

What type of Leadership in Higher Education Promotes Job Satisfaction and Increases Retention?

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Abstract

The purpose of this quantitative study was to predict Job Satisfaction (Happiness at Work) and Employee Intention to stay with an organization, utilizing dimensions of servant leadership practices. The six dimensions of servant leadership practice were Values People, Develops People, Builds Community, Provides Leaderships, Displaying Authenticity, and Shared Leadership. The participants consisted of 59 respondents, from faith-based higher education institutions. Participants were given an 84-item questionnaire survey. A correlation and a structural equation model (SEM) were used. We found that all the variables significantly correlated with job satisfaction. Intention to Stay played a moderator role between the servant leadership variables and job satisfaction. Intention to Stay predicted 33% of the variance of job satisfaction; 54% of the variance of Intention to Stay is predicted by dimensions of servant leadership practices.

Introduction

Employee turnover is one of the unique features of the U.S. workforce. Jo (2008) stated that employees changed jobs about seven times in their careers. Ton and Huckman (2008) reported the cost of turnover for an employee earning \$8.00 per hour at between \$3,500 and \$25,000.00. Selesho and Naile (2014) suggested this high turnover rate extended to higher education, where employee retention was a major challenge. They observed that in addition to the loss of productivity and cost of replacement, implications such as variations in quality, consistency, and stability of the academic institution must be considered. Dee (2004) discussed problems inherent in high rates of faculty turnover as damaging to the institution's reputation as well as to the quality of instruction. Mercer (2001), as cited in Jo (2008), estimated the cost of turnover for some universities at approximately \$68 million. The branding of "excellence" or "distinction" among higher educational institutions is in part a function of the academic staff the school can employ and retain. Bowen and Schuster (1986) believed that a school's reputation was linked to the faculty and staff it employed.

It is an accepted belief in management circles that a happy worker is a productive worker. Staples and Higgins (1998) defined job satisfaction as "the scope of the work and all the positive attitudes regarding the work environment" that reflected the degree to which the employee's needs were met and how others perceived that satisfaction. Laub (1999) suggested a correlation between job satisfaction and leadership style and proposed that job satisfaction would improve in the presence of servant leadership. Amabile and Kramer (2011) proposed high employee morale and happiness as key to increased organizational productivity.

Job Satisfaction and Employee Intention to stay with an organization are reported in the literature as positively correlated with one another (Dougherty, Bluedorn, & Keon, 1985) and negatively related to turnover and intention to leave an organization. Larry Spears (1996), CEO of the Greenleaf Center for Servant-Leadership, described servant-leadership "as a way of being in a relationship with others." He illustrated servant-leadership practices as a set of ethical and caring behaviors that emphasized employees' personal growth, involved them in decision-making, and supported the quality of organizational life. Spears further affirmed that servant leadership was a crucial foundation for improving employee performance. Guillaume, Honeycutt, and Savage-Austin, (2013) also found a strong relationship between Servant Leadership and Job Satisfaction among faculty and non-faculty employees in the private university setting.

The purpose of this study was to predict the perceived effect of servant leadership practices (Values People, Builds Community, Provides Leadership, Develops People, Displays Authenticity, and Shares Leadership) held by employees at higher education institutions, on Job Satisfaction moderated by their Intention to stay with the organization. Quantitative research on the influence of Servant Leadership on Job Satisfaction moderated by Employee Intention to stay with an institution is still lacking, despite evidence of a positive correlation between the two constructs.

Description of study

This study used Rubino's (2012) data to predict the perceived relationship of dimensions of servant leadership practices on Job Satisfaction moderated by Employee Intention to stay with the institution. Participants in Rubino's study consisted of 59 respondents from three levels of employees from faith-based higher education institutions in the Eastern United States. Rubino used two tools to develop an 84-item questionnaire survey (Rubino, 2012, pp 47): The Laub's Organizational Leadership Assessment (OLA) tool (1999) and Allen and Meyer's Organizational Commitment Scales (OCS) (1990).

Employing results from Rubino's survey, researchers in this study selected items that measured Intention to Stay. A factor analysis was conducted on the newly selected variable to determine the dimensions existing on the survey. The moderating variable Intention to stay had a Cronbach's alpha coefficient of 90.1% after eliminating some of the items.

Research Questions:

1. Is there a relationship between servant leadership practices and job satisfaction, moderated by employee intention to stay with the organization? The researchers conducted a correlation analysis to answer this question.
2. Do the dimensions of servant leadership (valuing people, building community, developing people, displaying authenticity, and sharing leadership) predict job satisfaction moderated by intention to stay with the organization? The researchers performed a structural equation model to answer this question.

Literature Review

The literature review conducted for the 2015 study examined the theory of Servant Leadership and its effect on Job Satisfaction moderated by Employee Intention to stay in higher educational organizations. The concept of organizational Servant Leadership was first posited by Richard Greenleaf in the early 1970's, as a philosophy that supported the well-being of employees over the leader's self-interest. In direct opposition to the traditional forms of leadership, Greenleaf reframed Servant Leadership as service that enabled followers to attain their highest potential as they worked to support the stated mission of the organization. Greenleaf evaluated Servant Leadership through the following six dimensions: valuing people, developing people, building community, being authentic, providing leadership and sharing power. Greenleaf's theory highlighted the importance of organizational leadership valuing the connection between employee job satisfaction and organizational success. Northouse (1997) submitted one criticism of the servant leadership theory: that it lacked support in the scientific journals.

Servant Leadership Attributes

Established leadership practices endorsed power as a privilege that the leader wielded over employees. Greenleaf promoted the six dimensions of servant leadership as enhancing the health of an organization and arousing strength and power in employees at every level of the organization. Elliott (2012) in his work at community colleges suggested that employees working with servant leaders had very satisfying work experiences a consequence of their supervisor's leadership style. Joseph and Winston (2005) determined that workers' perceptions of servant leadership correlate positively with both leader trust and organizational trust. They further proposed that employees in servant-led organizations exhibited higher levels of both leader trust and organizational trust than organizations that were not perceived as servant-led. Nyhan (2000) surveyed employees in a public organization and estimated that employee participation in decision-making fostered a sense of empowerment that led to increased interpersonal trust (between supervisor and employee). Sharif and Scandura (2014) corroborated Nyhan's findings and concluded that employees who perceived their leaders as authentic and ethical, performed better; had a sense of community; engaged in citizenship behaviors and were more likely to be satisfied with their job.

Job Satisfaction

Lacy and Sheehan (1997) in an international study of Job Satisfaction among academic staff found that environmental factors including morale, a sense of community, and relationships with colleagues, best predicted perceived levels of job satisfaction. Altunas (2014) linked employee job satisfaction to their happiness, productivity, and success at work. Peterson, Hall, O'Brien-Pallas, and Cockerill (2011) identified factors such as opportunities for development and promotion as significant sources of job satisfaction among academic nurses. Rao (2010) determined that when individuals attained job satisfaction, they experienced a high level of anticipation at the thought of going to work. The deep meaning derived from their work and the resulting sense of gratification helped sustain employee morale and further increased their level of satisfaction with the job. Rao (2010), therefore, concluded that job satisfaction equaled happiness at work. Gibson and Petrosko (2014) reasoned that employees who perceived a high degree of trust in their leadership and who felt a high level of job satisfaction displayed less intention to leave their organization. They suggested that confidence in leadership had a greater impact on employee Intention to stay with an organization than the more studied variable of Job Satisfaction.

Intention to Stay

Concerns about academic staff retention have prompted ongoing studies directed at understanding the reasons behind the high turnover rate in higher education. Ambrose, Huston, and Norman (2005) proposed an annual turnover rate of between 2-10 percent at research

universities and suggested that turnover was even higher at two-year colleges. Candela, Gutierrez and Keating (2014) investigated factors that predicted nursing faculty members' intention to stay with an academic institution and determined that faculty development and administrators' support contribute significantly to retention. Dee (2004) suggested correlations between faculty intent to stay with institutions of higher learning, and their perceptions of autonomy, and organizational support for innovative practices; which correspond to the servant leadership dimension of Developing People. Ng'ethe, Namusonge, and Iravo (2012) discussed the need for higher education leadership to embrace a leadership style that fostered staff retention. Zhou and Volkwein (2004) however suggested that faculty turnover was a natural part of professional advancement due to teaching and research skills being readily transferrable among schools. Nevertheless, Bowen and Schuster (1986) advised that some amount of faculty mobility was accepted and approved by the profession because loyalty to the discipline transcended loyalty to a school.

Data Analysis and Findings

A correlation analysis was conducted to determine what relationship existed between Job Satisfaction, Inten-

tion to stay, and dimensions of servant leadership practices. Results of the correlation analysis revealed a high correlation between dimensions of servant leadership practices, Intent to Stay and Job Satisfaction at all levels of employees in the organization. A strong correlation also existed between job satisfaction and dimensions of servant leadership practices. Three of the variables show 45% of variance: Values People ($r = 0.673$, $r^2 = 45.3\%$), Develops People ($r = 0.674$, $r^2 = 45.4\%$), Provides Leadership ($r = 0.675$, $r^2 = 45.6\%$). **Table 1** displays the correlations. **Table 1** also shows high interrelationships between the servant leadership variables that may cause collinearity.

The 2015 researchers wanted to present a graphic representation showing the interrelationship among the variables. The selected variables were the ones that presented higher correlations: Builds Community, Values People, Displays Authenticity, Intention to stay, and Job Satisfaction. Due to collinearity, some variables provided similar information. A structural equation model (SEM) was used. Not all dimensions of servant leadership were used in SEM, although the correlation analysis showed a strong relationship between all aspects of servant leadership and job satisfaction with a $p = .000$; Pearson Correlation ranged from .618 to .678.

		Job Satisfaction	Values People	Develops People	Builds Community	Displays Authenticity	Provides Leadership	Shares Leadership
Values People	<i>r</i>	0.673						
	<i>r</i> ² (%)	45.3%						
	<i>p</i>	.000						
	<i>N</i>	59						
Develops People	<i>r</i>	0.674	0.927					
	<i>r</i> ² (%)	45.4%	85.9%					
	<i>p</i>	.000	.000					
	<i>N</i>	59	59					
Builds Community	<i>r</i>	0.618	0.916	0.91				
	<i>r</i> ² (%)	38.2%	83.9%	82.8%				
	<i>p</i>	.000	.000	.000				
	<i>N</i>	59	59	59				
Displays Authenticity	<i>r</i>	0.645	0.945	0.939	0.912			
	<i>r</i> ² (%)	41.6%	89.3%	88.2%	83.2%			
	<i>p</i>	.000	.000	.000	.000			
	<i>N</i>	59	59	59	59			
Provides Leadership	<i>r</i>	0.675	0.856	0.915	0.885	0.902		
	<i>r</i> ² (%)	45.6%	73.3%	83.7%	78.3%	81.4%		
	<i>p</i>	.000	.000	.000	.000	.000		
	<i>N</i>	59	59	59	59	59		
Shares Leadership	<i>r</i>	0.658	0.921	0.905	0.854	0.934	0.842	
	<i>r</i> ² (%)	43.3%	84.8%	81.9%	72.9%	87.2%	70.9%	
	<i>p</i>	.000	.000	.000	.000	.000	.000	
	<i>N</i>	59	59	59	59	59	59	
Intention to stay	<i>r</i>	0.571	0.711	0.693	0.717	0.714	0.626	0.704
	<i>r</i> ² (%)	32.6%	50.6%	48.0%	51.4%	51.0%	39.2%	49.6%
	<i>p</i>	.000	.000	.000	.000	.000	.000	.000
	<i>N</i>	59	59	59	59	59	59	59

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

A structural equation model is represented in **Figure 1**. The value of .94 shows the correlation between Values People and Displays Authenticity, which indicates 88.3 percent of the variance of values people relates to displays authenticity. The value of .92 shows the relationship between values people and builds community, which indicates 85 percent of the variance of values people relates to builds community. The value of .91 shows the correlation between displays authenticity and builds community, which means 83 percent of the variance of displays authenticity, relates with builds community.

Figure 1 also displays the following influences utilizing the standard beta weights: value .17 is the effect of values people on the intention to stay, value .23 is the effect of displays authenticity on intention to stay and value .35 is the effect of builds community on intention to stay. The entries .17, .23, .35 are standardized beta regression weights. This prediction has an $R^2 = .54$, which indicates 54 percent variance of intention to stay is explained by a leader's ability to build community, display authenticity, and value people. This indicates that 54 percent of effect can be predicted.

In addition, **Figure 1** displays the standard beta weight: value .57 is the effect of intention to stay on job satisfaction. The entry .57 is a standardized beta regression weight. This prediction has an $R^2 = .33$, which indicates 33 percent variance of job satisfaction is explained by an employee's intention to stay with an organization. This indicates that 33 percent of effect can be predicted.

Limitations of study

The population for our study was limited to academic staff at faith-based institutions. It would be beneficial to measure findings across the academic landscape to validate the perceptions of Servant Leadership practices on employees at other types of higher education institutes.

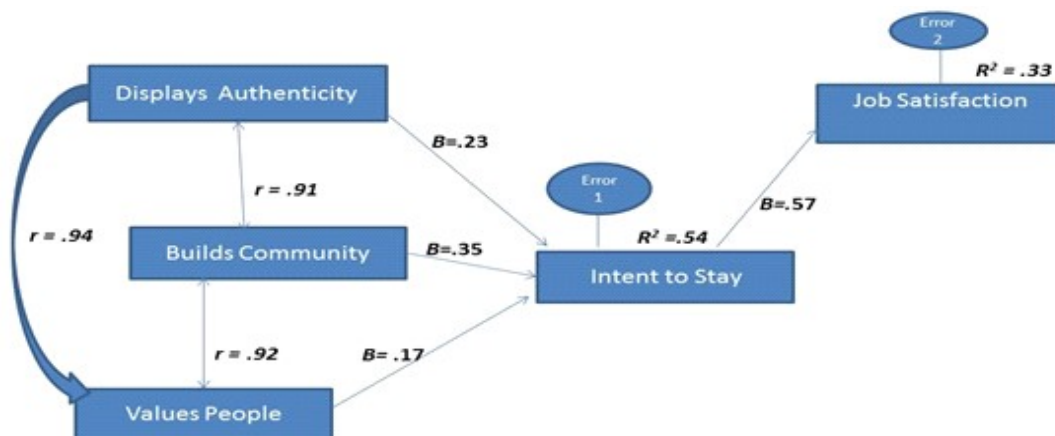
Conclusion and Discussion

Many leadership theorists have discussed the impact of a leader's behavior on a subordinate's performance, motivation, and job satisfaction. Servant leadership however remains experiential and needs to be moved into the realm of a scientific method or theory for implementation in academic institutions. This will be made possible by expanding the body of research on its effectiveness in the business and academic arena, as suggested by Greenleaf almost half a century ago.

The current research documented the level of job satisfaction among servant-led employees at faith-based institutions of higher learning, moderated by their intention to stay. Our research demonstrated a strong correlation between the Servant Leadership Dimensions and Job Satisfaction ranging from $r = .618-.675$. The results of this study coincide with Candela et al. (2014) study, whose structural equation model showed a significant correlation between perceptions of administration's support and job satisfaction ($r = .75$). Shaw and Newton (2012) had similar findings in the K-12 public school setting; which reflected a positive correlation between teachers' job satisfaction and their perception of their principals' manifesting servant leadership practices. Their study further demonstrated a correlation between the principal's leadership practices and teacher's retention. Dee (2004) investigated retention rates at an urban community college and reported a high correlation between organizational support and faculty turnover ($r = -.686$). Gibson and Petrosko (2014) found that employees with low job satisfaction were more likely to leave the institution.

The results of our study clearly support the need for empirical validation of Servant Leadership in higher education as pivotal to job satisfaction moderated by their intention to stay with the institution. The institutional stability provided would be essential to the future of higher education institutions. Previous research demonstrated

Figure 1 Structural Equation Model (SEM): Interrelationship of Variables on Job Satisfaction



that valuing employees, as in Servant Leadership practices, enhanced their level of job satisfaction and directly influenced their intention to stay with the institution (Johnsrud & Rosser, 2002). Administrative support and professional development were also found to support employee retention (Candela et al, 2014). Our findings demonstrated enough coherence with these studies to contextualize Servant Leadership practices as significantly influencing Employee Job Satisfaction and Intention to Stay with the institution.

According to Rao (2010), employees should experience engagement and a high level of motivation for their work. When this is evident, work becomes meaningful and increases the level of employee job satisfaction, which Rao equates to happiness. Employees, therefore, become energized by their work and are more likely to be loyal to the institution.

Implications of Study

Cost containment and productivity are a concern for leaders at every level in a higher education institution. To remain competitive in the academic environment it is imperative for higher education leadership to address factors that would engage and retain high-quality staff, thereby reducing or eliminating the instability, time, and cost associated with recruitment and retention. Servant leadership is increasingly being viewed as providing an effective response to these challenges, because of its influence on employee growth, autonomy, and empowerment; constructs that serve as a basis for employee job satisfaction, enhancing their loyalty and intention to stay with the institution.

These results can be useful to academic leaders in developing strategies to improve employee job satisfaction and retention with the institution. The primary goal must be to have educational institutions embed principles of servant leadership into their mission, culture, and philosophy. Next, it is important to ensure that academic leaders at every level are provided with the knowledge, skills, and competencies to be successful in developing and sustaining the Servant Leadership culture. Leaders at every level must then be held accountable for maintaining a healthy work environment that is responsive to the developmental and empowerment needs of employees. Incentives for professional development and growth must be provided. Succession planning, as an outgrowth of Servant Leadership, must also be addressed so that employees are continually prepared for academic leadership.

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