Leadership Defined

Taken From Carly Fiorina, Former CEO, HP, *Speech from Stanford eCorner*.

"Leadership is all about changing the order of things. Machiavelli said, "There is nothing so difficult or so dangerous as to undertake to change the order of things." And that is true. It is difficult, and it is sometimes dangerous, because people resist and people are afraid. And that is why only leaders can drive change."

"Management is the production of acceptable results within known constraints and conditions; very important. But management is not leadership." https://ecorner.stanford.edu/videos/the-difference-between-management-and-leadership/

"Leadership is all about changing the order of things."

Servant Leadership

Transactional Leadership

Transformational Leadership

Empowerment

Motivational

Innovation

Supportive

Commitment

Latest Research & Statistics: Leadership

Compiled by Editorial Member, Sabian Polanco, Student, Stanford University

It is important for nonprofit leaders to be aware of the latest research in their field. Research encourages a nonprofit organization to find the most recent information available and be part of using best practices. As nonprofit organizations use best practices, outcomes are improved. There is a growing concern about gaps existing between nonprofit organizations operating on the ground and the information being discovered through the latest research.

The Journal of Nonprofit Innovation provides a way for nonprofit leaders to stay up to date on the latest research and submit thoughts papers on their experiences. *Are you interested in submitting an article, thought paper or nonprofit spotlight to this journal? Visit us at: https://www.wikicharities.org/journal-of-nonprofit-innovation*

Case Study 1: Tuning into performance and satisfaction in nonprofit orchestras: One link between transformational leadership and satisfaction is through reduction in conflict

From Jana kammerhoff, Oliver Lauenstein, and Astrid Shütz, *Nonprofit Management and Leadership*, 2019. Vol 30, 321–338.

"Ultimately, the study found that ***transformational leadership was positively correlated with an increase in performance and satisfaction."***

Abstract

"In this study, we tested hypotheses concerning volunteers' not-for-profit work, specifically the relations of transformational leadership with performance and satisfaction as well as the question of how task and relationship conflict fit into these relations. We argue that conflicts are detrimental to satisfaction and performance and that the frequency of conflict can be reduced through transformational leadership. We analyzed data from a large sample of lay orchestra musicians (N = 1,535) and found that musicians' perceptions of their conductors' transformational leadership style were positively related to both the performance and satisfaction of the musicians. Furthermore, we found that conflict mediated the relation between transformational leadership and satisfaction to some extent. The mediation occurred via the frequencies of both task and relationship conflicts even though the frequency of conflict was quite low in this sample in general."

Summary

In the field of Nonprofit management and development, leadership styles directly impact performance and growth. Kammerhoof, Laruenstein, and Schütz (2018) explored the benefits of transformational leadership in volunteer retention and ' organizational growth. Transformational leadership is a leadership style that focuses on the individuals in order to reach a common goal (Kammerhoof, Laruenstein, and Schütz, 2018).

Kammerhoof, Laruenstein, and Schütz's (2018) study was conducted over a period of 5-months with German-speaking nonprofit Orchestras in order to test the effectiveness of transformational leadership's ability to reduce conflict in a nonprofit setting (Kammerhoof, Laruenstein, and Schütz, 2018). Results were measured through responses to satisfaction surveys, performance surveys, and the Multifactor Leadership Questionnaire 5 × short (MLQ 5 × Short) (Kammerhoof, Laruenstein, and Schütz, 2018).

Ultimately, the study found that transformational leadership was positively correlated with an increase in performance and satisfaction. **Notably, the number of conflicts and confrontations decreased dramatically.** Importantly, conflict in an unpaid setting may be less related to performance and may heavily hinge on volunteers' sense of community within the organization (Kammerhoof, Laruenstein, and Schütz, 2018).

Transformational leadership was a strong method to boost motivation within a nonprofit organization as every volunteer feels connected to the group. Often members of the organization may run into conflict or feel excluded in the workflow process, which could eventually result in their departure from the organization (Kammerhoof, Laruenstein, and Schütz, 2018). Reducing conflict and transformation leadership are certainly viable solutions to low volunteer retention rates.

Case Study 2: Are We Innovative? Increasing Perceptions of Nonprofit Innovation Through Leadership, Inclusion, and Commitment

From Kim C. Brimhall. *Review of Public Personnel Administration,* 2021. Vol 41, 321–338.

Abstract

"Innovation is particularly important for the sustainability, functioning, and improvement of public and nonprofit organizations. Researchers have called for the examination of how leaders can foster innovation in the nonprofit context. This study examined whether climate for inclusion and affective commitment were key mechanisms by which transformational leadership increased perceptions of innovation in a diverse nonprofit health care organization. Data were collected at three points in 6-month intervals from a U.S. nonprofit hospital. Longitudinal multilevel path analysis revealed transformational leaders increase perceptions of nonprofit innovation through helping every organizational member feel valued as an important member of the group and appreciated for their unique personal characteristics (fostering a climate for inclusion). **Inclusion increases organizational members' emotional attachment to the organization** (affective commitment), which then enhances favorable perceptions of innovation wherein members feel comfortable sharing their ideas and perspectives with one another (critical to workplace innovation)."

Summary

Nonprofit innovation is essential for an organization looking to grow, increase its reach, and improve its performance (Brimhall, 2021). An essential aspect of innovation within Nonprofit organizations is leadership (Brimhall, 2021). Leadership is key to creating a work environment in which volunteers or employees can research, adapt, and recommend new ideas to their respective organizations (Brimhall, 2021). Transformational leadership's priority on individuals within the organization and the larger goals they accomplish could be especially important for innovation.

Brimhall (2021) used transformational leadership theory to explain and explore how nonprofit organizations could create a more inclusive work environment to inspire innovation. Brimhall (2021) used Multifactor Leadership Questionnaire Form 45x and surveys to measure participants' perceptions of their nonprofit organization's climate for inclusion,

perception of innovation, and affective commitment (Brimhall, 2021). Brimahll (2021) found a correlation between transformational leadership and innovation within the nonprofit healthcare sector. These have major implications for nonprofit organizations as employees and volunteers are essential for organizational growth and development moving forward (Brimhall, 2021).

Transformational leadership within the nonprofit sector could be beneficial and necessary to improve growth and innovation. Certainly, nonprofits should strive to create a diverse and inclusive workforce.

Case Study 3: Transacting Business and Transforming Communities: The Mission Statements of Community Foundations Around the Globe

From Margaret F. Sloan. *Nonprofit and Voluntary Sector Quarterly,* 2021. Vol 50(2), 262-282.

Abstract

"Analyzing mission statements from 1,420 community foundations, this research aims to determine whether community foundations portray themselves as primarily transactional or transformational in their leadership style. **Results indicate that approximately half of the community foundations present themselves as transformational dominant although about a third demonstrate transactional dominance**. The well-established leadership categories of transformational and transactional (a) give us a new way to explore community foundations' roles in their communities, (b) help us better understand the way community foundations perceive themselves and their leadership, and (c) provide a mechanism to assess how community foundations are presenting their missions

to their communities. In addition, by examining organizations as the unit of analysis, this research answers long-standing calls in leadership studies to consider levels of analysis beyond the individual."

Summary

Community Foundations have grown dramatically within the last 25 years (Sloan, 2021). Increasingly, these organizations have larger and broader impacts on society. Essential for nonprofit growth and development is their leadership styles. Sloan (2021) attempted to find the leadership style that most community foundations present themselves as. Ultimately, Sloan (2021) found that about half of nonprofit organizations present themselves as transformational leadership-oriented organizations while about ⅓ of community foundations presented themselves as transactional-oriented (Sloan, 2021). **Transactional leadership differs from transformational leadership greatly as it prioritizes a "give and take relationship" as opposed to transformational leadership's more individualized approach** (Sloan, 2021, p. 265).

Transactional leadership prioritizes feedback and rewards high-level accomplishing employees. Sloan (2021) defined a transactional leadership dominant community foundation would characterize itself as merely a conduit by which individuals and donors could accomplish their goals. Sloan's (2021) research focused on a content analysis of about 1500 community foundations. About 71% highlighted transformational leadership within their mission statements. However, over half of the organizations used some form of transformational and transactional language (Sloan, 2021).

Ultimately, Sloan (2021) is one possible indicator of the leadership styles most popular for nonprofit organizations and their relative prevalence.

Case Study 4: Exploring a model of servant leadership, empowerment, and commitment in nonprofit organizations

From Stuart Allen, Bruce E. Winston, Gia R. Taton, and Howard M. Crowson. *Nonprofit Management and Leadership,* 2018. Vol 29, 123-140.

Abstract

"This study examined a model of servant leadership's relationship to organizational commitment through structural and psychological empowerment, focusing on leader– follower dyads in a nonprofit organization. Survey data was collected from 128 employees of a nonprofit organization in a northeastern U.S. city. After model re-specification, a well-fitting model emerged, indicating that **structural empowerment mediates the relationship between servant leadership and organizational commitment**. Moreover, the model suggests that structural empowerment's effect on organizational commitment is both direct and indirect– the latter occurring through the meaning dimension of psychological empowerment. This study provides initial support for structural empowerment being a mechanism through which servant leadership impacts organizational commitment in nonprofits. In addition, the role of meaningful work is highlighted as an antecedent to organizational commitment for nonprofit employees. **Servant leaders are suggested to create structurally empowering working environments, which support employees' stronger commitment to the organization**."

Summary

Servant leadership is one of the three main leadership styles considered for non-profit organizations (Allen, Winston, Taton, & Crowson, 2018). Despite servant leadership consideration as a potentially viable leadership model for nonprofit organizations, it is often overlooked (Allen et. al., 2018). **Servant leadership emphasizes mission, sustainability, and care; servant leaders are committed to their volunteers and the goals of their organization** (Allen et. al., 2018). Considering the priorities of servant leaders and

their dedication to their respective organization's mission, servant leadership naturally is floated around as a potentially successful leadership model for nonprofit organizations (Allen et. al, 2018.

Allen et. al. (2018) proposed a theoretical framework in which to understand servant leadership. Servant leadership led to structural empowerment which increases an employee's self-determination and impact, which ultimately leads to greater organizational commitment (Allen et. al., 2018). Allen et. al (2018) used Laschinger, Finegan, Shamian, and Wilk's (2001) 12-item Conditions for Work Effectiveness Questionnaire II to measure structural empowerment within a nonprofit organization. Allen et. al. (2018) used structural equation modeling to test their servant leadership theoretical framework. Ultimately, servant leadership was found to have a positive correlation with structural empowerment (Allen et. al., 2018). In the long run, it was found that this could lead to greater organizational commitment.

Servant leadership is certainly a viable leadership strategy among nonprofits that could be used to foster a closer relationship between volunteers and the organization.

Case Study 5: Servant Leadership, Volunteer Retention, and Organizational Citizenship Behavior in Nonprofit Organizations: Examining the Mediating Role of Job Satisfaction

From Nor Syamaliah Ngah, Nor liza Abdullah, and Norazah Mohd Suki. *Nonprofit and Voluntary Sector Quarterly,* 2021. Vol 00, 1-23.

Abstract

"Nonprofit organizations (NPOs) face great challenges in attracting and retaining volunteers due to the short-term nature of most voluntary posts. This study examines the mediating effect of job satisfaction on the relationship between servant leadership and volunteer retention and organizational citizenship behavior in NPOs among university students in the context of a developing nation. The Partial Least Squares-Structural Equation Modeling (PLS-SEM) approach reveals that job satisfaction is the most important predictor of volunteer retention in NPOs. Moreover, the significantly mediating effects of job satisfaction on the relationship between servant leadership and volunteer retention and organizational citizenship behavior in NPOs is evident. **Volunteers report being highly satisfied with the NPOs' communication of their vision and mission and confirm that they are provided with support networks when volunteer-related problems occur and when they are autonomous in fulfilling their volunteer assignments**."

Summary

Over the last two decades, volunteer retention rates have been decreasing within the U.S and globally (Ngah, Abdullah, & Suki, 2021). Tackling another perspective of servant leadership, Ngah et. al. (2021) found a relationship between servant leadership and overall volunteer retention. Servant leaders prioritize their mission and have a high level of respect for their volunteers (Ngah et. al., 2021). Consequently, it may be an effective leadership model to retain employees and volunteers within an organization.

Ngah et. al. (2021) found that **servant leadership had a major impact on volunteer retention**. A servant leader's vision and ability to plan for the future could dramatically impact retention rates and a volunteer's organizational citizenship (Ngah et. al., 2021). An organization and its leaders should prioritize using an employee's tablets and skills to effectively grow and improve the organization.