and organizations seem to also share that the need for change from the traditional leader/follower structure is necessary. Toffler (1980, pg. 26)

in "The Third Wave" tells us that our present society is changing so fast that all our old assumptions will be challenged; "Old ways of thinking, old formulas, dogmas, and ideologies in the past no longer fit the facts.....We cannot cram the embryonic world of tomorrow into yesterday's conventional cubbyholes". Toffler presents middle managers with values for involvement, responsibility and a commitment worthy of their talents and skills. Kouzes and Posner (2003) found success in leading will be wholly dependent upon the capacity to build and sustain those human relationships that enable people to get extraordinary things done on a regular basis.

Warren Bennis (1976) also discussed the tremendous need to make profound changes in leadership in American business. He wrote there is a need to re-examine the relationship of leaders, followers and organizations. If the need for change is so great, how can we properly evaluate effective ways for leaders to create change in a positive manner, especially from the followers' perspective? Shouldn't an organization create an atmosphere that provides a great place for people to work; one in which the people are growing, working effectively and efficiently and are having fun together. Bennis and Nanus (2003) later developed a model for future leaders. (Figure 1)

RELATIONSHIP OF EFFECTIVENESS AND SATISFACTION

Figure 1. Likely Model of 21st Century Leadership

FROM	ТО
Few leaders, mainly on top; many managers	Leaders at every level; fewer managers
Leading by goal-setting; e.g.; near-term profits, ROI growth	Leading by vision-creating, new direction for long-term business
Downsizing, benchmarking for low cost, high quality	Also creating domains of uniqueness, distinctive competencies
Reactive/adaptive to change	Anticipative/future creative
Designer of hierarchical organizations	Designers of flatter, distributed, more collegial organizations; leader as a social architect
Information held by few decision makers	Information shared with many, both internally and with outside partners
Directing and supervising individuals	Empowering and inspiring individuals but also facilitating teamwork
Leaders as boss, controlling process and behaviors	Leaders as coach, creating learning organizations
Leaders as stabilizer, balancing conflicting demands and maintaining the culture	Leader as change agent; creating agenda for change, balancing risks and evolving the culture and the technology base
Leaders responsible for developing good managers	Leader also responsible for future leaders; serving as leader of leaders

As stated earlier a majority of the research on leadership has focused on the leader but not on the evaluation of a leader's effectiveness based on the followers who either accept or reject the leader. Robbins and Coulter (2007) stated the true measurement of a leader's effectiveness depends on the actions of the followers. They feel this important dimension of leadership is underemphasized or overlooked in a majority of leadership theories. Research has been limited in measuring effectiveness of leaders from the perspective and perceptions of their followers. The willingness of employees to follow can shed additional light on the relationship between leadership effectiveness and job satisfaction among those who are actually doing the work. Robbins and Coulter (2007) felt leadership should be more focused on caring about the intrinsic factors of job satisfaction among the workers than the day- to-day activities of the leader. The leader's activities are more about the acts of management: planning, controlling and directing, than with leadership.

Herzberg (1959) developed his motivation-hygiene theory that suggests the workers satisfaction is more dependent on motivational factors: achievement, recognition, intellectual growth and performing interesting work than on extrinsic hygiene factors: salary, status and working conditions. Renis Likert's (1961) research on human behavior within organizations led to his development of the participative-group system that he identified as the optimum management system which is based on teamwork, shared responsibility, communications, trust and confidence. Blake and Mouton (1984) developed their managerial grid theory which describes managers in terms of the concern for people and concern for production. In this theory, over-emphasis on either area will lead to sub-optimal performance. Dr Bill George (2003) developed five dimensions of an authentic leader. For each of the dimensions, a development quality is required for the leader to be effective. (Figure 2)

DIMENSION	DESCRIPTION
1.	Purpose: Passion
2.	Values: Behavior
3.	Heart: Compassion
4.	Relationships: Connectedness
5.	Self-Discipline: Consistency

Figure 2. Five Dimensions of Authentic Leadership

Kouzes and Posner (2003) also, have developed a model for leadership which is

called The 5 Practices of Exemplary Leadership. (Figure 3)

Figure 3. The Five Practices of Exemplary Leadership

EXEMPLARY LEADERSHIP
Model the Way
Inspire a Shared Vision
Challenge the Process
Enable Others to Act
Encourage the Heart

Based on the review of research and practical experiences, the author has used a set of principles to teach leadership at all managerial/leadership levels of the hospital organizations in which the author has been the senior leader. These leadership principles are listed in Figure 4.

NUMBER	PRINCIPLE
1.	Use positive reinforcement
2.	Ask what questions, problems and concerns people have and ask how you can help
3.	Ask for input prior to decision making
4.	Provide information and feedback in a timely manner
5.	Don't over-manage or undermanage
6.	Treat people with respect

Figure 4. The Six Leadership Principles

These principles in theory have appeared to be effective in the organization the author has led but the principles have never had a true measurement to prove their validity.

One of the aims for leaders/managers' use of the leadership principles is to accomplish the goal of creating a positive work environment for the employees in an organization. That goal is based on the idea that a positive work environment will lead to a more successful organization with employees who are empowered and adaptive to change.

RELATIONSHIP OF EFFECTIVENESS AND SATISFACTION

This research can provide value to organizations and individual managers by showing them the effect of using leadership principles in the workplace. The measures will show how the effectiveness of the manager can effect employee satisfaction which drives a number of impacts in an organization, such as employee turnover, employee absenteeism, employee attitudes toward work and the organization and fewer on-the-job accidents.

The results may help any organization which has managers and is concerned about the effectiveness of the managers and the relationship to employee satisfaction. Of course for healthcare the research has an important impact as it is a human resource intensive industry with personnel costs making up 52 to 59 percent of total organization expenses. Effective leadership in hospitals is more critical than ever with the major emphasis that has occurred in the last ten years on patient safety, measurable quality of care and measuring the patient experience. These areas are directly impacted by the employees of any hospital organization. Hospital leadership and management will continue to be challenged in the next decade as the federal government is faced with budgets deficits that will result in reduced funding to hospitals by the Medicare and Medicaid insurance programs for the elderly and the poor.

Hospitals should care about the effectiveness of their leaders and the impact leadership has on their employees because employees have a direct impact on the environment that care is delivered to the patients in a hospital. Also, the patients should care about this issue as the downside of low employee satisfaction could impact the care and service the patient receives in the hospital.

The results of this research can help hospitals and other organizations hone in on specific areas for the development of effective managers which will have an impact on the employees of the organization and ultimately impact the performance of the organization either positively or negatively. All organizations should want to improve their employee performance. This research can help them understand areas and ways to accomplish that goal.

Problem Statement

This research is designed to investigate the following questions:

How does the employees' perception of the effectiveness of direct manager relate to overall employee satisfaction?

This problem statement was developed from the review of the literature and research on organizations, leader-follower relationship, attributes and behaviors of leaders and job satisfaction. In addition, the author's personal experiences with leadership in the hospital in which the author was the senior leader and his strong desire to have measurable, valid data to assess the impact that the effectiveness of managers trained in the six leadership principles might have on the employee satisfaction in a hospital.

Research Hypotheses

This research will test the following hypotheses:

- The percentage of employees who are satisfied is the same or less in Year Nine than in Year One.
- 2. The percentage of employees who agree their manager is effective is the same or less in Year Nine than in Year One.
- 3. There is no correlation between employees' perception of their manager's effectiveness and overall employee job satisfaction.

These hypotheses will be tested as described in the methodology section of this paper.

Population

The study population is defined as all employees of a community acute care hospital located in northwest Alabama. The population size ranged between 450 and 550 persons in the first year to 550 to 650 in the ninth year depending on the level of activity occurring within the organization at the time of the survey.

Definition of Terms

The following definitions are included for clarification:

<u>Leader/Manager/Supervisor</u>: A person in a management position in the hospital which was studied. The person will have leadership responsibilities and a minimum of five employees who are responsible to him or her.

Follower: A person having accountability to one of the leaders in the study.

<u>Employee/Job Satisfaction</u>: The employees self –report satisfaction regarding overall job satisfaction, their supervisor and work within their scope of duties performed in the hospital, as measured by the employee satisfaction survey administered annually at the hospital by an outside agency.

REVIEW OF THE LITERATURE

Introduction

This chapter reviews and discusses the literature and research relevant to the topic that led to this research project. This review will consist of three sections. First, will be a review of the development and evolution of leadership including leadership theories such as trait, behavioral and contingency theories. The second section will review employee job satisfaction. This will include literature and research related to how job satisfaction effects the work performance of employees and organizations. The next section will review the seven subjects of the data questions dealing with manager/leader effectiveness: Recognition, Information, Talk about Progress, Values Suggestions and Opinions, Cares for Me, Trust, and Dignity and Respect. For this project the term manager and leader will be defined as a person who is a position with supervisory responsibility over others. In the subject organization in the project all mangers are in leadership positions.

Leadership

Management/leadership theories as a study and thought probably began in the

eighteenth century when Adam Smith wrote *The Wealth of Nations* in which he presented the theory that there were economic advantages to breaking down work into narrow and repetitive tasks. (Robbins and Coulter, 2007) Frederick Taylor, considered by many to be the "father of scientific management", looked at the idea of specialization and began the development of the study of management as a discipline. (Harrington, 1999; Colvin, 2000; Robbins and Coulter, 2007) In the early twentieth century Henry Fayol developed theory that all managers perform five functions: planning, organizing, commanding, coordinating and controlling. In the 1920s Max Weber created the structure he called bureaucracy which are organizations with chains of command, a high degree of specialization, formal rules and regulations and impersonal relations. (Robbins and Coulter, 2007)

By the 1930s the study of management developed a new group of theorists called organizational behaviorists. These scholars began to shift from how management makes people do things to what motivates people to do things. Mayo (1933) looked at group influences and their affect on individual behaviors. (Mayo, 1933; Franke and Kaul, 1978) In 1959 Herzberg published his Motivation-Hygiene theory which was complemented by McClelland in 1975 with the concept of achievement-orientation as a motivator for work.

Douglas McGregor developed his Theory X, Theory Y model in 1960 as a challenge to the assumptions of most industrialists at that time. He said Theory X embodied the conventional way of viewing humanity: as indolent, lacking in ambition and preferring to be led, self-centered, resistant to change and gullible. In contrast, Theory Y viewed humanity as having motivation, the potential for development, the ability to assume responsibility and the ability to work toward organizational goals. McGregor built his Theory Y upon Abraham Maslow's concept of the "Needs of Man" McGregor wrote that industrial organizations could realize substantial improvement if they could get on with the job of offering humankind the opportunity to maximize its effectiveness. (McGregor, 1960; Maslow, 1954)

This philosophy was being implemented by the 1960s, and social scientists were involved in research and education within many employment organizations. Fleishman (1961, pg.315), an industrial psychologist, was optimistic in his writings: "Industrial organizations are becoming more deeply concerned with the interpersonal relations with their members." They are searching for ways to promote satisfaction under the assumption that this will create effective organizations. (Fleishman, 1961)

Japanese organizational structure has also had a major impact on American business resulting in a change in the employee relations within their business organizations. Ouchi studied American businesses and compared them to Japanese organizations. Writing about the Theory Z organization, Ouchi pointed out they are not perfect. He noted that they have such a tight culture that they are suspicious of outsiders; they tend to be sexist, paternalistic, racist, and resist deviance in all forms. However, Theory Z organizations also have many strengths which can be immolated. All have strong values upon which the organization is based upon, which address customers, profits, management, employees, trust and teamwork. "Management by Walking Around" is valued as well as the ability to self criticize and be honest. (Ouchi, 1981)

Karl Weick advocated that organizations be created as loosely coupled with a healthy degree of self skepticism, so they are able to easily change and adapt. Organizations need both flexibility and stability to survive in the long term. He also suggested that organizational design not be construed as "blueprints, pictures, graphs and displays" but as an ongoing process, a recipe "that may require varying amounts of improvisation" and constant "unfreezing." (Weick, 1977, pg. 37))

Even organizations whose primary interest is productivity are making a shift to focus upon employee needs. Kendrick (1984), in writing for the American Productivity Center, explained that productivity is not a program but an integral part of a philosophy of management. He emphasized that successful productivity efforts involve positive employee relations and a focus on creating a good quality of work life for employees. The American Productivity Center has developed a framework for the improvement of productivity and quality of work life. This framework includes seven areas which are keys to the program in any organization. (Figure 5)

ITEM	IMPROVEMENT
1.	Assets
2.	Goals
3.	Rewards and recognition

Figure	5.	Framewor	k for	' Ir	nprovement
					r

Figure 5. continued

4.	Communication
5.	Measurement and analysis
6.	Employee participation
7.	At the center: organization and leadership

Tom Peters has written extensively on a need for a management revolution and has discussed ways for organizations to thrive in the midst of change. His book, *Thriving on Chaos*, (1985) describes successful firms as having proactive management that is focused on very different principles than in previous decades. He identified five principles as vital to successful management. (Figure 6)

Figure 6. Five	Principles	Vital to	Successful	Management
	- · · · · · · · · · · · · · · · · · · ·			

NUMBER	PRINCIPLE
1.	Total customer responsiveness, focused on service, top quality and a means of listening to the needs of the customer
2.	Innovation with staff who are willing to take risk, change and make mistakes
3.	Empowerment and involvement of the staff, self-managing teams, listening and celebrating successes, financial incentive plans for all staff and employment guarantees

Figure 6. continued

4.	Learning to love change and creation of an organizational vision; bureaucracy bashing and management by example
5.	Building systems that work and do not limit creativity such as the use of visible charts rather than computer printouts and the elimination or modification of job descriptions

In the book *In Search of Excellence* authors Peters and Waterman (1985) wrote: "Treat people as adults. Treat them as partners; treat them with dignity; treat them—not capital spending and automation—as the primary sources of productivity gains."

Kanter (1989) discussed the rapid changes that managers are experiencing as organizations develop new flexible structures and strategies to able to compete. Kanter stated:

managerial work is undergoing such enormous and rapid change that many managers are reinventing their profession as they go. With little precedent to guide them, they are watching hierarchy fade away and the clear distinctions of title, task, department, even corporation, blur. Faced with extraordinary levels of complexity and interdependency, they watch traditional sources of power erode and the old motivational tools lose their magic. (Kanter, 1989, pg. 85)

Leadership research can historically be categorized into the following areas of study by order of development: trait approach, style approach, situational approach,

contingency theory, path-goal theory, leader-member exchange theory, and team leadership theory.

The trait approach was a systematic study of leadership that identified the qualities and characteristics of great leaders. (Northouse, 1997) According to Bass (1990), the early 1940s research on leadership primarily examined personality traits, identifying differences between leaders and non-leaders and the extent of those differences. Findings of this research revealed that leaders did not fit a personality profile. In identifying successful leaders both the person and situation must be considered.

Northouse (1997) reported that major findings regarding the study of traits resulted from Stogdill's studies. Results of Stogdill's first study conducted in the mid-1900s revealed that there was no consistent set of traits and leaders differed across situations. In a later study, traits were associated with leadership and included ten characteristics: self-confidence, achievement, persistence, insight, initiative, responsibility, influence, sociability, cooperativeness and tolerance. Northouse concluded after a century of research on traits that it can be stated that intelligence, self-confidence, determination, integrity and sociability are necessary for a person to be a leader.

The style approach soon emerged which emphasized the behavior of the leader rather than the personality. Northouse (2009) reported that this approach included two kinds of behaviors, task and relationship. The task behaviors help individuals reach their goals, and the relationship behaviors help subordinates feel comfortable in the process. In utilizing the style approach, the leader combines these behaviors to influence the subordinate. Studies were conducted at Ohio State University on the style approach. Results indicated that answers clustered around two leader behavior types, initiating structure and consideration.

Research conducted at the University of Michigan investigated leadership behavior with an emphasis on small group performance. Results identified two types of leadership behaviors, employee orientation and production orientation. Along with these findings, a well known model of managerial behavior was developed, the Managerial Grid, later renamed the Leadership Grid. This grid is an attitudinal model which measures the values and feelings of a manager and is designed to assist the leaders in attaining their goals by balancing concern for production and people. Scores plotted on this grid show five leadership styles: Authority-Compliance, Country Club Management, Impoverished Management, Middle-of-the-Road management and Team management. The style approach reminds leaders that their actions should consider relationships. (Hersey and Blanchard, 1996)

The next topic of research that emerged was the situational approach which suggests the leader's behavior is an outcome of situational factors. According to Northouse (1997) the situational approach was developed by Hersey and Blanchard in 1969 and was based on Redin's 3-D management Styke Theory of 1967. This approach supports the concept that different situations require different types of leadership; and therefore, the leader must be adaptable. The situational approach involves two dimensions, directive and supportive. Similar to the style approach, the components were classified into four leadership styles by dichotomizing the two dimensions, the high directive-low supportive style, the high directive or coaching style, the high supportivelow directive style and the low supportive-low directive style. The developmental level of the subordinate is also a consideration. Employees are classified into four levels of development from low to high. Currently situational leadership is widely practiced within the workplace and is perceived as being effective.

Contingency theory states that the leader's behavior must be matched to the appropriate situation. The leader's behavior and effectiveness is contingent on matching leader behavior to situational variables. (Bass, 1990) Fiedler has the most widely recognized contingency theory, also called the leader-match theory. To determine effectiveness, Fiedler studied styles of leaders in many different contexts. The framework for his theory included the style and the situation. Fiedler developed the Least Preferred Co-worker Scale to identify high/low scorers. High scorers were relationship motivated and low scorers were task motivated. Situational variables were characterized through the assessment of three factors: leader-member relations, task structure and position power. This approach supported the need to consider the situation in determining leadership needs. (Fiedler and Chemers, 1974)

Research on path-goal theory describes the manner in which a leader's behavior can positively influence the subordinates' motivation and job satisfaction. This theory suggests that successful leaders link followers to the rewards that are available to them and clarify the path to these rewards. (Bass, 1990; Filley, House and Kerr, 1976) Leaders are responsible for clarifying the goals of the organization to the followers. The goals clarification process helps employees understand the organization by making the goals explicit. This process improves the psychological state of the followers, consequently, job satisfaction results.

The path-goal theory differs from the situational and contingency approaches in that it emphasizes the relationship between the leader and the subordinate and the environment. In order to provide motivation, the leader must use a style that best fits the needs of the employee. Theory suggests that this may be accomplished by increasing the number or kinds of rewards in the work situation. This orientation draws on the expectancy theory of motivation and includes different leadership behaviors such as directive, supportive, participative, achievement-oriented leadership, and subordinate and task characteristics. The path-goal theory has helped to explain how task and employee characteristics affect leadership and impact performance. (Bass, 1990; Filley et al,. 1976, Northouse, 1997)

Another theory is the multiple-linkage model by Yuki (1971). This theory describes the leader's initiation of structure and relationship to followers. It proposes that, in a given situation, the subordinate's satisfaction is linked to the leader's concern for the follower's welfare. Also, it differentiates leadership requirements for both short and long term effectiveness. (Bass, 1990)

The leader-member exchange theory includes the dyadic relationship between leaders and their followers and supports mutual influence and obligation between them. (House and Aditya, 1997) Early studies of the exchange theory, initially called the vertical dyad linkage theory, focused in vertical relationships that the leader formed with his/her followers. These included in-groups and out-groups. The in-group consisted of those who maintained dedicated behavior and were involved in expanded responsibilities and greater levels of communication while the out-group would only do what was required of them. Later studies went beyond these group characteristics to investigate their relationship, organizational effectiveness and how the quality of leader-member exchanges resulted in positive outcomes. Currently, attention is being given to determining how these exchanges can be used to assist in the making of a leader. The leader-member exchange theory describes and prescribes leadership with the dyadic relationship being the central concept. (Northouse, 1997) It is maintained that this relationship results in positive organizational outcomes such as lower turnover, increased productivity, employee satisfaction and commitment. (House, 1997)

Team leadership theory involves the leadership functions that are necessary for group effectiveness such as monitoring versus taking action. Focus is on internal versus external group issues. Within this framework, leadership is viewed as an ongoing process with a continual goal of meeting the needs of the team. Research in this area identified criteria that impact group effectiveness and include: velar and elevating goals, results-driven structure, competent team members, unified commitment, collaborative climate, standards of excellence, external support and recognition and principled leadership. Research on leader-group relationships includes group structure and the relative positioning, as well as the effects of reaching group goals. This research evolved to studies of leader-follower relationship which focus on the growth and development of followers on an individual basis. (Bass, 1990)

Research on leader-follower interaction has been conducted by a number of scholars. Bass (1981) in *Stogdill's Handbook of Leadership* concluded that successful leaders influence followers by changing their behavior and attitudes, enlarging interests and expectations, informing them and expanding their ability to handle risks. The successful follower, rather than being the reverse of the leader, is very similar and has the ability to influence the success of the leader. Leaders and followers frequently switch roles or become leaders and followers at the same time.

Bellows (1959, pg. 197) wrote of the need to have leaders who are sensitive to the needs of followers. He stated that every leader should be "personnel oriented; his interest is in the group of people who comprise the team; his role is to assist them to go forward toward mutual goals."

Macoby (1981) stated that the unit of growth is not the individual but the manager and the subordinate. Their combined growth and strength constitute the power of the team.

Fitch (1987) reviewed the literature on leader-follower interaction as part of his dissertation and found three concepts had emerged. First, the leader sets the group standard through his/her performance. Second, no leader leads except with the permission

of the followers. Third, leadership can only be established and maintained through communications between the leader and followers.

Yukl (1981) supported this theme when he wrote the essence of leadership is influence over followers, but this relationship is reciprocal. He stated: "Leaders are provided with the opportunity to exercise influence based on their expertise, attractiveness and legitimate status, but their power will quickly vanish if they fail to satisfy the expectations and needs of followers."(pg. 25-26) After a review of the research, Yukl concluded that effective leaders have a relationship of trust and mutual loyalty with subordinates which may be based on leader attractiveness and charisma but in work situations is likely to develop over a period of time as a result of social exchange processes. Yukl went on to state: "The extent to which a leader is considerate and supportive in his treatment of subordinates has been shown to be the most important determinant of subordinate satisfaction with the leader."(Yukl, 1989, pg. 275)

Vroom (1967) developed a situational model as theory to explain the role of the leader in maximizing follower productivity. He wrote the "Expectancy Theory" to integrate employee effort, performance, rewards and goals into one model. The strength of a person's motivation to perform is dependent upon that individual's belief in his ability to achieve the goal and to accomplish the greatest pleasure while avoiding the most pain. The achievement will then lead to reward and goal attainment. The individual acts to maximize the valences. (Bass, 1981)

Several scholars/authors have stated that the attributes of a good leader are the same as the attributes of good followers. (Burns, 1978; Bass, 1981) These authors wrote that leadership or followership is a role, not a personality, and that a person should be able to move between these roles skillfully. Robert Kellie wrote an article in *Harvard Business Review* in which he described effective following and the importance of this role to the success of organizations. Kellie (1988, pg. 143-144) stated that effective followers are: "enthusiastic, intelligent and self-reliant…think for themselves and carry out their duties and assignments with energy and assertiveness…they are risk takers, self starters and independent problem solvers. Effective followers are well-balanced and responsible adults who can succeed without strong leadership." Kellie went on to list key qualities necessary for followers. (Figure 7)

ITEM	QUALITY
1.	They manage themselves well and can manage material delegated to them. They see themselves as equals to leaders except in relation to line responsibility. They appreciate the goals of the team but are not afraid to disagree with leadership.
2.	They have commitment to the organization; to a purpose, principle, or a person beyond themselves, often seeing the leader as a co- adventurer, striving for a goal. Effective followers are able to temper their own loyalties for the needs of the organization.

Figure 7. Key Qualities for Followers

Figure	7.	continued
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3.	They build on their own competence and focus their efforts for maximum impact. Effective followers build skills, hold standards, and take on new challenges eagerly. They are team players and good judges of their own strengths and weaknesses.
4.	They are courageous, honest, credible, independent, and have good judgment. They can spot a person who is operating with poor ethics so are a safeguard for the company.

Kellie hypothesized that the qualities which make good followers are the same found in effective leaders. Organizations should teach that these are equal but different roles and offer training in both. Leaders should role model good follower behavior and support the team leader. Employees should be evaluated on skills such as selfmanagement, originality, competence and independent thinking as aspects of both leadership and followership. Followers should be empowered and rewarded for good follower behavior. Lombardo and McCall (1978) expressed the same theme when they paraphrased Gertrude Stein by saying, "a leader is a follower is a leader."

Pondy (1978) explored the concept that leadership has been called the management of meaning. He stated that effectiveness as a leader usually refers to the performance of the subordinate group. The "concept and measure is invariably a behavioral one" with reference being made to what the followers are able to accomplish. Pondy went on to specifically say:

What happens if we force ourselves away from this marriage to behavioral concepts? What kind of insights can we get if we say that the effectiveness of a leader lies in his ability to make activity meaningful for those in his role set, not to change behavior but to give others a sense of understanding what they are doing, and especially to articulate it so they can communicate about the meaning of their behavior...If in addition the leader can put it into words, then the meaning of what the group is doing becomes a social fact. That is terribly important! The meaning can be exchanged, talked about, modified, amplified and used for internal processing of information...This capacity to go public with sense making involves putting very profound ideas in very simple language.(pg. 94-95)

Rensis Likert is a well renowned researcher in the area of leadership. He summarized from his research that supervisors who have the most positive attitudes in their work groups are perceived by the subordinates to be friendly, supportive, helpful, kind but firm, never threatening or hostile, considerate, just and fair to all of the employees. The supervisor shows confidence in integrity, ability and motivations of employees and expects high performance. He provides training, coaches followers when the opportunity arises and is a team builder. Leadership must ensure that all interactions will build and maintain the sense of personal worth and importance of the employee. Likert concluded that quality leadership creates a work team where trust and confidence are central, communication is effective and conflict is constructive. (Likert, 1961) Warren Bennis another scholar/author who has written and researched leadership

has defined six qualities too often missing but needed in American leadership. (Figure 8)

NUMBER	QUALITY
1.	Integrity—standards of moral and intellectual honesty on which we base our individual conduct and from which we cannot swerve
2.	Dedication—no one can live wholly and fully without having something to which he is truly dedicated and can give himself [•] without reservation
3.	Magnanimity—noble of mind and heart, generous in forgiving, above revenge or resentment
4.	Humility—learning not to confuse your own ego and pride and self-importance with the true issue at stake
5.	Openness—a willingness to listen to new ideas and suggestions, a tolerance for the ambiguities encountered by leaders
6.	Creativity—to recreate our ability to see the magic and wonder in the world, an inexpressible understanding that he or she is at one with the universe

Figure 8. Six Qualities for American Leadership

The leader must create clear-cut goals and proceed toward these without being crippled by bureaucracy; he must take risks, embrace error and encourage others to be creative. He must take time out to ponder and be reflective on the needs of the organization. He must not avoid conflict but use it creatively. Last of all, the task of the leader is to lead and to lead others; he must first of all know himself. (Bennis, 1976) Bennis and Nanus, in their book *Leaders* (1985), concluded that leaders use five skills: accepting people as they are; approaching relationships and problems in terms of the present, not the past; treating those closest to them courteously; trusting others, even when it is risky; and having the ability to work without constant recognition and approval from others. This style pulls rather than pushes followers and leaves them feeling that they are participating in something involving significance, competence, community and enjoyment. The end result of leadership is empowerment.

Burt Nanus, in his book *The Leader's Edge* (1989), stated that effective leaders must use positive methods of empowering others by inspiring them, energizing them and aligning their momentum so that mutually reinforcing activities result. He identified seven "megaskills" that leaders can learn for effectiveness. (Figure 9)

ITEM	MEGASKILL
1.	Farsightedness—a focus on the future
2.	The ability to manage change successfully
3.	The ability to build an organizational design of policies and procedures, structures and systems that are based upon the needs of humans
4.	Anticipatory learning based upon the needs of the future
5.	The ability to take initiative and make things happen
6.	Team-building and the ability to capitalize on interdependency
7.	Absolute integrity

Bain, writing in his book *The Productivity Prescription* (1981), stated that successful managers provide employees a degree of autonomy, provide positive rewards, effective group process in building teamwork and a sense of commitment to the goals of the organization. He defined essential behaviors a leader can learn to achieve organizational goals: tie organizational goals to personal goals; promote self-confidence and be persistent. He also emphasized the importance of clearly defined and communicated expectations and a genuine concern demonstrated for both people and results.

James Kouzes and Barry Posner are two more well respected scholars/authors who have written extensively on leadership. They stated that leadership is about followers and the followers' perception of the people they are willing to trust to meet their needs. They found that the item listed most frequently by followers as essential in leaders was honesty, and honesty was measured by followers through the behavior of the leaders. Followers watch to see that leaders do what they say and credibility can be lost in one mistake. The second factor followers listed as essential was competence. What constitutes competence varies depending on the leader's position and the needs of the organization, but leaders cannot have credibility without perceived competence. Third, followers look for leaders who are forward-thinking with the ability to establish a vision for the company. Fourth, followers want leaders to inspire them through their enthusiasm, energy, positive attitude and communication style. Kouzes and Posner recommended that leaders listen often and carefully to their constituents, stand up for their beliefs but avoid

rigidity, speak with passion about the vision for the organization, lead by example, conquer their doubts and fears and continue to learn, taking on new ideas, challenges and understandings. (Kouzes and Posner, 1990)

In additional research that Kouzes and Posner (1990, pg. xxi) completed, they concluded that "leadership is not the private reserve of a few charismatic men and women. It is a process ordinary managers' use when they are bringing forth the best from themselves and others." They were able to identify five practices most common to extraordinary leadership. (Figure 10)

Figure 10.	Five P.	ractices of	^C Extraordinary	Leaders
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NUMBER	PRACTICE
1.	Successful leaders "challenge the process and are willing to take risks", to innovate and experiment in order to find new and better ways of doing things. They search for challenging opportunities to change, grow, innovate and improve, treating every job as an adventure and every assignment as an opportunity. Such leaders question the status quo, change the routine and find something that needs fixing. They also add adventure and fun.

RELATIONSHIP OF EFFECTIVENESS AND SATISFACTION

Figure 10. continued

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2.	Successful leaders "Inspire a Shared Vision." They help others to share the vision, mission and purpose or goal and make things happen through building commitment. Leaders ignite shared excitement through their own enthusiasm for the vision, which they express through "vivid language and an expressive style." They are forward looking and can picture the possible, take pride in being different and learn to use intuition. Such leaders envision an uplifting and ennobling future and enlist others to a common vision, picking up on weak signals and getting a sense of people's needs, wants and values. They are animated, energetic and charismatic.
3.	Exemplary leaders "Enable Others to Act", both enlisting the support and assistance of all those who must make the project work, and encouraging teamwork and collaboration. They assist others to do good work and empower others to feel strong, energetic and capable.
4.	Model leaders "Model the Way". Setting high standards and earning the respect of followers. Their values are clear and consistent with their actions. They set the example, lead by doing and handle "moments of Truth" well. They plan small wins to build a pattern of winning, while building commitment in followers.

be there to encourage their followers to carry on." Love of their products, their people, their customers, their work-this may just be the best-kept secret of exemplary leadership."	5.	people, their customers, their work-this may just be the best-kept secret of
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Excellent leaders recognize contributions, create high expectations and enable others to achieve their best and then reward performance. These models provide courage, coach others, find people doing things right and then recognize them. They celebrate accomplishments through public ceremonies, personal involvement and team celebrations, functioning as a cheerleader themselves. (Kouzes and Posner, 2002)

Employee Satisfaction

What is job satisfaction? Merriam Webster dictionary defines satisfaction as: (a) a fulfillment of a need or want; (b) the quality or state of being satisfied; (c) a source or means of enjoyment. One example of the use of satisfaction that is used in this dictionary is: "the satisfaction of a job well done." (Merriam Webster, 2012) By the example that is provided by Merriam Webster, satisfaction is relevant to a job.

Researchers have defined job satisfaction for use in their studies. Vroom (1967) provided the concept of job satisfaction as typically defined as an individual's attitude about work roles and the relationship to worker motivation. Ivanchevich and Matteson (1993, pg. 91) defined job satisfaction as "an attitude individuals' have about their job; it results from their perception of their job and the degree to which there is a good fit between the individual and the organization."

Both of the researchers' definitions use the word "attitude". Using the trusted Merriam Webster, attitude is defined as: (a) a mental position with regard to a fact or state; and (b) a feeling or emotion toward a fact or state. (Merriam Webster, 2012) With this definition then employee job satisfaction is based on the individuals' feelings, emotions or mental state as it relates to their job, be it their role, motivation or the organization.

Ivanchevich and Matteson (1993) further separated job satisfaction into five dimensions: (1) pay and benefits; (2) the job itself; (3) advancement opportunities; (4) supervisor(s); and (5) coworkers. The payoff for an individual to invest their time, talents and energy into their job is what they get in each of these five dimensions and has great influence on how satisfied they are in that job. Petty, McGee and Cavender (1984) suggest that exceptional job performance is a result of an optimal mix of the employee attributes and employer culture. They also suggest that the employee's skills and beliefs must be aligned with the organization's needs and values. Likert's (1961) research found that job satisfaction was linked to having leaders who were supportive, friendly and also, helpful; just but firm; who demonstrated confidence in subordinates in subordinates; had high expectations of subordinates; provided training and coaching; were team builders; and directed the work through scheduling, supporting, initiating and providing technical competence. He summarized his findings as supervisors who have the most positive attitudes in their work groups are perceived by the subordinates to be friendly, supportive, helpful, kind but firm, never threatening or hostile, considerate, just, and fair to all of the employees. Likert also found the relationship between attitude and turnover and absenteeism is clear. His research showed a strong correlation between a negative attitude and turnover and increased absenteeism. The research provided evidence that showed workers with positive job attitudes have fewer accidents and fewer psychosomatic illnesses.

In research analyzed by Herzberg et al. (1959, pg. 196), this conclusion was developed:

The evidence is strong that both the attitudes and the effectiveness of employees are a direct function of the quality of supervision. More effective supervisors frequently concentrate on furthering employee goals as a means of achieving productivity rather than stressing productivity per se. Second, the effectiveness of the supervisor is very much a function of his relationship to his own superiors, so that if his superiors use effective methods, such as being oriented to employee needs, the supervisor tends to use the same methods which will tend to be effective as long as the supervisor is influential with his superiors. Argyris (1964) hypothesized that an organization's main source of energy is from the individuals in that organization and that an individual's energy increases as success is experienced. To experience success the individual requires three things: (1) self-esteem, including awareness and acceptance of self and the opportunity to experience an increasing sense of competence; (2) an organization in which an individual is able to set goals, create paths to these goals, and increasingly be challenged through work; and (3) a society and culture which give meaning to an individual through its norms and values.

Argyris also found that mentally healthy, satisfied employees were reported to have significantly lower rates of absenteeism. He concluded that people who have a high absentee rate tend to be frustrated on the job by poor supervision and non-challenging work and that turnover, as well as grievance rates, correlate to leadership behaviors. The more the leader structures, directs and controls, the greater the probability of turnover.

Bass (1990) suggests that a favorable association between employees and supervisors is one factor that contributes to employees' satisfaction. Studies further indicate that not only do leaders affect subordinate satisfaction and performance but can also have an effect on organizational success. He also found when tasks were unstructured, the effects of participative leadership were consistently positive. In addition, Bass indicates that role clarity is another influential factor in job satisfaction. He found that people, in particularly those that have a need for structure, prefer to work in clear settings. Siegall and Cummings (1986) agree with Bass with their findings which show that if a subordinate's role is ambiguous and role clarification and directions follow, satisfaction with the supervisor is enhanced.

Other factors influencing job satisfaction include autonomy and discretionary opportunities and routineness versus variation in tasks. Bass, (1981) found that if leaders were perceived as being delegative and negotiative, their subordinates felt as though they possessed more discretionary opportunities. Griffin (1980) supports a slightly different approach. He found that employees in low-scope jobs prefer low maintenance routine by their supervisor, that is, they enjoy work autonomy. Gruneberg (1979) suggests that overall job satisfaction is determined by the subordinates needs, values and expectations of their jobs. For example, some employees have a need for stability, while others have a need for achievement.

Seven Subjects of the Survey Questions

This section will examine the research that has explored the areas that are the subject of the seven data questions. The specific words may not always be identical, but they all carry the same meaning or inference, such as: "values my suggestions and opinions" relates to participative decision making or participative involvement.

Dignity and Respect

Tom Peters (1985) described principles of successful managers which include, treat people....with dignity. Giacalone and Greenberg (1996) cited Boye and Jones in their book *Antisocial Behavior in Organizations* that employers were likely to minimize counterproductive employee behavior when they treated employees with dignity and respect.

Recognition

Bass (1990) commented on two research findings: that motivation is dependent upon achievement which leads to reward and providing leadership goals which include, maximize positive reinforcement...and recognition. Kendrick (1984) suggested seven key areas for management including rewards and recognition. Peters (1985) developed principles of successful management to include celebrating success. Yukl's (1981) research concluded a leader can increase subordinate effort through....positive reinforcement. Bain (1981) stated successful managers provide....positive rewards. Kanter (1989), in discussing the management of change, concluded leaders should share the awards and recognition. Kouzes and Posner (1990) found that extraordinary leaders....find people doing things right and then recognize them. They celebrate accomplishments through public ceremonies....and team celebrations. Herzberg et al. (1959), after a review of research, concluded factors that caused exceptional satisfaction were related to....recognition.

Informed

Bass (1981) (1990) in several studies found: (a) successful leaders influence followers by....informing them; successful strategies for leaders include giving meaning to organizational goals through communication; (3) three factors for transformational leadership: #2, the leader... maintaining good communication levels. Likert (1961) stated quality leadership creates a work team where....communication is effective. Kouzes and Posner (1990) found follower expectations of leaders include....leaders who inspire through their communication style. Kendrick's (1984) seven key areas for management included open, honest communication. Wheeless, Wheeless and Howard (1984) found communication satisfaction with supervisor and supervisor receptivity in information was powerful predictors of job satisfaction.

Values suggestions and opinions

Tom Peters' (1987) principles of successful management included empowerment and involvement of staff and listening. Kendrick's (1984) seven key areas for management....employee participation. Klimoski and Hayes (1980) found in their research a strong correlation between satisfaction and...when employees are involved in the determination of the standards of performance. Bennis (1976) developed six qualities of leadership; (5) openness-willingness to listen to new ideas and suggestions, Maccoby (1981) found effective leaders use a participative approach. Kanter (1989) in describing the management of change, included leaders should give broad control of their own agenda or project. Kouzes and Posner (1990) described five practices common to extraordinary leaders: 3. enlisting the support and assistance of all...encouraging collaboration...involving everyone. Likert and Katz (2003) found employee morale was related to having supervisors who involved the employees, asked for their opinions and were open to suggestions. Argyris (1964) suggested organizations should redesign jobs to...maximize the employees input and involvement. Belcher (1987) found high quality of work life organizations involve employees in decisions and problem solving. Bass (1981) concluded that effective leadership styleswere participative. Downey, Sheridan and Slocum (1976) cited House and Dessler in identifying three functions that increase job satisfaction...(c) participative leadership which indicates the degree which the supervisor involves his subordinates in the decision making process. Driscoll's (1978) study concluded increased levels of participation are associated with greater overall satisfaction. Wheeless, Wheeless and Howard (1984) found there was a relationship between supervisor communication and decision participation with employee job satisfaction.

Talk About Progress

Bass (1990) concluded leaders should....tell subordinates what they did right and encourage them. Belcher (1987) found high quality of work life organizations...give constructive feedback.

Cares

Yukl (1981) found that a leader who is considerate and supportive...is the most important determinant to satisfaction. Bennis (1976) defined six qualities of leadership:

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(3) magnanimity-"noble of heart and mind", generous in forgiving. Bain (1981)
concluded it is important for leaders...to demonstrate a genuine concern for people.
Maccoby (1981) found effective leaders are caring. Kouzes and Ponser (1990) concluded
extraordinary leaders: "encourage the heart"..."Love of their People." Burns (1981)
found that leadership styles that were successful were....caring.

Trust

Ouchi (1981) described Theory Z organizations were built on bed rock values including....trust. Yukl (1981) found effective leaders have trust with subordinates. Likert (1961) concluded quality leadership that creates a work team with trust and confidence is central. Bass (1990) developed leadership strategies: (3) leaders establish trust. Maccoby (1981) describes a new breed of managers that...build relationships and trust. Kanter (1989) stated that for leaders managing change, trust is essential. Kouzes and Posner (1990) concluded that extraordinary leaders foster...trust and trustworthiness.

Summary

This review of literature captured an overview of research and writings on the subject of leadership from the extensive works and studies that have been conducted on the subject. Colvin (2000), in citing Bennis and Nanus, found over 350 definitions of leadership arising from thousands of studies conducted in the past century. The review

provided a look at the development of the research theories on leadership, explored the components that make up leadership, be they traits, characteristics, behaviors or actions of leadership. The material presented varies models, frameworks, principles, keys and strategies that have been suggested for individuals in leadership positions and organizations to use to become more effective and better leaders. The review did reveal that the prime subject of each of the Six Leadership Principles that have been deployed in the subject organization that is being studied in this project all appear somewhere in the literature. However, these Six Leadership Principles as a group did not appear in any of the reviewed literature and testing the validity and results of the teaching and use of these Six Leadership Principles will be a worthwhile undertaking.

This review also examined the subject of employee job satisfaction. The research clearly shows that employee job satisfaction has an impact on employee turnover and absenteeism. Turnover and absenteeism cost every organization, but especially in hospital, it can have an impact on the ability to deliver safe and effective patient care. Employee job satisfaction has been shown to be correlated, though not as strongly, to organization performance and productivity.

This project will be studying the relationship between employees' perception of the effectiveness of their manager,(based on the Six Leadership Principles), as deployed in a medium sized community hospital, and overall employee job satisfaction.

METHODOLOGY

Study Design

This chapter describes the research methodology used in studying the relationship between the employees' perception of the effectiveness of direct manager and the overall employee satisfaction in the organization. The research design, the population and sampling procedure, the data collection, data analysis plan and the limitations are discussed in detail below.

The research in this project is designed to determine if any relationship exists between the employees' perception of the effectiveness of their manager and overall employee satisfaction. As discussed in the literature review, employee satisfaction leads to better attendance, less employee turnover and fewer on-the-job injuries.

The senior leader of the study organization had been trained on the use of Six Leadership Principles (See Figure 4) at a previous hospital organization. The leader conducted training to all managers/supervisors at the study organization on the meaning and use of the Six Leadership Principles. The aim in the use of these Principles is to create a positive work environment for the employees which may lead to a more

successful organization with employees that are empowered and adaptive to change.

NUMBER	PRINCIPLE
1.	Use positive reinforcement
2.	Ask what questions, problems and concerns people have and ask how you can help
3.	Ask for input prior to decision making
4.	Provide information and feedback in a timely manner
5.	Don't over-manage or undermanage
6.	Treat people with respect

Figure 4. The Six Leadership Principles

To measure the effectiveness of managers and employee satisfaction, a survey (see Appendix A) was selected in conjunction with the company that would conduct the employee satisfaction survey. The hospital organization could tailor the survey by selecting from various sets of questions covering a broad range of employee concerns. Since the hospital had conducted training on the six leadership principles with all leaders/managers in the organization, it opted to include the set of seven questions that are titled "Effectiveness of Direct Manager". (See Figure 5) These seven questions have been used previously by the survey company to measure the effectiveness of managers on their use of the six leadership principles. The content of the survey was finalized with advice from the company which has a strong history of conducting employee satisfaction surveys and their technical expertise in the use of telephone surveying based on a random employee selection process. The company also has expertise in analyzing the survey results so as to develop feedback and, when necessary, training for all leaders in any areas that need improvement.

Nine surveys were conducted from 2002 to 2010. We were not only looking for the employee satisfaction in a specific period of time but also how satisfaction trended over time as we strived to build a positive work environment within the organization.

Figure 11. Survey Questions on Effectiveness of Direct Manager

NUMBER	QUESTION
18.	I am treated with dignity and respect by my direct supervisor
19.	My direct supervisor gives me adequate recognition for doing good work
20.	My direct supervisor keeps me well informed about what is going on in the organization and in my department
21.	I feel that my direct supervisor values my suggestions and opinions
22.	My direct supervisor has recently talked to me about my progress
23.	I feel my direct supervisor cares about me as a person
24.	I trust my direct supervisor to do what he/she says they are going to do

The overall employee satisfaction is measured by four questions at the end of the survey. The questions are from the Overall Satisfaction section of the survey. (Figure 12)

Figure 12. Survey Questions on Overall Satisfaction

NUMBER	QUESTION
25.	Overall, I am very satisfied with the level of patient safety in the hospital.
26.	Overall, I am very satisfied working at Helen Keller Hospital.
27.	Overall, I would strongly recommend Helen Keller Hospital to others as a place to work.
28.	Overall, I am confident in the ability of the administration to lead the hospital.

The research problem is:

How does the employees' perception of the effectiveness of direct manager relate to overall employee satisfaction?

From this basis of the research question, the following hypotheses have been developed:

- The percentage of employees who are satisfied is the same or less in Year Nine than in Year One.
- The percentage of employees who agree their manager is effective is the same or less in Year Nine than in Year One.

3. There is no correlation between the overall employees' perception of their manager's effectiveness and overall employee job satisfaction.

The employee satisfaction survey used in this research was administered by a consulting company which was retained by the community hospital to capture information on employee satisfaction. The instrument was tested by the consulting company and reported to be highly reliable. The measures are valid for the concepts being tested. The surveys have been consistent in the results that have been produced year after year. All questions are designed as unbiased and objective in nature. The objective was to survey the hospital over multiple years so hospital management can continually assess the opinions and satisfaction of the employees, looking for trends and especially for any downward movement in the results. A total of nine surveys were administered form 2002 to 2010. The overall purpose was to not only track employee satisfaction but to seek continual improvement in this area. This purpose fit with the overall goal of the six leadership actions which is to create a positive work environment.

Population and Sampling Procedure

The population of employees from the community hospital will fluctuate some depending on the workload and the time of the year but on average the hospital would have 500 full and permanent part-time employees during the first years of the survey. As the organization experienced growth over the nine years, the population was on average at 600 employees by the ninth year. A list of these employees with their contact phone numbers would be provided to the company about one month prior to the scheduled time for the survey to be conducted. This list was then processed at the company with a computer program which randomly selected the employees to be surveyed. The hospital would then send a notification to all employees that the survey would be conducted and the period of time that it would occur within. The notice explained that only a random sampling of employees would be contacted and not every employee would be contacted. As part of the data analysis, sample size will be tested for level of significance.

Data Collection

Once the time period for conducting the survey started the company's trained interviewers would place telephone calls using the randomized list of employees. If an employee was not able to answer the initial call, a message was left with a callback number and a request to call back with 72 hours. The company, using the computer program SampleSizeCalculator by Macorr Analytical Services, determined the target sample number to be 120 completed surveys based upon a margin of error of about 7% to 8% at the confidence level of 95%. The organization's management made the decision that a margin error within 10% was an acceptable target in considering the overall cost of the survey process and the use of the survey for indicating trends. With the growth of the organization the sample size was recalculated after the eighth year to 170 based on a margin of error of less than 5% at a confidence level of 95%. Every year the target range was reached.

As can be seen in Appendix A, the survey uses a Likert scale for response by the employees. Likert scales were developed in 1932 by Rensis Likert using a five-point bipolar response. (Allen and Seaman, 2007) The scale's five points are: strongly disagree, disagree, neutral, agree and strongly agree. Using a Likert scale is very common scale for questionnaires and is the most widely used scale in survey research. (Wang, 2010)

Once the target number of surveys was completed, the company then tabulated the data into reports to the hospital. For this study all the data from the surveys and all survey responses were provided to the author to use for the data analysis.

Data Analysis

Using data from a Likert scale survey produces ordinal data. Ordinal data is data in which an ordering or ranking of responses is possible but no measure of distance is possible .Especially when using the five level Likert scale, one cannot assume that respondents perceive the difference between adjacent levels as equidistant. (Wang, 2010) Analyses of ordinal data, particularly as it relates to Likert or other scales in survey, are not. The propriety of treating Likert scale responses as ordinal data versus interval data continues to be controversial in survey analyses in a variety of applied fields. (Allen and-Seaman, 2007) For this study the data will be treated as ordinal data.

The data will be analyzed using proportions to assess whether there is a significant difference between effectiveness and satisfaction. In order to accomplish this task, the responses will be recoded, that is, all agree/strongly were coded as 1 or Yes and all other responses as 0 or No. With the conversion, the data can then be tested for the significant difference between the yes and no answers using standard testing of the hypotheses for proportions.. Working with proportions allows better analysis to monitor change over time. (Kitchenham and Pfleeger, 2003) As part of the proportions testing we will also be able to determine if the sample size is adequate to reach a margin of error of less than 10%. I will be using the proportion of the strongly agree/agree responses for the seven Effectiveness of Direct Manager questions and the four Overall Satisfaction questions in conducting the tests for proportions. In addition, I will use the original ordinal data to analyze the correlation coefficients of Effectiveness versus Satisfaction.

To test proportions, I will use procedures called 'two-tail z-test' and "one-tail ztest". The z-test is used to determine whether there is a statistically significantly difference between the two population proportions being tested. (Sprinthall, 2003) Using the collected data I will use the following computations to find the test statistic and its associated P-value. The P-value is the probability of observing a sample statistic as extreme as the test statistic. In these formulas $p_1 = proportion 1$; $p_2 = proportion 2$; n_1 = sample size1; n_2 = sample size 2; Ho = null hypothesis; Ha = alternative hypothesis.

Others may prefer to reject Ho only when it is less than *a*. The P-value can be interpreted as the probability to get a specific test statistic so large by chance when the null hypothesis is true. For example, a P-value of 1% (0.01) means that there is a 1% probability that the test statistic is so high just by chance or luck. That is why the null hypothesis would be rejected, because there is a 99% probability that it is not due to chance, but to the fact Ho is false. Hence, the P-value is a measure of how much evidence you have against the null hypothesis. The smaller the p-value, the more evidence you have against the Ho. In fact, many researchers refer to statistically significant as P < 0.05 and statistically highly significant as P < 0.001. (Higgins, 2006)

The test for proportions is:

 $Ho: p_1 - p_2 = 0$ $Ha: p_1 - p_2 \neq 0$

The standard error of the difference of the proportion is:

$$\sigma_{p_1-p_2=}\sqrt{\frac{\overline{p(1-\bar{p})}}{n_1}+\frac{\overline{p(1-\bar{p})}}{n_2}}$$

The common estimator of the proportion is:

$$\bar{p} = \frac{n_1 p_1 + n_2 p_2}{n_1 + n_2}$$

The test for significance is:

$$Z = \frac{(\bar{p}_1 - \bar{p}_2)}{\sqrt{\bar{p}(1 - \bar{p})(\frac{1}{n_1} + \frac{1}{n_2})}}$$

(Anderson, Sweeney and Williams, 2010)

These tests will be used to evaluate Hypothesis 1, 2, and 3. They can determine if the null Hypothesis can be rejected or not.

Hypotheses 3 will also be tested by calculating the correlation coefficient. The correlation coefficient measures the strength and the direction of a linear relationship between two variables. The linear correlation coefficient is sometimes referred to as the Pearson product moment correlation in honor of its developer Karl Pearson. The p-value will also be calculated to determine the level of significance used to reject the null hypothesis.

The formula is:

$$r_{xy} = \frac{S_{xy}}{S_x S_y}$$

Where S_x and S_y are the Standard Deviations for variables X & Y, and S_{xy} is the Covariance between X and Y:

$$S_{xy} = \frac{\sum (x_i - \bar{x})(y_i - \bar{y})}{n - 1}$$

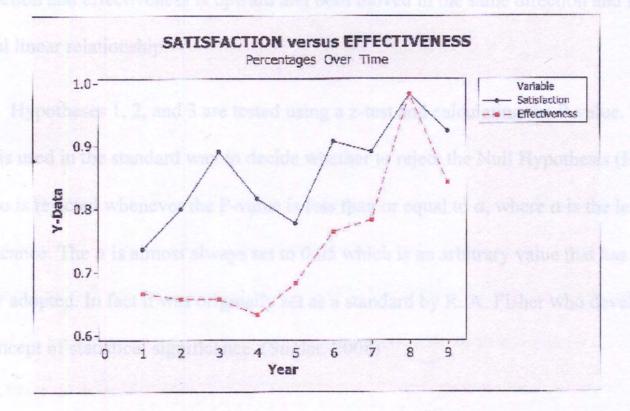
The value of *r* is such that $-1 \le r \le +1$. The + and – signs are used for positive linear correlation and negative linear correlations, respectively. An *r* value of exactly +1 indicates a perfect positive fit. Positive values indicate a relationship between the x and y variables such that as values for x increase, values for y increase. A negative correlation means that if x and y have a strong negative correlation then r is close to -1. An *r* value of exactly -1 indicates a perfect negative fit. Negative values indicate a relationship between x and y such that as values for x increase, values for y decease. No correlation means if there is no linear correlation or a weak linear correlation then r is close to 0. A value near zero means that there is a random, or a nonlinear relationship between the two variables. (Higgins, 2006)

RESULTS

IV

Using the methodology outlined in Chapter Three, all the hypotheses have been tested. The results will provide some understanding of the relationship existing between the employees' perception of the effectiveness of direct manager and overall employee satisfaction.

Table 1. Satisfaction versus Effectiveness (portion of strongly agree/agree)



Variable	1	2	3	4	5	6	7	8	9
Satisfaction	0.737	0.800	0.892	0.817	0.778	0.908	0.892	0.983	0.924
Effectiveness	0.667	0.658	0.658	0.633	0.683	0.765	0.783	0.983	0.842

Table 2. Satisfaction versus Effectiveness, Year One to Year Nine, Portion

First we computed the portion of the strongly agree/agree responses for overall effectiveness of manager and overall satisfaction. Effectiveness of manager was calculated for questions 18 through 24 and overall satisfaction was calculated for questions 25 through 28 of the survey. (See Appendix A) A graphical presentation of the results is shown in Table 1. The graph shows that after a fairly random three years, Satisfaction and Effectiveness started moving in a similar pattern. The trend line for both satisfaction and effectiveness is upward and both moved in the same direction and in a general linear relationship.

Hypotheses 1, 2, and 3 are tested using a z-test and calculating the P-value. The P-value is used in the standard way to decide whether to reject the Null Hypothesis (Ho) or not. Ho is rejected whenever the P-value is less than or equal to a, where a is the level of significance. The a is almost always set to 0.05 which is an arbitrary value that has been widely adopted. In fact it was originally set as a standard by R. A. Fisher who developed the concept of statistical significance. (Stigler, 2008)

RELATIONSHIP OF EFFECTIVENESS AND SATISFACTION

Hypothesis 1. The percentage of employees who are satisfied is the same or less in Year Nine than in Year One.

ITEM	STATISTIC
Year	<u>X</u> <u>N</u> sample proportion
1 9	87 118 0.737288 158 171 0.923977
Difference	= p(1) - p(9)
Estimate for difference:	-0.186688
95% upper bound for difference:	-0.112174
Test for difference	= 0 (vs not $= 0$): $z = -4.12$, p-value $= 0.000$

 Table 3: P-value Test Hypothesis 1

Hypothesis 1 (null hypothesis) is rejected with a p-value of less than 0.001. A statistically highly significant difference was found. Employee satisfaction was statistically significantly greater in Year Nine than Year One. The portion of employee satisfaction responses of strongly agree/agree increased over the nine years by 0.187 which was a 25.37% increase.

Hypothesis 2. The percentage of employees who agree their manager is effective is the same or less in Year Nine than in Year One.

ITEM	STATISTIC
Year	<u>X N</u> <u>Sample proportion</u>
1 9	80 120 0.66667 144 171 0.842105
Difference	= p(1) - p(9)
Estimate for difference:	-0.175439
95% upper bound for difference:	-0.0910940
Test for Difference	= o (vs not 0): z = -3.42, P-value = 0.000

Table 4: P-value Test Hypothesis 2

Hypothesis 2 (null hypothesis) is rejected with a p-value of less than 0.001. A statistically highly significant difference was found. Employee perception of effectiveness of their manager was statistically significantly greater in Year Nine than in Year One. The portion of manager effectiveness responses of strongly agree/agree increased over the nine years by 0.175 which was a 26.23% increase. The next hypotheses testing involved the calculation of the Pearson correlation of coefficient on the variables of overall employee satisfaction and overall effectiveness of manager.

Hypothesis 3. There is no correlation between the overall employees' perception of their manager's effectiveness and overall employee job satisfaction in a community hospital.

The following hypotheses were tested: Ho: r = 0 and Ha: $r \neq 0$.

Results: Pearson correlation coefficient = 0.673 and the P-value = 0.000.

With these test results, Hypothesis 3 (null hypothesis) is rejected. Statistically there is a significant positive correlation, +0.673, between perception of effectiveness of manager and employee satisfaction. With a p-value of less than 0.001 a statistically highly significant correlation was found.

Hypothesis 1 measured employee satisfaction from year one to year nine. The test results found that year nine was statistically significantly higher than year one. This was an issue we wanted to test: did the organization see an improvement in employee satisfaction over time? These results suggest that in fact the organization showed a statistically significant improvement in employee job satisfaction and an actual increase of 25.37% in employee satisfaction over the nine years..

Hypothesis 2 measured employees' perception of the effectiveness of their manager from year one to year nine. The results showed year nine was statistically

significantly higher than year one. The employees' perception of the effectiveness of their manager increased by a statistically significant difference and by 26.23% in total over the nine years.

The use of the Pearson correlation coefficient to test Hypothesis 3 suggests there is significant positive correlation between the employees' perception of the effectiveness of managers and employee satisfaction. A statistically highly significant difference was found between effectiveness and satisfaction.

DISCUSSION

Discussion and Conclusions

The purpose of this study was to determine the relationship between employees' perception of the effectiveness of their manager and overall employee satisfaction. The review of the literature revealed numerous research writings on the subjects of leadership/managers and employee satisfaction.

In the area of leadership seven models for leadership were reviewed: Likely Model of 21st Century Leadership (Bennis and Nanus, 2003); Five Dimensions of Authentic Leadership (George, 2003); The Five Practices of Exemplary Leadership (Kouzes and Posner, 2003); Framework for Improvement (Kendrick, 1984); Five Principles Vital to Successful Management (Peters, 1985); Six Qualities for American Leadership (Bennis, 1976); Megaskills (Nanus, 1989). These models have all been researched and theorized in business management literature.

The review also included literature on the relationship of leadership and employee satisfaction. Butler, et al. (1999), Bommer (1995), DeLuga (1991), Kessler (1993) and Russell (1996) found positive relationships between leadership and various indicators of job satisfaction in a variety of work environments. In addition, Bass (1990) and Katz and

Kahn (1996) provided extensive theoretical literature on leadership and employee satisfaction.

Next the review looked at studies and literature on the definition and meaning of employee satisfaction including works by Likert (1961), Vroom (1967), Invancevich and Matteson(1993), Herxberg (1959), Argyris (1964), Bass (1990) and Gruneberg (1979). Likert and Argyris, among others, found in their research that employee satisfaction had a direct relationship with employee turnover, absenteeism and on-the-job injuries and accidents.

The last part of the literature review provided the research and writing which defined and gave meaning to the subject matter of the seven survey questions on the effectiveness of direct manager.

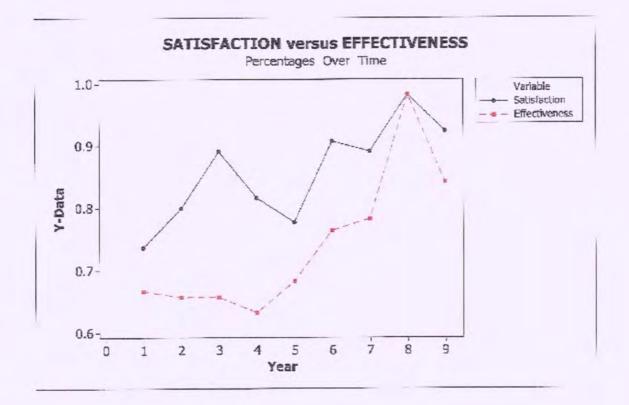
The problem statement is: How does the employees' perception of the effectiveness of direct manager relate to overall employee satisfaction? From this problem statement and the literature review three hypotheses were developed. Hypotheses 1, 2 and 3 were tested by using a two-tailed z test or a one-tail z test to determine the p-value. Hypothesis 3 was also tested by calculating the correlation coefficient. Table 5 presents a summary of the study hypotheses and findings.

RELATIONSHIP OF EFFECTIVENESS AND SATISFACTION

Table 5. Summary of Hypotheses and Findings

HYPOTHESIS	FINDINGS
1. The percentage of employees who are satisfied is the same or less in Year Nine than in Year One.	Not supported. Year Nine was statistically highly significantly different than Year One.
2. The percentage of employees who agree their manager is effective is the same or less in Year Nine than in Year One.	Not supported. Year Nine was statistically highly significantly different than Year One.
3. There is no correlation between the overall employees' perception of their manager's effectiveness and overall employee job satisfaction.	Not supported. Significant positive correlation was found.

 Table 1. Satisfaction versus Effectiveness (portion of strongly agree/agree)



Variable	1	2	3	4	5	6	7	8	9
Satisfaction	0.737	0.800	0.892	0.817	0.778	0.908	0.892	0.983	0.924
Effectiveness	0.667	0.658	0.658	0.633	0.683	0.765	0.783	0.983	0.842

Table 2. Satisfaction versus Effectiveness, Year One to Year Nine, Portion

The test for Hypothesis 1 resulted in the calculation of a p-value of less than 0.001 which means the null hypothesis was rejected. Employee satisfaction in Year Nine was statistically significant greater than Year One. This result also reflects the trend found in the graph in table 1. Employee satisfaction increased by a significant amount, 25.37%, over time which was part of the organization's goal to create a positive work environment.

The test for Hypothesis 2 resulted in a calculation of a p-value of less than 0.001 which means the null hypothesis was rejected. Manager effectiveness in Year Nine was statistically significant greater than Year One and increased by 26.23% over Year One. The graph in table 1 shows the trend is reflective of this result. The training of the managers was helpful for the organization. As the managers integrated the six leadership principles into their leadership actions and became more proficient with their use, these results show the employees recognized these actions and perceived the improvement of their manager's leadership actions.

Hypothesis 3 was tested with the calculation of the correlation coefficient between the two variables. The results were a significant positive correlation between effectiveness and satisfaction of +0.673, therefore, the hypothesis is rejected. The correlation means there is a positive linear relation between the variables, that is, as effectiveness increases it has an impact on satisfaction. This result again confirms the trend in graph in table 1. A p-value of less than 0.001 also allows rejection of Hypothesis 3 (null hypothesis).

These results confirm there is a positive relationship between the employees' perception of the effectiveness of managers and employee satisfaction. The results may also mean the organization appears to have received a positive effect in the time spent in training all managers/supervisors on the six leadership principles. The commitment of all the leaders in the organization to use the principles in an effective manner may have contributed in meeting the goal for the organization to create a positive work environment for the employees as measured by an increase in overall employee satisfaction.

Previous research studies have shown similar results but were using different leadership models. Kouzes and Posner (2003) tested their transformational leadership behaviors model and found a positive relationship between the leadership behaviors in the model and job satisfaction. McNeese-Smith (1991) tested the transformational model and the transactional model in a healthcare setting and found similar results for the transformational model as did Catalano (2002) in the aerospace industry. Kouzes and Posner, McNeese-Smith and Katz and Kahn (1978) also found the use of the behaviors as a group had a stronger relationship to satisfaction than any one individual behavior.

RELATIONSHIP OF EFFECTIVENESS AND SATISFACTION

While the correlation found in this study is significant at +0.673, this result does not explain the full relationship of variables that effect employee satisfaction. Other variables could include compensation, work schedules, work intensity, support from manager in training,, equipment and materials essential to complete the work tasks. Many of these variables have been studied and researched for their relationship to employee satisfaction

Compensation is an area that has been studied quite frequently and the results have been mixed. One challenge in the study of compensation is the numerous subcategories that can fall within this area, such as, benefits and the cost sharing of benefits with employees, salary scale projections, bonuses and incentives and other compensation issues. Irving and Montes (2009) found unmet compensation expectations were associated with decreased employee satisfaction and even met compensation expectations were not always associated with high levels of satisfaction. Gibbs, et al. (2004) and Heneman (2002) found employee satisfaction correlates strongly with the tenure of the employee. Porter and Steers (1973) and Deci (1972) both found no correlation between compensation and satisfaction, while Dreher, Ash and Bretz (1988) found a negative correlation between increased benefit costs and employee satisfaction.

In the area of work schedule, Bommer (1995), Baltes, et al, (1999), Holtom, Lee and Tidd (2002) all found a positive correlation between work schedule and satisfaction. Latack and Foster (1985) and Baltes, et al, (1999) found compressed work schedules also had a positive effect on satisfaction. Griffin (1980) however found no correlation between work schedule and satisfaction. Intensity of work was found by Yoon (2001), Locke and Latham (1980) and Banaszak-Holl and Hines (1996) to have a positive effect on satisfaction. Karatepe, et al, (2006) work intensity did have a correlation but not as strong as work fulfillment. Manager support has a positive correlation to employee satisfaction as found in studies by Kouzes and Posner (2003), Bass (1990), McNeese-Smith (1991) and Bommer (1995).

Many of these studies and research were looking at multiple variables in relation to employee satisfaction. Griffin (1980), Bommer (1995), Deci (1972), Yoon (2001), Karatepe, et al, (2006), Catalano (2002), McNeese-Smith (1991) and Baltes, et al, (1999) all found the effectiveness of manager/leader had the most significant correlation to employee satisfaction as compared to any other variable.

The results of this study found a significant correlation between effectiveness of manager and employee satisfaction. In addition, the organization experienced a gain of over 25% in actual employee satisfaction and manager effectiveness over the nine years. Bothe of these results would suggest the probability of a positive experience for organizations who would consider training their managers on the six leadership principles. From numerous studies and research cited in the Review of Literature, the author found positive employee satisfaction has a positive effect on employee turnover rates, the number of on-the-job injuries and accidents, the rate of employee absenteeism and employee attitude towards the organization. These areas can all possibly help lower the operating costs and improve the operating efficiency of an organization.

RELATIONSHIP OF EFFECTIVENESS AND SATISFACTION

Any organization that would strive to seek improvement in the above mentioned areas, may want to consider the investment in training their mangers on leadership principles/actions/behaviors which may result in the improvement of their employee satisfaction. With an improvement in employee satisfaction the organization could possibly gain value with reduced costs which might lead to higher operating margins and/or lower cost to their customers. The senior management team of the organization in this study perceives the relationship between effectiveness of manager and employee satisfaction to be beneficial to the organization.

Recommendations and Areas for Further Study

Management theory is still in development and should still be considered an art; however, there may be specific skills/practices/principles that can be incorporated when effective training is conducted. The organization in this study found the six leadership principles that were adopted into their management training appear to have had a positive effect on employee satisfaction and that the effectiveness of the managers and employee satisfaction improved over time.

Other organizations that are looking to have more effective managers may want to look at a training program based on these principles. Based on the results of this study, employees may see the effectiveness of managers trained on these principles improve over time and possibly have a positive impact on employee satisfaction within an organization which may lead to reduced turnover, absenteeism, and on-the-job injuries and accidents.

Future study of the relationship could include using larger organizations or studying across multiple organizations. Other studies could look at factors that could impact employee satisfaction such as compensation, workload, scheduling, intensity of work, growth opportunities and co-worker competence. One could also study the effect of multiple demographic variables of the employees, segmenting by age, sex, tenure and education among other factors.

Another interesting area of study in the healthcare industry would be evaluating the relationship between employee satisfaction and patient satisfaction. If the improvement of the effectiveness of managers is part of creating a positive work environment as measured by employee satisfaction; can the improved employee satisfaction have a positive impact on patient satisfaction? At the study organization, there would appear to be some evidence that might indicate a relationship. From 2008 to present, the organization become the first hospital in the state of Alabama to be awarded the JD Power award for "Distinguished Patient Experience" and has received this award for three consecutive years. In addition, the hospital has been recognized by Blue Cross/Blue Shield, Healthgrades and The Joint Commission for outstanding performance in this area as well as outstanding quality performance in patient care.

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Helen Keller Hospital **Employee Satisfaction** Survey

, my name is Good morning/evening Mr /Mrs. _ I work for The Doug Williams Group, a performance improvement consulting firm. We are conducting on employee satisfaction survey for Helen Kaller Haspital and you have been randondy selected to participate. Your survey responses will be shared, however, your identity will be topy strictly confidential. Would you be willing to take a fast coinstants to unsver a some questions about Helen Keller Hospitol? (If Agree) thank you very much, (If Disagree) That's no problem whateoever, thank you for mking my call.

Please tell we the extent to which you agree or disagree with the following statements, reflecting on your experience during the past six months. The scale 4.0 will be using in strongly disagree, disagree, neutral, agree, or strongly agree. If you don't have strong faalings either wav please choose neutral. If the question does not apply to you, then choose not apply able. Your consistent and important suggestions ore visiconse and oppreciated.

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Overall Satisfaction Strongly Strongly Study seriestic earlest Agree Aylet U 25. OwneR, I am very satisfied with the level of puttent safely in the . I u 1 hespital. 26. Oswatly Landoery so istical working of Helen Keller Hospital. L J. IJ u L 2) Ownall, I would strongly recomment. Helen Keller Hespita, to others ב C a \square as a place to work Ъ 28 |OweaR|) one confident in the coulty of the administration to lead the hospital. **Comments and Improvement Suggestions** 29. Do yet, have say comments or suppositions as to have the Haspital could be a better place to work? thank you for taking the nume to participate in this survey. In appreciation for your time and comments, your more real be ordered but a drawing for a price. Your scores and commons will be combined with other sinveys and thored with your management team for appropriate follow-up actions. The themes of these survers and the follow-up actions that result will be shared with all employees through townhalf movings. Have a new davleyoning. Demographics (Use Employee Roster For This Information) 50. Department, (Please that Exactly As 65 Form) 34, 365 Field (Print Plan, Estactly Ag On Form) Sharin, 🗇 Pu -1 re (F) 🗇 Parl-T re (P) 🔘 Per Olem (K) 35. Length of Fine Employee By Hospital (Use Date of Hite "EXCIP to Determine, Files: Thin Months fame: Interview) 🗒 3 Mariilis Iair Veari 🔄 1 To 3 Years 🗐 3 To 7 Years 🗐 7 To 15 Years 🗇 Over 15 Years 34. Stoff, (Nærebæhe) 📙 Male 🗔 Ferrae

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