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Recommended Citation
Available at: https://scholarsarchive.byu.edu/joni/vol3/iss3/7

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Cover Page Footnote
I would like to thank Dr. Farah Azhar for helping me getting started with the topic and for her Public Relations class for which I wrote this paper.

This literature reviews is available in Journal of Nonprofit Innovation: https://scholarsarchive.byu.edu/joni/vol3/iss3/7
Factors Influencing Employee Satisfaction in Nonprofit Organizations
in the United States

A Literature Review

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Overview: In 2014, the United States Bureau of Labor Statistics reported private industry wages for those in for-profit and nonprofit organizations. Those in management, professional, or related job titles earned fewer hourly wages than their for-profit counterparts. Wages do not keep employees satisfied. Identifying what keeps employees satisfied while working at nonprofit agencies is critical because employees and the organization have a mutually beneficial relationship (Brittain Richards & Hinton). This paper’s objective is to identify the factors that keep employees satisfied at nonprofit organizations in the United States.
Introduction
Employment is a crucial part of many people’s lives. Jobs can be a significant part of any employed person’s life. Employees impact how well an organization does internally and externally and how well processes efficiently function (Sharma et al., 2015). If a business does not do well, it cannot help, serve, or meet the needs of the public. For nonprofit organizations to run, they need employees, and these employees also experience job satisfaction or dissatisfaction. Job satisfaction is someone’s overall view (Okpara, 2006) and feelings about the different facets of their job (Dhanapal et al., 2013). Job satisfaction relates to employee and organizational well-being (Brittain Richards & Hinton) effectiveness, and efficiency (Sharma et al., 2015). Brittain Richards & Hinton (2015) said some benefits of satisfied employees included increased productivity, decreased turnover, and increased job-specific skills.

In 2014, the United States Bureau of Labor Statistics reported private industry wages for those in for-profit and nonprofit organizations. Those in management, professional, or related job titles earned fewer hourly wages than their for-profit counterparts. The hourly rate for those in production, transportation, and material moving occupations at nonprofits was less than those in similar occupations at for-profit companies (Bishow & Monaco, 2016). Wages do not keep employees satisfied. Identifying what keeps employees satisfied while working at nonprofit agencies is critical because employees and the organization have a mutually beneficial relationship (Brittain Richards & Hinton). This paper’s objective is to identify the factors that keep employees satisfied at nonprofit organizations in the United States.

The Work Itself and Organizational Incentives
Nonprofit employees find satisfaction with their work context. Studies concluded that nonprofit employees find job satisfaction in the work itself (Brown & Yoshioka, 2003; Lee & Sabharwal, 2014; Haley-Lock, 2007; Benz, 2005; Weisberg & Dent, 2016). For workers to stay and find satisfaction in the work itself, employees need to connect with the organization’s mission. For example, Brown & Yoshioka (2003) said employees who felt happy in the job itself believed in the company’s mission statement and could see that their efforts contributed to its mission. Haley-Lock (2007) found that employees who focused their job duties on advancing a social cause, like a nonprofit’s mission, achieved satisfaction not only in the job itself but also with job opportunities. As employees increasingly dedicate themselves to the organization’s mission and connect with the company, they see how their skills and work output contribute to the organization, and this increases their job satisfaction (Haley-Lock). Weisberg & Dent (2016) found that nonprofit employees get intrinsic job satisfaction through the work itself and when they make a difference as they fulfill the organization’s mission. Social causes or the organization’s mission and employees’ commitment to them create satisfaction. As employees see how their knowledge and contributions lead to fulfilling a social cause they find valuable, or the company’s mission, and see how this impacts a community where the nonprofit serves, they show commitment to an organization and find their work rewarding.

The work itself and intrinsic benefits influence job satisfaction. Benz (2005) said nonprofits offered more benefits other than monetary and material rewards when compared to for-profit companies. Benz found that intrinsic benefits kept employees satisfied with the work itself and its context. Employees find satisfaction in having a work environment and work that benefits the community. Weisberg & Dent said employers who want to increase intrinsic job satisfaction
and motivate employees could strive to provide employees with meaningful work, recognize employee contributions to the organization’s mission, let employees feel responsible, and provide chances for achievement and growth within the company. Organizations can communicate their appreciation and recognize employees’ work to build a relationship between the organization and the employee (Knapp et al., 2017). Employees can find satisfaction in their work when they and the organization recognize their commitment and contribution to fulfilling the company’s mission.

Employers can give employees a chance to be responsible and provide a clear path for moving up in the company to increase satisfaction. Weisberg & Dent (2016) provided suggestions for increasing autonomy and responsibility. Supervisors could involve employees in collaborative conversations around decisions, problems (Brimhall, 2019), and policies that meet the organization’s mission to increase satisfaction in their employees’ jobs (Weisberg & Dent). Weisberg & Dent said that as supervisors strive to include employees, it can give them a voice and allow coworkers to hear each other’s perspectives. This invites creativity and opportunities to gather insights from employees to broaden the number of possible solutions to a problem (Weisberg & Dent).

Organizations looking to attract new and keep current talent should also provide opportunities to move up in the company (Weisberg & Dent, 2016) keep employees satisfied (Slater & Slater, 2018). In addition, a company that is aware of employees’ need for job security (Slater & Slater) and works to build a culture that supports their employees impacts their turnover rate and satisfaction levels (Knapp et al., 2017).

**Organization Culture and Practices**

Organizational cultures and practices impact employees’ job satisfaction. When organizations show employees that their culture exhibits support, shows they care whether an employee has job satisfaction, and values individual contributions that impact the company mission, these can shape job satisfaction and employees’ intent to leave (Knapp et al., 2017). However, when individuals work for a nonprofit that they respect and feel pride working for as they bring about the company’s goals and mission by meeting a specific community need, not only do individuals (Stater & Stater, 2018) but managers also feel pride in their company, and this leads to job satisfaction (Lee, 2015). With this pride, employees’ need for fulfillment and purpose in work that they need to feel to stay at their company and be productive still gets met.

Building a culture that supports autonomy and clarity impacts employees’ job satisfaction. Letting managers feel independent in how they do their job (Slater & Slater, 2018) but still providing clarity regarding their role in job duties and responsibilities helps them increase their job satisfaction (Lee, 2015). For workers to feel satisfaction and fulfillment, nonprofits must also structure jobs to provide employees autonomy (Knapp et al., 2017). More specifically, Lee found that when a nonprofit’s leadership supported a culture of autonomy in ways to complete tasks and provided guidance in expectations, this could improve job satisfaction in managers and reduce turnover. This lets employees feel independent and responsible as they display and apply their unique skills to the position (Knapp et al.). This can mean supervisors should be clear about what they expect but give employees a chance to fulfill these expectations in a way unique to their skills, knowledge, background, and creativity.

Cultures encouraging autonomy must also be aware that too much independence and separation from coworkers may support exclusion. Brimhall (2019) found that leaders who supported an innovative and inclusive climate
were factors related to job satisfaction. Brimhall said leaders could shape a work environment if they create a culture of inclusion and work to involve all employees in important decisions actively. The study stated that these organizational practices produced an inclusive climate when all felt important and recognized. An opportunity for all voices to be heard and recognized can mean there can be diversity of thought and a safe space to develop, collaborate, and generate new ideas individually or collaboratively. When leaders use this kind of engagement in nonprofit organizations to create an inclusive and innovative space, job satisfaction increases (Brimhall). Leaders throughout a nonprofit should work to build inclusivity by making sure all employees have an opportunity to feel heard. As employees feel included at work with their leaders, they can bring together innovative solutions that meet an organization’s mission.

Brimhall & Mor Barak (2018) also studied workgroups regarding inclusion. These consisted of employees who had the same supervisor and had regular contact with coworkers (workgroups) to complete their work. Inclusion at this organizational level also increased employee job satisfaction (Brimhall & Mor Barak; Brimhall et al., 2022). Brimhall & Mor Barak claimed that employees with positive views toward innovation also had higher levels of job satisfaction. Leaders and coworkers are influential in helping individuals feel a part of the organization. Not encouraging innovation or failing to give employees a chance to be heard and taken seriously can lead to individuals who do not feel included and do not find satisfaction in their jobs.

Relationships

Supervisors, as well as coworker relationships, impact satisfaction. According to Slater & Slater (2018), a supervisor who cared about an employee’s well-being had a more significant, positive impact on workers’ job satisfaction than for-profits. For nonprofit employees, the relationships they build with their supervisors and coworkers and their behavior and actions toward employees are more important than job characteristics because they contribute to job satisfaction (Slater & Slater). Slater & Slater suggested that organizations that want to attract and keep employees committed and satisfied should encourage employees to foster productive and reciprocal relationships in their workgroup. This proposes that organizations should foster environments where employees have time to get to know each other, understand each other’s work styles and preferences, and encourage interaction.

Valuable relationships are rewarding and meaningful in a work culture that builds job satisfaction. Brimhall et al. (2022) suggested that supervisors and coworkers who showed commitment to their immediate workgroup had increased job satisfaction. Workgroups that show commitment as they dedicate time to help each other seem to make the work context more enjoyable for employees.

Conclusion

Lee (2015) said high turnover rates impact a company’s productivity levels and ability to meet community needs. When employees connect with the organization’s mission and see how they contribute to the mission, employees find job satisfaction (Haley-Lock, 2007). Employees find the work itself satisfying when they can see how their utilization of knowledge and skills benefit a social cause with sometimes visible, positive results to a community (Haley-Lock). Intrinsic benefits such as responsibility, achievement, and growth opportunities also increased employee job satisfaction (Weisberg & Dent, 2016). Autonomy increases job satisfaction as it is important for individuals to complete their jobs in ways they feel best fulfills the company’s cause (Weisberg & Dent; Knapp et al., 2017). Inclusive cultures are important (Brimhall, 2019; Brimhall & Mor Barak, 2018), especially for employees of color to feel job satisfaction (Brimhall et al., 2022). Within these cultures, positive relationships with supervisors (Mathieu & Nabiak, 2016) and coworkers contribute to job satisfaction (Slater & Slater, 2018).

Nonprofit organizations meet a wide variety of different community needs. Findings from these studies may change when tested in one specific nonprofit over another. Future studies can compare job satisfaction in individuals with...
different levels of emotional, physical, and mental effort to see if the factors that lead to job satisfaction are similar among different groups. Future studies can study teleworker relationships and companies with national or international work teams as these relationships and work locations continue to evolve and expand.

References


