

**JOB SATISFACTION: THE APPLICATION OF THE LEADERSHIP
MINDSET FOR SMALL BUSINESSES PERFORMANCE**

**Research Methods 1 Assignment for the Swiss School of Business
and Management DBA Program**

Submitted by

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INTRODUCTION

Transforming a vision into a lucrative small business is empowering yet challenging for businesses if the leaders do not have the strategies to turn it around. Small businesses are vital contributors to employment and quality of life of the citizens. Nevertheless, according to US Small Business Administration (SBA, 2018), over 50% of small businesses fail in the first year of opening, and an overall 95% fail or shut down within the first five years of existence.

These failures can attribute to many factors such as leadership strategies, leadership mindset on employee's job satisfaction through to the lack of proper capitalization. These attributions posit that many small business leaders are deficient in the depth strategies to increase job satisfaction and maintain desired results for the business.

As a result, many employers' awareness has risen with concern to the lack of leadership talent within their organizations and are finding avenues for leadership development investment to expand their pool of leadership success.

This reflection attests to me that job satisfaction is an essential prerequisite in employee engagement that will assist in achieving small business success through leadership strategies. If so, what is the leadership mindset for small business performance? What strategies do small business leaders have to do to steer job performance?

It is justifiable that we understand a leadership mindset on how to utilize the outcomes connected with leadership strategies to improve job satisfaction.

LITERATURE REVIEW

Critical decision-making is a backbone for the successes of many businesses. Small business leaders continually make such decisions with the inadequacy of resources to ensure the floating of the business against large corporations. According to Kovacs, Stiglbauer, Batinic, and Gnambs (2017), the majority of small businesses lack strategies to maintain professional communication and strategies to increase job satisfaction between leaders and employees. The mindset of business leaders and leadership strategies for the growth of the business is very critical to ensure the performance of the entire business organization.

Graves and Luciano (2013), claim that enhancing a leadership mentality to explore job satisfaction may create value for business performance. The impact of a leader mindset on employee performance and job satisfaction may affect the relationship between business performance and the employee to perform efficiently. This attests that leadership development is very important for the success of the business. A recent examination by Colbert, Walter, and Guay (2014) about a two-year leadership development program showed that 50% of the participant's leadership skills as rated by managers improved while the remaining 50% of the participant's leadership skills remained constant or declined due to challenging job assignments.

The study seeks to understand the discrepancy causes in leadership strategies in order to optimize the return on investment for small business success. The study draws on implicit self-theory by Dweck's (1986) and Burn's (1978) Transformational leadership theory. The implicit theory came through educational development when Dweck observed that the youths' beliefs about whether their intelligence was fixed or could change with hard work (incremental self-theory) directed to diverse attitudes

when the youth were confronted with a logical set-back. The differences in the implicit belief have been linked to motivational processes and individual achievement and judgments about self and others (Blackwell, Trzesniewski, & Dweck, 2007). The difference in behavior when leaders are faced with a challenge such as computer skills, intelligence, and different abilities has been linked with the implicit belief domain. The effect of implicit beliefs about leadership has not been extensively researched, and the study intends to extend Dweck's implicit theory into the leadership domain for job performance.

Burns (1978) developed the transformational leadership theory when studying political leadership. Transformational leadership is founded on the principle that leaders can inspire followers to change their perceptions, expectations, and motivations when working towards a frequent target. This framework was extended by Bass (1985) through the confirmation that transformation leadership is centered on four moral fundamentals, such as idealized influence, inspirational motivation, intellectual stimulation, and individual considerations. He also stated that it is based on three moral aspects: the ethical standards embedded in the leader's apparition, the character of the leader, and the morality of the processes of social, ethical choice and actions that leaders and supporters involve in and cooperatively pursue.

Transformation leadership comprises of charismatic leadership behaviors such as risk-sharing, modeling, attributed charisma, and intellectual incentive, which encourages creativity and change attitudes in workers. Jalal et al., (2012) posit that when a transformational leadership element is appropriately used, the leaders might be able to align better the value system of the leaders and the followers, hence facilitating a condition where the leaders and the subordinates stimulate each other to achieve the organizational goals.

Tampubolon, (2016) mentioned that transformational leaders possess various important characteristics they use to manage subordinates and sustain the growth of the small business. The leader's mindset must understand the importance of the necessary changes from the current existence to a potential culture that can promote productivity, performance and increase job satisfaction (Baro, Bosah, & Obi, 2017). The leader's adjustability to openness to innovation, flexibility to change promoting, and motivating trust among the members of staff are prerequisite tasks and skills the business leader needs to build a healthy and sustainable corporate culture.

Notwithstanding the above transformation theory, Carver and Scheier's (1988) model of behavioral self- control theory suggests that goal monitoring is one of the primary processes involved in self- regulation. The self-regulation theory helps leaders to identify how close they are to reaching their goal and what behavioral changes may still be necessary to accomplish their goal. These suggest that feedback-seeking is primary to self- the regulatory process of behavioral change and growth. When the organization lacks feedback and reflection mechanism, they cannot relay information about whether an action is having a desired effect on the business performance.

The researcher examines and uses these essentials theories mentioned above to address small businesses' lack of the necessary leadership strategies to increase the overall employee job satisfaction. With more development opportunities for leaders, the influence of the goal monitoring behaviors will increase and be more influential through transformative leadership strategies to improve job satisfaction for small business growth.

DISCUSSION

With the growing concern that many small businesses struggle to sustain themselves within the first five years of its existence, many organizations are making every effort possible to identify solutions to sustain and grow their business and employee satisfaction. One such area is leadership development, as it is becoming increasingly important to search for strategies for small business expansion. Notwithstanding those meta-analytic research advocates that leadership development has an overall positive impact, many research also posit that these interventions are not unanimously favorable to all businesses (Cheng, 2015)

According to a survey conducted in 2012 by Right Management of top executives in the United States, from more than 600 businesses across nonprofit, government, private, and public sectors, the lack of potential leaders as the most escalating challenge in the human resource domain was identified. The lack of proper leadership in business is a significant concern that many institutions are finding a way around the clock to expand the leadership capabilities within their organization by spending billions of funds yearly for training, leadership development, and job satisfaction (O'Leonard, 2014).

According to Kovacs et al. (2017), there is a close collation between job satisfaction and organizational performance. They mentioned that enhancing a leader's ability may help job satisfaction mechanisms to create value for the business. Leadership development, coaching, and training may assist in curbing the weak performance of small businesses. This can be done correctly if the leaders can align their strategies to boost the job satisfaction of the followers within the organization. A highly engaged workforce might improve leadership exchange and organizational commitment as a precursor that influences the level of employee engagement and job satisfaction

(Sugandini et, al., 2018). With the lack of leadership strategies and leadership mentality to implement the correct systems for the growth of the business, it will be difficult for many small businesses to sustain itself against big corporations without the needed attention.

Hence, there is a need for identifying what the mindset of leaders is and what theoretical approach the business can take to arrive at sustainable leadership strategies to enable both the business and the working force to float.

Secondly, the study wants to come out with solutions and methods why which the small business industries can show value in employee satisfaction and encourage progressive growth performance.

Besides, the study will suggest a positive social change by becoming more efficient at improving internal processes by the leaders and overcoming numerous challenges presented by large companies.

Although many countries are investing in leadership development for corporate businesses, the study prefers that management should identify the leadership zeal and the best leadership strategies that can move the small business forward and increase job satisfaction, improve employee retention, business return on profit, and growth. Through the provision of new strategies for small businesses, leaders might be able to enforce social responsibility programs in giving back to the local communities through training offerings to new entrants and employees as a way of fostering self-support and self-development in creativity.

According to Effelsberg, Solga, and Gurt (2014), transformational leaders have a particular trait to manage subordinates and sustain the growth of small businesses. For example, the leaders can inspire the workforce to make individual sacrifices to

gain higher team goals, and they can also lead the business effectively through alleviating the business failures and nourishing small business progress.

What we can do from the above statement is to examine and come out with strategies that can help business leaders to turn the tide on business failures and assist leaders to improve on the strategic skills for the growth of the business. Hence, to tackle these issues, it is imperative to look at some of the theoretical perspectives of leadership and their mentality for growth. A brief review of different leadership theories, transformational leadership theory stood up among many theories which, as masterminded by Burns (1978) and implicit self-theory by Dweck (1986), stood out. Implicit theory suggests that leaders may have different behaviors when they are faced with challenges (whether someone holds an entity or incremental belief) has been linked to motivational processes and individual achievement. A leader with an incremental mentality assumes that with determination, hard work, leadership strategies, and skills can be developed or improved. However, the leader with a strong entity or fixed leadership believes that leadership ability is not something that cannot be altered. According to my understanding, there is a debate out that talks about whether a leader is "born or made". This debate is, however, something the research with identity through the implicit theory and transformational leaders fundamental elements of idealized influence, intellectual stimulation, individual considerations, and inspirational motivation that are embedded in the small business leaders vision and morality to address the lack of the necessary strategies to increase the overall satisfaction and growth performance of the business.

CONCLUSION

Even though there are diverse leadership development programs online for small businesses to follow, and many countries' governments are facilitating training programs to empower leaders of small businesses, they are still not enough. The majority of small businesses are still constantly facing extinction due to many causation factors ranging from lack of capital, business location, inadequate infrastructure boosting of strategic leadership problems.

Due to these leadership challenges, there is a need to unleash leadership strategies that can help the growth of small businesses and bring job satisfaction for both the employer and the employee. According to Omoijiade (2015), the leadership styles that do not address job satisfaction strategies could elicit unproductive and bungling business performance in organizations. The information shows that when small business leaders learn and implement better job satisfaction strategies, it will be an elevation in sustaining the growth of small businesses.

Lastly, to enable the boosting of small business leaders for survival, and to enable them to contribute toward an unwavering and maintainable communal and economic community of their business settings. Hence, exploring micro-business leaders' practices and proposing potential clarifications might have a substantial significant social change, such as the enhancement of the value of the life of the employee. In addition, it will assist business leaders to improve both the employee and business performance of the small businesses.

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