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**The American University in Cairo**

**School of Global Affairs and Public Policy**

**FACTORS THAT INFLUENCE NONPROFIT SECTOR  
EMPLOYEES' MOTIVATION: A CASE STUDY FROM EGYPT**

**A Thesis Submitted to the**

**Public Policy and Administration Department**

**in partial fulfillment of the requirements for the degree of  
Master of Public Administration**

**By**

**Nada Shaaban Miry**

**Fall 20**

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I hope this thesis would inspire other researchers to study more about motivation in Egypt's non-profit sector.

The American University in Cairo  
School of Global Affairs and Public Policy  
Department of Public Policy and Administration

FACTORS THAT INFLUENCE NONPROFIT SECTOR EMPLOYEES'  
MOTIVATION: A CASE STUDY FROM EGYPT

Nada Shaaban Miry

Supervised by Professor Ghada Barsoum

ABSTRACT

The issue of employee motivation received much attention in the last few decades. That attention came from its significant practical and theoretical role in the field of management. To understand how motivation influences employees' behavior, we have to know that every employee is motivated differently based on their preferences and characteristics. Therefore, it is essential to discover individual motivation factors for each employee. This study examines the factors that stimulate employees' motivation and explain how to use those motivational factors to improve employees' performance and engagement. It focuses on three non-profit organizations in Egypt and provides empirical evidence of the link between the motivation and selected variables, which are the style of leadership, the reward system, and the organizational climate. A purposive sampling approach was adopted to collect data from administrative and technical staff members. The data were collected using the qualitative method by interviewing twelve participants from the professional and managerial levels at three non-profit organizations in Egypt. The findings showed that career growth, equitable pay and benefits, leadership style, and policies and procedures positively impact employees' motivation. Based on the findings of this study, the recommendations are to give more attention to the professional growth opportunity through using the succession plan technique to fill in the managerial role within the organization, which in turn helps in remapping the leadership style to a more impactful tool to increase motivation and engagement. Organizations can also adopt some strategies to boost their employees' motivation, from creating a positive workplace environment, opening a communication channel between employees and senior management, and creating more flexible and competitive policies and procedures that ensure equitable pay and benefits.

**Keywords:** motivation, performance, engagement, human resources management

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# Chapter One

## Introduction & Research Overview

### 1.1. Introduction

Organizations are paying more attention to human resources management as they become more aware of human capital's importance. Human capital is the central pillar to help organizations stay competitive (Shore, 2004). Organizations understand that attracting the right employees and retain talents are fundamental challenges. Thus, the employer should identify effective ways to retain their employees (Ramlall, 2004). In this era of globalization, organizations always exert efforts to develop and motivate their employees as they are aware that it will help them enhance their performance. They are also paying close attention to high potential employees' motivation, which, in return, will give them a high level of performance (Ramlall, 2004). Several motivational strategies can be used to increase employees' willingness to continue work in the organization.

To understand such motivational strategies, we need first to know what motivation is. Motivation is the art of influencing the individual to work and behave in a certain way to accomplish desired tasks (Badubi, 2017). In a nutshell, motivation is defined as the internal and external driving force. It encourages the willingness to accomplish tasks. The internal motivation driving force comes from within the individual, and the external motivation is the organization's responsibility. Undoubtedly, motivated employees are the primary facet that determines the success of any organization (Deci & Ryan, 2012). Motivated employees are committed to their work, self-driven, and are

more oriented towards autonomy and freedom than the less motivated employees. Moreover, motivated employees are more willing to take responsibility, and they are highly engaged and involved in their work. Based on this, motivated employees positively impact overall organizational performance (Badubi, 2017).

Despite the traditional belief that monetary compensation is the highest employee motivator, some studies (e.g., Aktar et al., 2012; Anitha, 2014; Farhad Ebrahim Abadi et al., 2011; Sandhya & Pradeep Kumar, 2011; Younes, 2012) conclude that challenging and meaningful work, new opportunities, development and training, leadership style, and other factors boost the employees' motivation. Organizations need to know the factors influencing people's motivation and how employees' motivation and positive behavior can be enhanced to match their retention strategy (Marique et al., 2013). To understand how motivation influences employees' behavior, we have to know that every employee is motivated differently based on their preferences and characteristics. Therefore, it is essential to discover the individual motivation. Employees may get motivated through promotions, salary increases, flexible working hours, recognition, training opportunities, or more benefits (Marique et al., 2013).

The concept of motivation is widely known. Some research has been conducted to examine to what extent the motivational theories apply to the western context. However, a limited study on motivation in the context of non-profit organizations has been conducted in the non-western context (Leat & El-Kot, 2009). Therefore, it is imperative that more non-western contexts, especially in developing countries like Egypt, are conducted to get in-depth knowledge about the most influential motivational

factors for the Egyptians working in the non-profit organizations (Hanaysha & Hussain, 2018).

This study covers a sample of the administrative<sup>1</sup> and technical<sup>2</sup> staff members working in three non-profit organizations in Egypt. It considers employees on a professional<sup>3</sup> and managerial<sup>4</sup> career level who are the main focus of this research. These employees work in different offices and departments across the organizations, with various duties and responsibilities that vary based on each office's scope. Such variables shed light on this study's findings regarding the factors that affect employees' motivation in non-profit organizations.

## **1.2. Statement of the Problem**

The concept of workplace motivation plays a vital role in transforming organizations' performance. Accordingly, employers and managers are keen to understand the needs and determine the expectations of their employees. The expected outcome of a motivated workforce is enhanced organizational performance (Manzoor, 2011). Being an employee in one of the non-profit organizations in Egypt, the researcher got interested in learning about factors that enhance employees' motivation as it is the main drive to satisfactory performance and engagement within the organization. After investigating several previous research whether in the western context (Tippet &

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<sup>1</sup> Administrative positions such as: Administrative Assistants, Office Managers, Human Resources, Finance and Legal professionals

<sup>2</sup> Technical positions such as: Librarian, Engineers and Medical professionals

<sup>3</sup> Professional level represents the entry, mid and senior career levels depends of the previous experience in similar/other positions.

<sup>4</sup> Managerial level represents professionals with experience in managerial or supervisory roles.

Kluvers, 2009; Bassous, 2015; Kuranchie-Mensah & Amponsah-Tawiah, 2016; Meyer et al., 2004; Sundi, 2013) or the non-western context (Younes, 2012; Leat & El-Kot, 2009; Hanaysha & Hussain, 2018), the outcome revealed that there are no sufficient studies covering motivation in non-profit organizations in the Middle East in general and Egypt in particular. Many research pieces investigate motivation in other organizations; however, non-profit organizations in developing countries have not been explored enough (Hanaysha & Hussain, 2018). Most of the research that covers the topic of motivation uses the quantitative method to examine the impact of motivation on employees' job satisfaction, performance, engagement, and retention (Younes, 2012; Farhad Ebrahim et al., 2011; Leat & El-Kot, 2009; Ramlall, 2004; Tippet & Kluvers, 2009). However, this research is designed using a qualitative method that allows further exposure to understand how employees got motivated through a deeper communication level to reveal the factors that influence employee motivation, not only whether the employee is motivated and satisfied or not. Accordingly, this study builds on previous findings on the impact of motivation on employees' performance and engagement using different research methods.

## **1.2. Research Questions**

This study aims to have a general understanding of different motivational factors to identify the most impactful motivational factors to be used in non-profit organizations in Egypt. The study also aims to explain how to use those motivational factors to improve employees' performance and engagement. Accordingly, this research will address the following main questions:

- 1) What are the factors that motivate employees in non-profit organizations in Egypt?
- 2) How does transformational leadership style affect employees' motivation in non-profit organizations in Egypt?

### **1.3. Significance of the Study**

This study provides an understanding of different employees' motivational theories. It will also focus on the transformational leadership style and its effect on employees' motivation working in non-profit organizations in Egypt. This study's findings can help the organizations that were the focus of this study to develop strategies and plans that will help them become the employer of choice in such a diversified business environment in Egypt. Also, this study will help other researchers who are investigating the different motivational styles in Egypt.

The study findings contribute to answering the long-standing question of how to influence employees' motivation in Egypt in general, especially those working in the non-profit sector. It will also help to understand the role of the transformational leadership style on employees' motivation. This thesis focuses on three non-profit organizations in Egypt as it is one of the under-researched areas in the MENA region.

### **1.4. Research Outline**

In the following section, the researcher will illustrate several types of motivation that have implications for performance. This research will also help identify factors that stimulate employees' motivation by explaining different motivational theories, especially the difference between the content and the process theories. Moreover, the

self-determination theory will be explained and how it affects the employee's motivation. Also, some motivational strategies, such as compensation, transparent work culture, trust, feedback, and communication, will be discussed in detail. Afterward, this thesis will explore how different leadership styles, such as transformational, transactional, and situational leadership styles, stimulate employees' motivation, and increase performance. In this section, more details about leadership types and styles will be explored to get more insights about these leadership styles' role on employees' motivation. Then, the organizational climate will be discussed to shed light on its impact on employees' motivation, followed by three empirical studies. The empirical studies covered one non-profit organization from Australia and another two studies in Egypt. One of these studies in Egypt covers the non-profit organization, and the other study covers other types of organizations. Afterward, details of the research methodology and the conceptual framework will be discussed. Then come the analysis and the discussion, followed by the researcher recommendations on how to increase the employees' motivation and the areas that need improvement at the workplace to produce the optimum motivated workforce.

## Chapter Two

### Literature Review

Previous literature about motivation (Sandhya & Pradeep Kumar, 2011; Meyer et al., 2004; Aktar et al., 2012; Arnolds & Boshoff, 2002; Kuranchie-Mensah & Amponsah-Tawiah, 2016; Manzoor, 2011; Ramlall, 2004) discussed employees motivation in corporate and other industrial organizations. While other research was concerned about motivation among non-profit organizations (Bassous, 2015; Tippet & Kluvers, 2009; Benz, 2005; Younes, 2012). In previous research (Benz, 2005), the findings revealed that non-profit organizations pay less than the profit organizations; however, employees tend to join the non-profit sector due to the sense of accomplishment and the organization's meaningful values. Accordingly, the influence of the intrinsic motivational factors is more apparent in non-profit organizations. The following section will cover the previous research findings related to the internal motivational factors as it will explain some motivational theories and strategies. When it comes to external factors, the different leadership styles and the organizational climate will be addressed, along with their effect on employees' motivation and how they can be used to improve and enhance workplace motivation.



## 2.1. Overview of Different Theories and Strategies About Motivation

Employee motivation is an essential factor that helps the employer improve both employee and organizational performance. Using different motivators plays a significant role in enhancing the employees' skills and improving their morale (Manzoor, 2011). Given the importance of motivation on the overall performance of the organization. Many psychologists and researchers develop several motivational theories, which are classified into two groups: content and process theories.

Content theories are the earliest theories of motivation. They focus on what motivates people; however, it is not sufficient to explain what motivates people. On the other hand, process theories focus on how people are motivated. In other words, the process theories focus on what influences people's motivation, and the content theories influence the organizations' policies and practices (Ramlall, 2004).

The content theory includes different types of theory models; the hierarchy of needs (Maslow, 1954), the two-factor hygiene (Herzberg, 1966), the achievement need (McClelland, 1988), theory X and Theory Y (McGregor, 1966), and the Existence, Relatedness, and Growth known as (ERG) (Alderfer, 1972). On the other hand, the process theory includes the expectancy (Vroom, 1964), equity (Adams, 1965), self-efficacy (Bandura, 1977), reinforcement (Skinner, 1953), and goal models (Locke, 1968). Another theory that explained the effects of extrinsic and intrinsic motivation is the self-determination theory, which was designed by Deci & Ryan (2012). Although both motivational theories include other theory models, the researcher selects the above models to be the best fit for the research. The concept of motivation refers to the internal

factors that require action and external factors that can act as inducements to action (Miner, 2005). According to Herzberg (2003), managers should focus on the reasons behind poor performance to plan a successful motivation system. The following section will elaborate on the content and process of motivational theories.

### **2.1.1. Content Motivational Theories**

First, this study explains the specific factors that motivate people, which is known as content theories. The content theory includes five different theory models; the hierarchy of needs, two-factor hygiene, the achievement need, theory X and Theory Y, and the Existence, Relatedness, and Growth, known as (ERG) Theory.

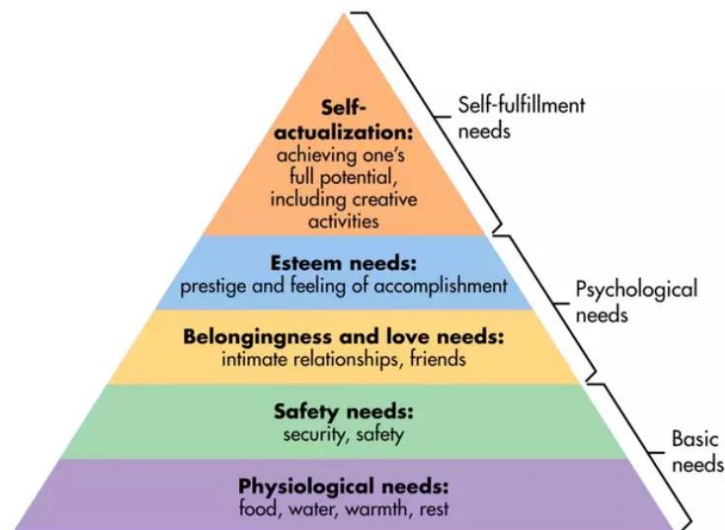
#### **2.1.1.1. Hierarchy of Needs Theory**

Maslow's approach is one of the most widely discussed theories of motivation (Ramlall, 2004). The needs theory is concerned about human beings' desires, which influence their behaviors. Since needs are many, they are arranged according to priority, from the basic to the complex (Maslow, 1954). Maslow divided the needs into five primary levels. Starting with the physiological needs that are undertaking basic human needs, including food, shelter, water, and basic life needs. Then comes the next level of safety and security needs, followed by social, self-esteem, and self-actualization needs. Maslow believed that the physiological, security, social, and self-esteem are deficiency needs. They required satisfaction to avoid unpleasant feelings. However, the growth needs stem from a person's desire to grow. Accordingly, it is placed at the top of the pyramid as per the below figure. Maslow's (1954) theory consists of three main principles:

- 1) The deficit principle: assumes that the satisfied needs do not act as a motivator.
- 2) The prepotency principle: shows that lower needs have to be met before a higher level of needs arises.
- 3) The Progression Principle: illustrates that the most dominant need is the lowest unsatisfied one.

Although Maslow's theory is widely recognized, it received criticism as the need priority model may vary depending on the time and location. Also, the level of motivation may vary from one person to another and may not follow the hierarchical order (Taormina & Gao, 2013).

**Figure 1: Maslow's Hierarchy of Needs**



**Source:** (McLeod, 2020)

### **2.1.1.2. Two-Factors Hygiene Theory**

Another content theory is Herzberg's theory, which is commonly used when talking about work motivation (Herzberg, 2003). The two-factors theory distinct between the motivators and the hygiene factor. This theory is a useful distinction between intrinsic and extrinsic motivation (Herzberg, 1966). The theory explains that any feeling of satisfaction resulting from pay increases is likely to be short compared with the long-lasting satisfaction from work itself (ibid). According to Herzberg (2003), achievement, recognition for achievement, the work itself, responsibility, and growth or career advancement are the main factors to motivate employees.

Herzberg's theory is accepted broadly despite some limitations. Examples of these limitations are that it did not distinguish between the physical and psychological aspects. It also fails to explain how motivators differ from hygiene factors. This theory assumes that every individual reacts in the same way in a similar situation (Ramlall, 2004).

### **2.1.1.3. Needs Theory**

The achievement need theory is another content theory. It illustrates that the more need for a money-in fact could not motivate employees. Money can indicate the success of several motives. However, satisfaction lay in aligning a person's life with their fundamental motivations (McClelland, 1988). This theory allows for the shaping of a person's own needs. It is divided mainly into three needs, the need for power, achievement, and affiliation. The need for power is about the desire to control others and have authority over them. The need for achievement is about the attainment of

success and master complex tasks. Finally comes the need for affiliation, which is about building personal relationships and avoiding conflicts.

#### **2.1.1.4. Theory X and Theory Y**

McGregor's X and Y Theory (1966) is concerned with organizational development. This theory is based on two different categories. Theory X refers to the authoritative management style, while Theory Y refers to the participative management style. Maslow's self-actualization level of motivation was the basis of McGregor's theory Y concept. Its assumption was based on the ability of individuals to be self-directed, self-control, and self-motivated. On the other hand, the theory X concept is that people only work for money and financial benefit (Sandhya & Pradeep Kumar, 2011).

#### **2.1.1.5. Existence, Relatedness, and Growth (ERG) Theory**

Alderfer (1972) identified three core needs for motivation, namely Existence, Relatedness, and Growth. Here comes the name ERG theory. This theory is considered as an updated version of Maslow's hierarchy of needs theory. The existence needs are concerned about basic human needs, which is the physiological and safety needs. When it comes to relatedness needs, it refers to human social needs. Finally, the growth needs represent the desire for personal achievement and development.

#### **2.1.2. Process Motivational Theories**

The process theories contrast with earlier content theories, as it focuses on identifying factors associated with motivation in a static environment. Process theories include five types, expectancy, equity, self-efficacy, reinforcement, and goal theories.

### **2.1.2.1. Expectancy Theory**

Vroom's (1964) expectancy theory assumes that people's behavior is driven by a set of psychological processes, namely perception, beliefs, and attitudes. He explained three mental components: direct behavior, the Valence, Instrumentality, and Expectancy. The valence refers to the emotional effect regarding the expected outcome. In other words, people's valences are related to their level of satisfaction expected from the work itself, not from the real value derived from work. Also, Vroom explained that instrumentality is concerned about the beliefs of linking the performance with the reward. Finally, Vroom linked the person's beliefs with the expected outcome and identified it under his theory's expectancy component. He explained that expectancy is affected by several factors such as the nature of skills required to perform the job, availability of information, resources, and support to complete the job.

### **2.1.2.2. Equity Theory**

The equity theory designed by Adams (1965) indicates that equity leads to better motivation. It emphasizes the need to develop an equitable reward system to ensure employees' motivation. Equity theory identifies that employees observe the relationship between the amount of reward they receive compared to what others receive. When they perceive unfairness or inequity in the received reward compared with others, this will enhance their motivation to produce more effort. This theory is mainly concerned with the mechanism of relationships between inputs and outcomes. Employees' input directs the output. Accordingly, they tend to increase their output by seeking salary increases or more attractive assignments.

### **2.1.2.3. Self-Efficacy Theory**

As described by Bandura (1977), the self-efficacy theory believes that employee's perception of themselves depends on their engagement in activities and mastering those activities. This theory suggests four primary sources, which are:

1. Performance Accomplishments: This explains that repeated failure decreases mastery expectations while previous successes raise them.
2. Vicarious Experience: This can be acquired through observation of other successful performance. It is referred to as modeling, as the observer can improve their performance through learning from observation.
3. Social Persuasion: common types of social persuasion are coaching and performance feedback. It helps people to believe in themselves and their performance and ability to do specific tasks.
4. Physiological and Emotional States: this type influences the self-efficacy judgments on specific tasks. Emotional reactions may lead to an undesirable perception of one's ability.

### **2.1.2.4. Reinforcement Theory**

This theory was proposed by Skinner (1953), which is based on the concept of "Law of Effect". It is about the change in behavior due to positive reward or punishment through emphasizes the external environment and its effect on an individual's behavior and ignores their inner motives and feelings. The reinforcement theory proves that individuals avoid actions with negative consequences and repeat activities that give them pleasure. Accordingly, the organization's role is to design a positive and productive external environment, which is essential to increasing employee motivation.

This theory is considered as a tool to control behaviors without focusing on the cause of the behavior.

#### **2.1.2.5. Goal Theory**

In contrast to the previous theory, the goal theory, which Locke (1968) designed, links people's behavior and performance with their goals and individual intentions. It illustrates that the reward cannot be perceived as a motivator unless the employee is considering this reward as a personal goal to be achieved.

#### **2.1.3. Self-Determination Theory**

The self-determination theory (SDT) is an approach to human personality and motivation. According to Ryan & Deci (2012), the SDT employs the organismic metatheory, highlighting the importance of inner human resources for personal development and behavioral self-regulation. Therefore, the basis for peoples' self-motivation and personality integration is investigating people's intrinsic tendencies and instinctive psychological needs. Motivation can be differentiated between people who are self-endorsed and other types of people who are externally controlled for actions. Those who are self-endorsed are more interested, confident, and excited in their work, which is shown in their performance and creativity. Accordingly, several motivation types that have consequences for performance can be identified based on personal experience and learning and well-being. Intrinsic and extrinsic motivation are the two general types of rewards that motivate workers (ibid).



Intrinsic motivation can be defined as the internal motives driven by personal interest (Deci, 1971). The intrinsic motivation exists from within the individual; each person is responsible for it without others' interference. Intrinsically motivated individuals tend to work at high levels of productivity, and they develop professionally. Intrinsic rewards examples are a sense of pleasure and accomplishment, personal achievement, and professional growth (Deci, 1971). On the other side, extrinsic motivation is based on tangible rewards. It could be a salary increase, an award, recognition, a bonus, or a promotion. It is straightforward to reward employees extrinsically, linked to their performance review or their projects. For short term plans to motivate employees, extrinsic motivations are useful (Deci & Ryan, 2012).

However, according to Deci (1971), individuals cognitively re-evaluate the motivations of their performance based on the extrinsic reward they have been given. For example, when a financial incentive has been given to employees to reinforce a particular performance, the reward perception changes as money becomes the main action-driven. Therefore, the extrinsic reward affects the action and results in decreasing intrinsic motivation. Similarly, Lazear (1991) believes that extrinsic rewards are the keyword to notice the workers with low principal work morale. He explained that the individuals' morale decrease when the extrinsic reward is withdrawn, which resulted in lesser efforts. This view is also confirmed by Li et al. (2015) as he clarifies that using extrinsic rewards distracts attention from the accomplishment of the task to receive the reward target.

On the other hand, intrinsic motivation remains high when performing intrinsically rewarding activities (Lazear, 1991). In the same context, Gagné & Deci (2005) indicate that when rewards are contingent on high-quality performance, and the interpersonal context was supportive rather than pressuring; tangible rewards enhanced intrinsic motivation relative to a comparison condition with no rewards and no feedback. Deci (1971) also emphasizes that many activities, regardless of initiating motive, become intrinsically interesting.

#### **2.1.4. Motivational Strategies**

In addition to different motivational theories by different scholars, there are strategies that employers can use to motivate their employees. Anitha (2014) identified some of these strategies, such as compensation, transparent work culture, trust, feedback, and communication.

The compensation strategy acts as a motivator to attract high caliber and retain a talented employee. It can be used to reward the employees for achieving the desired outcome. Whereas, managers have to be very careful in using this strategy to be misdirected due to the wrong assumption about their employees' right motivator. Compensation includes financial and non-financial rewards, financial like pay, bonuses, and other financial rewards, while non-financial like extra holidays and vouchers. The salary increase will affect behavior if employees have the internal desire for such a reward; at that point, the intrinsic reward will influence the external environment (Arnolds & Boshoff, 2002). Accordingly, managers have to be aware of

variables within their subordinates that stimulus their motivation, such as personality, values, beliefs, and other variables.

The transparent work culture strategy proved to be successful in increasing the individual's motivation at the workplace. This strategy facilitates accountability, communication, trust, responsibility, and many more among the employees. It stimulates the work culture between employees themselves and between the employees and the management in the organization. The result of transparent work culture induced the employee's sense of responsibility and accountability toward other colleagues and built trust in the whole organization. Reina (2015) illustrates that trust in the workplace is essential for any organization as it is a fundamental building block for effective relationships. Though it is difficult to measure and requires collaboration from all parties within the organization to maintain; however, everyone in the organization will benefit from the presence of trust. It opens channels of communication, employees collaborate freely and shares ideas, no one is afraid to make mistakes as they know it is the tool to learn and improve, employees can focus on their job and become more productive and engage, which in return will reflect on the whole organization's performance. There are three dimensions of trust that are known as the Three Cs. They are the Trust of Character, Trust of Communication, and Trust of Capability.

1. The Trust of Character is the foundation of trust in any relationship. It is the baseline of the effectiveness at work. It is how the individual character demonstrates their intentions and commitments. Individuals have to practice some behaviors in order to earn the trust of the characters. They need to learn

how to establish boundaries, manage expectations, delegate appropriately, keep agreements, and be consistent.

2. The Trust of Communication is the trust that creates a transparent work environment through collaboration between co-workers. It creates a positive work environment and to increase the sense of community and shared purposes. To earn the Trust of Communication, individuals have to practice telling the truth, admitting mistakes, exchanging constructive feedback, and maintaining confidentiality.
3. The Trust of Capability is the trust and confidence in others' skills, competencies, and abilities. Also, it infuses confidence in efforts and produced outcomes. Also, it can be practiced throughout all levels up, down, and across reporting relationships. It is required to get the work done, whether this work is a specific task or a combination of complex activities. The trust of capability can be maintained by acknowledging others' skills and abilities, allowing people to decide involving them, and seeking their inputs, and helping them learn skills.

Finally, managers' roles in supporting the employees are augmented directly and indirectly when it comes to the feedback and communications strategy. Managers' direct support can be through managing stress, coaching, and mentoring, and helping employees' personal development. While indirect support through creating an environment of trust and optimize employees' engagements. All of these are managed through continuous communication between the employer and employees. It can be

done through an open-door policy that allows employees to express their doubts freely. Also, frequent meetings, newsletters, and social gatherings are other means of effective communication tools. Feedback is essential to complete the process of communication, whether it is positive or negative. As per Sandhya & Kumar (2011), the feedback is the amount of information the employee receives regarding their performance. It is a proper communication channel between the employee and the employer who can provide positive or negative feedback that helps the employees assess their performance and identify improvement areas, which in return increases efficiency.

## **2.2. Leadership and Motivation**

Driven from the above different motivational theories, the role of leaders is significant towards employees' motivation. Leadership is vital to the extent that it determines the success or failure of an organization. It is how to achieve results by mobilizing others to work together. Leading subordinates can take different leadership styles, such as autocratic, democratic, and participation based on how decisions are made in an organization (Isaac et al., 2001). To know more about different leadership styles, we need to understand the most recent leadership theories: transformational, transactional, and situational theories that are concerned with the relationship between the leader and the subordinates (Northouse, 2018).

### **2.2.1. Transformational Leadership**

This leadership style, as proposed by the name, encompasses transformation. Its process involves the leader, the subordinates, and the system that they are working at. It is

implemented when the leader creates awareness within the group of subordinates based on their interests. The leader encourages the subordinates to have a broader goal than their self-interest. In other words, the leader stimulates a vision and encourage the subordinate to achieve it (Sundi, 2013). Using this leadership type, the leader boosts the employees' morale and motivation and their feeling of empowerment (Northouse, 2018). Transformational leadership is comprising of four categories. They are the idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration.

Northouse (2018) explained each approach as follows:

- **Idealized influence** indicates the subordinate's emotions towards the leaders' actions. The leaders provide the subordinates with a sense of ownership and empower them, where the subordinates show respect, trust, and admire the leader.
- **Inspirational motivation** focuses on leaders' ability to create a future vision and promote enthusiasm and optimism within the work environment. That is achieved through clear communication of the vision and expected outcomes.
- **Intellectual stimulations** entail the leaders' beliefs in the intellectual abilities of the subordinates. Also, it implies the encouragement of innovation and creativity. This approach creates readiness for change and evolves the ability to resolve obstacles in the workplace.
- **Individualized consideration** entails the leader's understanding of the subordinates' capabilities to determine their readiness for further development. The leader acts as a mentor through listening to concerns, provide feedback,

give support and advice. Moreover, the leader designs strategies to enhance the subordinates' level of motivation and performance.

This leadership style consists of six factors; they are articulating a vision for the future, providing an appropriate role model, fostering the acceptance of goals, setting high-performance expectations, providing individual support, and providing intellectual stimulation (Podsakoff et al., 1990). Previous research suggested that effective transformation leaders' characteristics include honesty, integrity, and truthfulness. Accordingly, the followers' trust, loyalty, and respect are the main expected outcomes of motivated employees by a transformational leader. The transformational leadership style has always been linked to innovation and creativity as this style evolves the ability to resolve obstacles in the workplace (Northouse, 2018). Therefore, it ensures the sustainability of an organization where employees' intrinsic motivation of work engagement and satisfaction will reflect in their work performance and encourage them to exert more enhanced effort in the workplace (Amabile, 1993).

### **2.2.2. Transactional Leadership**

This theory focuses on the exchange process between the leader and the subordinate. It is a combination of the reward and punishment approach. The leader's role is to control any deviation in the subordinates' performance than the expected performance standards (Sundi, 2013). To put it succinctly, the transactional leadership style is more concerned with following procedures and showing compliance. This leadership style increases motivation and productivity as employees can choose their best-fit reward system. It also helps the leaders create goals and make it easy for the employees to

achieve these goals. However, it decreases the innovation and creativity among the employees (Bass, 1990). Transactional leadership encompasses three concepts, which are the contingent reward, active management by exception, and passive management by exception. Judge & Piccol (2004) illustrate these concepts as follows:

- **Contingent reward** focuses on achieving results. In other words, it encompasses direction-settings, exchange of experience, and confidence-building within the team. It is about performance-based rewards.
- **Active management by exception:** the main target is to end the job on a satisfactory level. It does not encourage the subordinate to achieve beyond expected outcomes. In a nutshell, this concept includes poor communication, lack of confidence, and trust in workers.
- **Passive management by exception** concept, the leader fails to provide standards by staff as the leader avoids specifying agreement. In some cases, the leader waits until things go wrong; then, he takes action accordingly (Bass, 1990).

### 2.2.3. Situational Leadership

This theory involves flexible leaders with social understanding in matching their performance with situational demands. Such a flexible leader has a broader variety of behavioral responses to a wide range of situations. The situational leadership theory destined the leader to define the needs of the subordinates. Also, to identify what is required by the leader to respond to that situation.



Bass (1990) identified three types of leaders. They are; autocratic, democratic, and laissez-faire.

- **The autocratic leader** (also known as the authoritarian). This leader decides without involving subordinates, as the output's quantity is the main focus of this type of leader. Accordingly, the outcome is efficient in a time-constrained period, but it sacrifices the team's innovation and creativity. It is a rigorous leadership style and leads to a high turnover rate.
- **The democratic leader** (also known as participative leader). This leader accesses the subordinates then takes the decision based on the group's full consultation and involvement. This style of leadership enhances employees' productivity. Employees working with this leadership style demonstrate a high level of satisfaction, enthusiasm, engagement, creativity, and motivation. The leader's continuous presence is not required to demonstrate the high energy and productivity of the subordinates. This type of leadership is very time-consuming.
- **The Laissez-Faire leader** (also known as delegative leader). This leader lets the subordinate decide with no active leadership role. This style is relevant in leading a team of highly skilled and motivated staff, which creates a positive work environment. However, this type may lead to reduced motivation if disagreement among the team splits the group.

### 2.3. Organizational Climate

Despite the previously illustrated effect of intrinsic motivational factors on employees' motivation, the organizational climate as an extrinsic factor is an apparent facet. Before getting in-depth with this external factor, it is essential to clarify the general confusion between the organizational climate and the organizational culture. The organizational culture represents the identity and the purpose of the organization. Its aspects include the vision, mission, and values of an organization, the retention and turnover ratio, the support, and nonmonetary reward systems (Ramlall, 2004). In non-profit organizations, employees' motivation is triggered by the organization's vision, where a good connection between the organization's vision and the employees' specific task is apparent (Benz, 2005). On the other hand, the organizational climate experiences the work environment and how leadership affects its overall employee behavior (Denison, 1996). In a nutshell, the organizational culture focuses on the behavioral expectations in the workplace, while the climate is more concerned about how the individuals perceive the impact of the work environment on themselves (Sarros et al., 2008).

Reviewing the previous research (Sarros et al., 2008; Mahal, 2009; Denison, 1996; Bassous, 2015; Rusu & Avasilcai, 2014), they indicate that both the organizational culture and climate are crucial to raise the motivation among employees. Sarros et al. (2008) study concludes that the transformational leadership is associated with the organizational culture. Such association could be through articulating a vision or through setting performance expectations and providing support to individuals. Moreover, Rusu and Avasilcai (2014) study highlight that the leaders can directly influence employees' intrinsic motivation through offering them support to realize their

work tasks and to enforce the implementation of the organization's policies and procedures that will help the employees to be more confident in performing their work related tasks. In this study the manager's role to boost employees' performance both intrinsically through appreciation and extrinsically through enhancing the work conditions is an apparent facet toward employees' motivation.

As Denison (1996) illustrated, the organization's climate consists of four attributes; they are supportive climate, the climate of risk-taking, the climate of cohesiveness, and climate with the motivation to achieve. Also, Litwin and Stringer (1968) identified six factors that affect organizational climate, they are the organizational structure, the individual responsibility, the rewards, the risk and risk-taking, the warmth and support, and the tolerance and conflict. These six factors influence McClelland's (1988) needs theory of motivation, which are power, achievement, and affiliation. In other research, Mahal (2009) explained that employee motivation is linked to the organizational context as the activities that are undertaken by the organization are directly affecting employees' willingness to continue working in the same organization.

#### **2.4. Empirical Studies**

In this section, the researcher examined previous empirical studies that have been conducted both outside and inside Egypt. The aim was to check what other research found concerning the topic of employees' motivation. The outcome revealed that no sufficient studies cover motivation in Egypt in general and the non-profit organization in particular. Available research investigates motivation in different organizations

based on different motivational theories; however, non-profit organizations in developing countries have not been explored enough.

To get more insights about employees' motivation in general and in non-profit organizations in particular, the researcher selected three empirical studies from western and non-western contexts. It is useful to understand the western countries' findings related to employees' motivation concept versus non-western countries, especially within non-profit organizations, among the available studies about employees' motivation (e.g., Leat & El-Kot, 2009; Younes, 2012; Benz, 2005; Tippet & Kluvers, 2009; Kuranchie-Mensah & Amponsah-Tawiah, 2016; Bassous, 2015), the researcher selected one empirical study about motivation in Australia and two empirical studies in Egypt. The first one emphasized employees' rewards and motivation in Australia's non-profit organizations. On the other hand, the second study focuses on interpersonal trust at work, intrinsic motivation, work-related tension, and satisfaction in manufacturing organizations in Egypt. The third study focuses on job satisfaction and work performance at The American University in Cairo, which is a non-profit organization in Egypt.

Tippet & Kluver's (2009) case study focused on a non-profit organization in Australia from the western context. This study aims to answer the question related to intrinsic rewards' value to employees' motivation in non-profit organizations compared to extrinsic rewards. It also triggers the effect of the organizational context on employees' motivation. This study used a quantitative method to collect data from 52 participants. The employees respond to six statements to reflect their insights about intrinsic and

extrinsic rewards. The outcome revealed that the intrinsic motivational factors are apparent across the organization, irrespective of the organization's role. This study's main finding sheds light on the importance of the intrinsic reward and its role toward employees' motivation regardless of the presence of extrinsic rewards. Its findings contribute to other studies highlighting the importance of intrinsic motivation factors, especially in non-profit organizations. It shows that employees' achievement with clients, having the right work/life balance, and having fun at work is essential to employees working in non-profit organizations. However, as this paper focuses on non-profit organizations, the findings indicate the need for future studies to cover this area.

In Egypt, Leat & El-Kot's (2009) considered groups of variables in correlation with job satisfaction in the Egyptian context. These variables are interpersonal trust at work, intrinsic motivation, and work-related tension concerning job satisfaction. The paper's main aim is to study the correlation of the above variables on job satisfaction in the Egyptian context and comparison with other western countries. This study focused on different organizations, such as the private sector organization, mainly manufacturing and service sector in Cairo and Alexandria. The data collection was conducted in 2006 using random sampling techniques. The questionnaire was sent out to 200 participants with a 70 percent response rate. The researcher used the quantitative method. The findings can be summarized as that there is a positive relationship between interpersonal trust and intrinsic motivation and employee satisfaction. Also, there is a negative relationship between work-related tension and employee satisfaction.

Leat & El-Kot's (2009) paper indicated that employees are satisfied and are intrinsically motivated and having trust in their peers and managers, and they are experiencing low levels of job tension. The researcher referred to previous research findings that intrinsic motivation and satisfaction are encouraged through self-respect, self-fulfillment, and personal growth. The researcher related the findings that the employees who participated in this paper had experienced a healthy workplace. The loyalty and commitment of the employees can be seen clearly. Such a healthy environment boosts employees' level of productivity and increased their satisfaction and confidence. The researcher recommended further research to examine the relationship between other variables and job satisfaction.

The other research that was conducted by Younes (2012) used the quantitative method to examine the impact of motivation on employees' job satisfaction and work performance. She considered a more extensive range of variables for her study, such as contingent rewards, promotion, supervision, communication, co-workers, pay, fringe benefits, and work nature. Younes distribute a questionnaire to 1418 employees as she targeted the professional category, excluding the service and executive levels. The questionnaire was distributed by email with a response rate of 19.7%. This research shows that the variables of contingent rewards, promotion, supervision, and communication have a robust positive correlation with overall job satisfaction. A moderate positive correlation exists between the overall job satisfaction and the co-workers, pay, fringe benefits, and nature of work. Finally, the correlation between overall job satisfaction and the operating conditions is weak.

Younes explained in her thesis that job satisfaction includes intrinsic and extrinsic factors. She classified them as motivator factors that include the nature of work, promotion, growth, and contingent reward and hygiene factors, including supervision, co-workers, pay, fringe benefits, communication, and operating conditions. Throughout the research, she demonstrated the impact of both intrinsic and extrinsic aspects toward work performance and job satisfaction. To sum up, this paper's finding shows that the employees give more weight to intrinsic needs such as recognition, appreciation, and opportunity for growth rather than extrinsic needs.

## Chapter Three

### Labor Market in Egypt

To have a broader view of Egypt's labor market, the researcher investigates the Central Agency for Public Mobilization and Statistics (CAPMAS) annual report for 2019, where the total population surpasses 98.1 million inhabitants out of which 28 million are working force. The labor market is diversified among, government, public and private sectors. The government and public sector provide 26 percent of the total jobs, where the private sector provides the remaining job opportunities, whether inside or outside establishments (CAPMAS, 2019). From the official numbers, it is evident that the private sector plays an active role in providing a substantial number of job opportunities, which improves overall country economics.

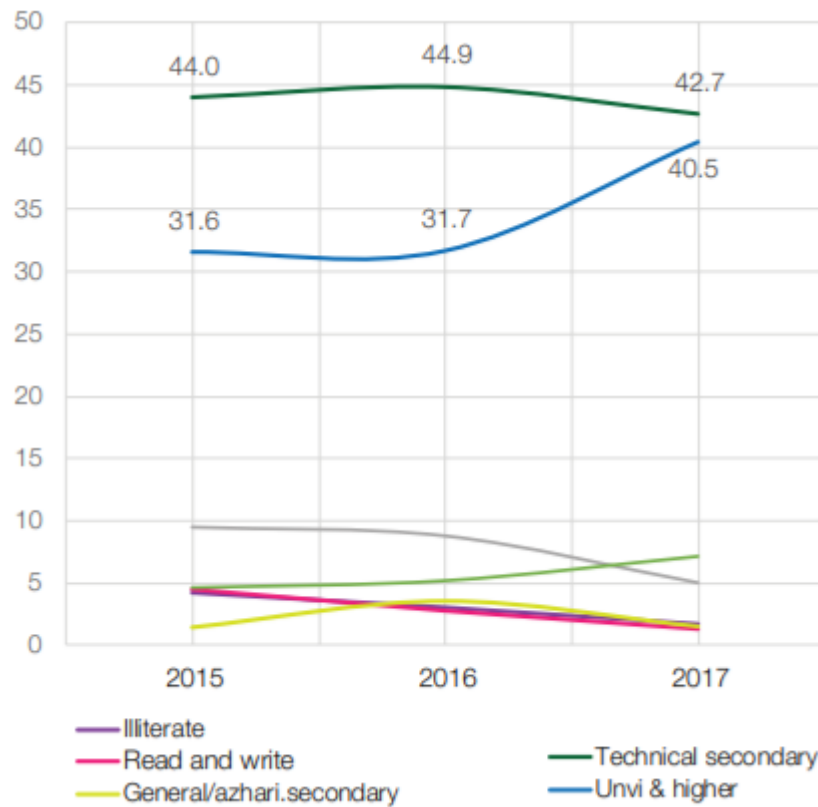
#### 3.1. Labor Market Challenges

The Egyptian labor market faces many challenges, such as the high unemployment rate, especially among educated graduates, low female labor participation, and the informal sector (Said, 2014). The high unemployment rate, especially within the highly educated category, is considered the main problem affecting the labor market in Egypt in the last decades (ILO, 2018). The main factor that resulted in the high unemployment rate between educated graduates is the low quality of education, which resulted in a mismatch between the desired skills and the graduates' skills. (Assaad & Barsoum, 2007). The International Labour Organization (ILO) conducted a survey that identified



that nearly half of the youth in Egypt are working in jobs that are not matching their education (Barsoum et al., 2014).

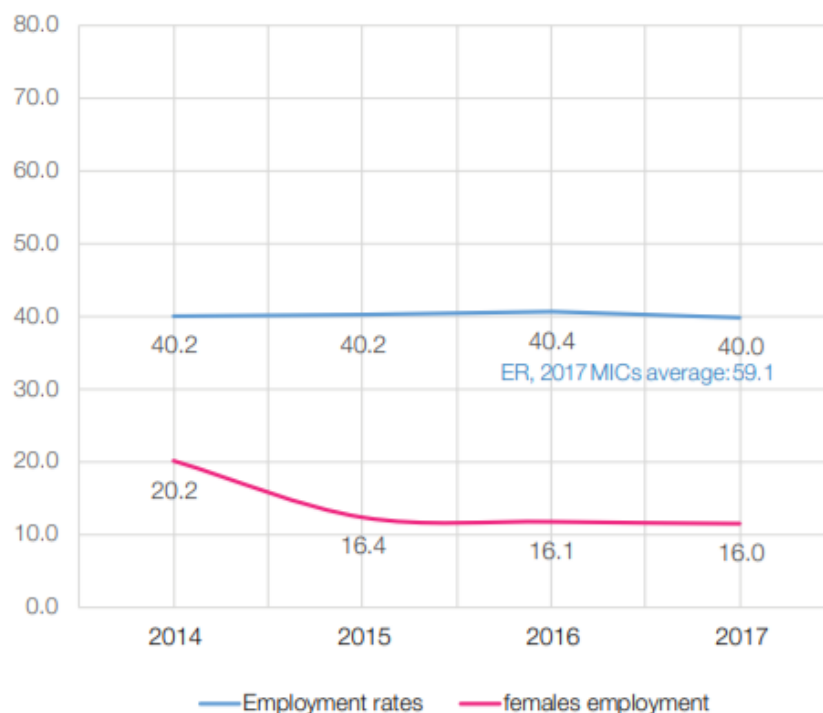
**Figure 2: Unemployment by education**



**Source:** (ILO, 2018)

The low female labor participation is another challenge to the Egyptian labor market. The percent of unemployed women is around 40 percent of Egypt's total unemployment (ILO, 2018). Several factors hinder the participation of the female to the labor market. For single women, job scarcity, long hours, and compromised job quality are examples of these factors. For married females, the ability to join a job that suits their family arrangements and limited empowerment and social and family support are the more prominent factors (Barsoum, 2019).

**Figure 3: Female employment rate**



**Source:** (ILO, 2018)

Another issue that affects the Egyptian labor market is the high levels of informal employment. More than 90% of young workers are informally employed. This type of employment jeopardized benefits, limiting the number of workers benefiting from medical and social insurance (SABER, 2014).

### **3.2. The Non-profit Organizations in Egypt**

The non-profit organizations, as part of the private sector in Egypt, is playing a considerable role as an employer in the Egyptian labor market. This active role offers job opportunities for professionals who are no longer interested in joining the public

sector. They can also be seen as a possible alternative for fresh graduates and public workers who have been laid off by the Egyptian government as part of the downsizing of the public workers' strategy (Abdelrahman, 2007).

More than 48,000 registered NGOs in Egypt (Al Mobtada, 2017) indicate the number of jobs available in this sector. Middle-class professionals are the majority group interested in joining part-time or full-time jobs in non-profit organizations. Similarly, most NGO jobs require a good knowledge of the English language and computer skills, which can be seen in the educated middle and upper-middle-class and not the lower-middle class. Accordingly, the offered job opportunities in the NGOs target the educated category, which can help solve the increasing unemployment rate among educated youth (Abdelrahman, 2007).

## Chapter Four

### Conceptual Framework and Methodology

#### 4.1. Conceptual Framework

Several organizations are recently showing more interest in developing managerial and organizational practices to improve job performance and encourage positive worker attitudes (Sandhya & Pradeep Kumar, 2011). In any work environment, a motivated workforce plays an essential role in organizational success. Most of the senior administrators at different institute understands that and pay great attention to this part as they are aware that organizations run more effective and efficient in reaching its goals when employees are motivated and work at a higher level of productivity (ibid). These organizations believe that the link between the initial performance goals and the outcomes is evident; therefore, the employees' performance is the easiest to report. Nevertheless, it is more challenging to reward certain behaviors, which is more critical to organizational performance as a whole (Mullins, 2007).

Ramlall (2004) illustrates the symptoms of motivated and unmotivated employees. The unmotivated employees expend little effort in their jobs, leave the organization when possible, produce low quality work, and avoid being at the workplace. However, motivated employees are creative, productive, persistent, produce high-quality work, and show a positive spirit. Given the current work trends, organizations are facing changes that affect employees' motivation tremendously. Restructuring, changes in the compensation system, performance evaluation system, the nature of the job, the nature

of organizations itself (moving toward virtual organizations), and the economic and political trends are examples of organizational changes. These changes have implications for how people feel about their jobs, how much effort they are willing to exert, and the quality of the job done.

One of the critical dimensions to engage employees is training and personal/career development. The training improves the accuracy of the service, which, in return, positively affects the service performance. That will reflect on employee's confidence, loyalty, and engagement in their job. The management's training and development can be used to build the career path ladder and prepare a succession plan for each employee. That will open opportunities for growth and personal development, which in turn will improve the level of engagement and performance (Anitha, 2014).

Based on previous research, this study will assess internal and external factors that influence employee's motivation by explaining different motivation theories and their implication on workers' performance and engagement. Miner (2005) sees that leadership styles play a significant role in employees' motivation. Others like Luthans (2001) provide more significant importance to recognition at work done well, while Karanika-Murray et al. (2015) believe that the way the job is designed is the key to employees' behavior. Previous research tackled some of the internal factors such as recognition, achievement, advancement, growth, responsibility, and job challenge, in addition to external factors like working conditions, administrative practices, salary and

benefits, supervision, and job security. What will be assessed in this paper can be group into three main clusters:

- The style of leadership
- The reward system
- The organizational climate

Each of the above main clusters consists of sub-categories that will be assessed throughout this paper in more detail. This paper will help identify the impact of each factor on the Egyptian employees and assist non-profit organizations in Egypt to identify the most impactful motivational factor, which will help them increase productivity, engagement, and enhance employees' performance.

**Figure 4: Conceptual research framework about the motivational factors and their leading behavioural outcomes.**



**Source:** Author's conceptualization based on the literature review

## **4.2. Research Methodology**

### **4.2.1. Design**

This research is designed to study the factors that influence the employees' motivation within non-profit organizations in Egypt and its effect on performance and engagement. This research focuses on employees at three non-profit organizations that are located in Cairo, as accordingly to the researcher knowledge, there is a lack of study in this area. The researcher relies on her connections to select the research sample. The sample selection focuses on administrative and technical staff at the professional or managerial level. The study also considers both female and male staff, regardless of the years of experience in the organization. All the participants are working in different offices or departments in one of the three organizations.

Mack et al. (2005) indicate that the use of extended interviews is recommended, especially when collecting data focusing on interpretive inquiry. The interviewer needs to consider before starting with each interview to share information related to the nature of the study and explain to each participant all details, as stated in the interview consent form. Despite that, the interview is semi-structured, but a predetermined list of questions will be asked to all participants. Following this method will ensure standardization and comparability of answers. The study aims to identify the main factors that non-profit organizations in Egypt can use to boost employees' motivation, which will increase the performance and engagement within the workplace.



#### **4.2.2. Method**

This research depends on qualitative data to assess the factors influencing employees' motivation and its effect on their performance and engagement. As stated by Marshall and Rossman (2006), qualitative research helps better understand the perspective of people involved in the case study to assess all factors and variables that shaped their motivation. Qualitative research is an inductive, open-ended approach that relies on visual data rather than numerical data. Its aim is understanding rather than generalizing across persons and settings (ibid).

A semi-structured in-depth interview was conducted with a range of administrative and technical staff and managers in three non-profit organizations to gain comprehensive data about factors that motivate workers and how these motivational factors affect their performance and engagement within the organization. Accordingly, a purposeful sampling technique was used to identify selected individuals. The researcher relies on her connections to choose the research sample.

The research analyzed the factors that influence employees' motivation and how they can be used to improve the workers' performance and boost engagement within the organization. The variables studied here are the type of the job, the position within the organization, and the employees' motivational factors.

#### **4.2.3. Sampling**

The researcher adopted the purposive sampling technique in selecting the samples. A predetermined guide was tailored based on a set of criteria linked to the objective of the

study. The selection criteria were; all participants should be working in one of the three selected non-profit organizations, and there should be a balance between male and female participants. Moreover, diversity in hierarchal levels and departments was considered. Also, the researcher took into consideration samples from each department to build a cohesive understanding of the connection between the study variables from different perspectives.

The following illustrates the interviewees' profile in terms of years of experience within the organization, educational level, employment level, age range, gender, and nature of work. Also, listed below the organization's profile in terms the type of business, the number of years in the market and the number of employees.

**Table 1: The profile of interviewees**

#	Years of experience	Educational Level	Employment Level	Age Range	Gender	Nature of Work
1	9	BA	Manager	30-40	Female	Technical
2	7	BA	Staff	20-30	Male	Administrative
3	5	BA	Staff	20-30	Female	Technical
4	15	MA	Manager	30-40	Female	Administrative
5	10	BA	Manager	30-40	Male	Technical
6	3	MA	Staff	20-30	Female	Administrative
7	2	BA	Staff	20-30	Female	Administrative
8	7	MA	Staff	20-30	Male	Administrative
9	22	BA	Manager	40-50	Female	Technical
10	11	MA	Manager	30-40	Female	Technical
11	7	BA	Staff	30-40	Male	Technical
12	17	MA	Manager	30-40	Male	Technical

**Source:** The researcher

**Table 2: The profile of the organizations**

#	Type of Business	Years in market	Number of employees
1	Education	100 years	1000 +
2	Health care services	5 years	500+
3	Serving society specialized in Hunger	14 years	250+

**Source:** The researcher

#### **4.2.4. Interviewing**

The interviews were conducted between April and June 2020. They were not recorded but transcribed immediately after the interview as notes were taken during the interviews. The interview lasts between 30 and 45 minutes. The informed consent was provided by participants ensuring anonymity and confidentiality. Also, the data were obtained from twelve employees from three non-profit organizations. Purposive sampling was used, relying on the position in the organization. Purposive sampling was used to allow self-selection, which includes samples of cases presenting themselves to be studied (Marshall & Rossman, 2006). The effective interview techniques that were discussed by Mack et al. (2005) were used in these interviews. To make sure that all information is recorded for successful analysis, all interviews were transcribed immediately after interviews. That allows maintaining the correct meanings of participants' responses.

Participation was entirely voluntary. All participants were informed before interviewing them regarding the research topic and purpose and that all data is going to be used only for research purposes. All participants indicated their approval to the informed consent; however, they could not sign it as all interviews were conducted

through zoom or by phone due to the COVID-19 epidemic that forces quarantine and prevents face-to-face interviews. Based on their acceptance of the informed consent, their privacy was maintained throughout the research. The data were anonymized and the real names was not used in the study.

By asking the same predetermined questions to all the participants, the reliability is confirmed. That ensures the availability of consistency and standardization within the research. The validity is maintained through the alignment of the interview questions to theoretical frameworks.

#### **4.2.5. Data Analysis**

Thematic analysis was used to analyze these interviews. As illustrated by Marshall & Rossman (2006), the use of thematic analysis allows them to identify, analyze, and report the outlines of meaning that come out from a set of qualitative data. Based on that, data have to be systematically identified and then analyze the meaning and general descriptions of experiences within a specific context. This thematic analysis consists of several steps, starting by familiarization with the data based on several transcripts to record initial ideas. The second step focuses on constructing an initial thematic framework that includes a group of headings grouping the participants' views and experience. The third step involves indexing and sorting the data to enable viewing all responses of the same theme as a whole. The initial codes were generated from interviews to help in identifying the content of repeated patterns. The fourth step is reviewing the coherence of data extracts to amend labels, where come after the

generalization, the explanation, and the classification of data into categories based on each theme (ibid).

#### **4.2.6. Ethical Considerations**

Interviews were held between April and June 2020 after securing the Institutional Review Board (IRB) approval. To ensure an ethical framework, the participation was entirely voluntary. Before conducting the interview, all participants were informed regarding the research topic and purpose. Also, all data was used only for research purposes. To ensure voluntary participation, the informed consent was communicated to the participants orally and recorded as they could not sign due to the COVID-19 quarantine. Participants' privacy was maintained throughout the research as the data were anonymized, and no real names were included in the study to avoid harming the participants. The interviews' transcripts were kept confidential. It will be kept for three years as per the IRB policy. Also, the result was analyzed and interpreted by the researcher (Babbie, 2010).

#### **4.2.7. Limitations of the study**

This study has several limitations. For instance, it covers only three non-profit organizations in Egypt without considering other organization types. Also, the sample size focuses on administrative and technical staff, not the service<sup>5</sup> employees categories, limiting the result of the study to a specific group of employees and does not cover all employees at the studied organizations in Egypt. Although the participants

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<sup>5</sup> Service employees: blue collars workers (i.e. housekeeping, maintenance)

were informed that their data would remain confidential, some participants were not comfortable in sharing data related to their line managers. Another limitation is the duration of the interviews. It was limited to 30-45 minutes as most of the interviews were conducted through zoom or by phone due to the COVID-19 epidemic that forces quarantine and prevents face-to-face interviews.

The above limitation would open the space for future studies to examine a wider group of employees to get more insights into the factors influencing employee motivation. Further research will help to examine the other variables that affect employees' motivation within the non-profit sector, which will not be limited only to the leadership, reward, and organizational climate.

#### **4.2.8. Delimitations of the study**

The collected data is only covering a limited employees' number and focused on a specific employee category from three non-profit organizations in Egypt. Also, the researcher used the qualitative research method not a combination of the qualitative and quantitative methods. Therefore, the result cannot be generalized.

## Chapter Five

### Findings and Discussion

In order to understand the factors that influence employees' motivation and how employees' motivation and positive behavior can be enhanced to match the organization's retention strategy, this research attempts to understand that every employee is motivated differently based on their preferences and characteristics. Employees may get motivated through promotions, salary increase, flexible working hours, recognition, training opportunities, or more benefits. (Marique et al., 2013). Therefore, it is essential to understand the individual motivation. Accordingly, the objective of this study is to determine the factors that influence nonprofit sector employees' motivation and to assess the effect of transformational leadership style on employees' motivation especially in non-profit organizations in Egypt. Accordingly, the following section is divided into three main themes. First, the leadership style and its effect on employees' motivation. Second, the monetary compensation and its effect on employees' motivation. Finally, the tools that is used to boost employees' performance and engagement which is divided into three sub-themes, which are the career growth, the work environment and the policies and procedures.

### 5.1. leadership style and its effect on employees' motivation

Leaders' selection has a significant impact on the success of the organization; the role of the leader determines how to achieve results by mobilizing others to work together. Accordingly, different leadership styles can be used based on how the decision is made in the organization and based on the overall organization strategy (Isaac et al., 2001) as the role of the leader has a direct connection with subordinates to achieve results. Some organization faces a high turnover rate due to bad management. It is known that people quit their bosses, not their jobs (Reina et al., 2018), accordingly leaders need to improve their skills and learn to support and motivate their employees, which will increase the employees' retention and ability to continue at the organization and indirectly improve the organization's performance. As leaders follow different leadership styles, it is essential to learn from our interviewees how different leadership styles impact their performance and engagement. Leadership styles vary based on the required outcome and the situation. It could be autocratic, delegative, or democratic. The following interview with Noor sheds light on the democratic leadership style and how it is related to work motivation. She stated:

*Our manager involves all of the team members in the latest project. He listens to our ideas and encourages creative thoughts. Accordingly, we were able to achieve the required outcome in a short time. The feel of belonging and loyalty encourages us to become high achievers*

*(Noor, Administrative Staff, June 2020)*



From Noor's perspective, the democratic leadership style suits the desired outcome, which is increasing loyalty and enhancing employee morale and engagement. The democratic leadership style is a mixture of task-oriented and people-oriented styles (Bass, 1990). This leadership style provides guidance and direction to help subordinates to get the job done, and at the same time, encourage employees to voice their opinions freely. It, therefore, encourages feedback. Such style may delay the work procedures if a fast response is needed, but the long-run outcome, which is employees' engagement and loyalty, always supersedes the downsides.

Also, Managers' support helps to maintain a healthy relationship. Managers can support the employees both directly and indirectly. They can support employees directly by planning their personal development, managing stress within the workplace, coaching, mentoring, and providing feedback. They can also provide indirect support through managing employees' turnover and enhancing engagement (Anitha, 2014). Sara highlighted that feedback is an excellent strategy to motivate employees. It could be positive or negative; however, the primary outcome is to assess performance and identify the improvement areas. Good managers use the feedback strategy very often to enhance employees' performance and increase efficiency. She stated:

*My manager promotes one team spirit and appreciates each one's effort. She provides each team member with valuable feedback and coaching, which positively affects the work environment and our morale.*

*(Sara, Technical Manager, April 2020)*

Sara's comments showed that feedback is important for organizational communication processes. The effort to provide feedback will positively impact employees' engagement, which will increase their involvement, enthusiasm at work, and motivation. It is management's role to enhance employees' performance and engagement within the organization by promoting workplace well-being (Sandhya & Pradeep Kumar, 2011). Sara's submission suggests that the feedback strategy helps open a channel of communication between the employee and the employer to provide positive or negative feedback. This tool helps the employee assess their performance and increase efficiency by identifying weak areas.

On the other hand, Mohamed had a different experience with another type of leadership. He felt the difference in the leadership style when he moved to another department. His old manager was following the active management by exception concept, which is part of the transformational leadership style. He does not encourage the subordinate to achieve beyond expected outcomes. All that he is concerned about is achieving results. The subordinates were suffering from poor communication. Mohamed said:

*My manager was a dictator. He wants everyone in the team to follow his orders, regardless of our opinion. He didn't accept any new ideas to accomplish a task. His main concern was the job, not us.*

*(Mohamed, Technical Staff, June 2020)*

This type of leadership, as Mohamed describes, falls under the autocratic leader as part of the situational leadership style. Although situational leadership helps employees

achieve their goals, it decreases creativity and innovation (Bass, 1990). The leader's role is to control any deviation in the subordinates' performance than the expected performance standards (Sundi, 2013). Mohamed's submission shows that it is important that the leader creates specific, measurable, achievable, relevant, and time-limited goals that make it easy for the employees to achieve these goals. However, at some points, the manager has to allow active communication with the subordinates and allow creativity and innovation in the workplace, which will increase trust between the leader and the subordinates and, in return, will enhance their motivation and performance.

Part of the leadership responsibilities is to increase trust. Trust can be generated from open communication, proper feedback, and mutual discussion (Reina, 2015). Ahmed's experience indicated that the lack of clear communication opens the door for rumors and a negative work environment, which affects their trust in their manager and the whole organization. Ahmed was promoted to fill in a higher-level position in another department. He worked under different Leadership styles, so he experienced open communication and felt the difference in the team's overall morale. His previous manager used to involve the whole team with all the updates in the organization. While the current manager does not have this leadership style, Ahmed indicated that lacking open communication leads to rumors, a lack of trust in management, and spread negativity in the workplace. He said:

*We don't know anything happening around us. We get the information from other colleagues in other departments. That*

*causes many rumors all the time and resulted in losing trust in our manager.*

*(Ahmed, Administrative Staff, April 2020)*

From Ahmed's comment, we can see the importance of transparent communication and the work environment and its effect on employees' motivation and how it enforces loyalty among the workspace. What Ahmed said supports previous research (Sundi, 2013) that illustrates the importance of open communication between employees and employers. It keeps the employees well informed and up to date with the latest issues and news. Such open communication will create transparency and trust between employee and employer. Also, it will eliminate rumors and side talks. The transparent work culture facilitates trust, communication, credibility, accountability, and much more.

One of the tools that can be used to increase trust within the organization is to have open communication with subordinates. Proper communication is essential to keep the employees updated, which increases their feeling of belonging to the organization. The manager can communicate to the team through different communication formats such as frequent meetings, emails, newsletters, and other communication methods (Sandhya & Pradeep Kumar, 2011). Examples of communication tools that were used by managers are illustrated below as per Sara:

*We have a bi-weekly meeting to keep us updated and boost the team spirit. Our manager created a monthly newsletter that listed all the achievements and celebrated the achievers.*

*(Sara, Technical Manager, April 2020)*

Sara's comments showed that managers could use various communication tools to promote trust and freedom of expression through frequent meetings and social gatherings, newsletters, and many more. As illustrated by Bass (1990), this leadership style falls under the individualized consideration category as part of transformational leadership. The leader encourages the subordinates to have a broader goal than their self-interest. Sara demonstrates that by using this leadership type, the leader boosts the employees' morale and motivation and their feeling of recognition.

Ultimately, some managers are using proper communication tools and frequent feedback to promote trust within the working environment as they believe that communication has a direct positive impact on employees' morale, engagement, and work performance. Others who do not use clear communication strategies do not consider their employees' feelings of belonging and participation toward the organization.

## **5.2. Monetary compensation and its effect on employees' motivation**

The total reward is an essential element of employee motivation, which includes financial and non-financial rewards. The financial rewards encompass salary, bonuses, allowances, and any other types of monetary rewards. On the other hand, non-financial rewards involve benefits, extra holiday, vouchers, free access to facilities, and many more. The below illustrates the importance of employees' motivation, especially for those working in non-profit organizations that may receive lower salaries than other

profit institutes. The salary on its own may not be considered as a motivation; however, the total package supersedes (Sandhya & Pradeep Kumar, 2011). Soad, who has been working in the organization for almost five years in a staff category, indicated that benefits significantly impact her motivation. She stated:

*We have a variety of benefits like free transportation, health insurance, daycare, and educational benefits. All these benefits we can't find in any other organization.*

*(Soad, Administrative Staff, April 2020)*

Soad illustrates the type of benefits that supports her engagement within the organization and increases her tendency to continue working within the same organization. As she is exhausting these benefits, she believes that it contributes directly to her compensation package. She believes that benefiting from the daycare, free transportation, and educational benefits contributes directly to her net cash. Soad gets more interest in the benefits as she is using these benefits. However, in this organization, the benefits vary for different employees' categories. The benefits for the staff is different than it is for the managerial levels. Even though the managerial levels do not include only the high/senior management levels, but includes employees who do not manage subordinates. However, their job type qualifies them to be placed at a managerial level and accordingly benefited from a higher benefit scheme. Soad highlighted the adverse effects of this variance. She said:

*Medical and pension benefits are not the same for all employees. It varies between different employee groups, while staff who are placed*

*at the managerial group are having better options than staff levels; such differences create frustration among employees as they feel they are not treated equally.*

*(Soad, Administrative Staff, April 2020)*

Soad sheds light on the effect of the inequity on the employees' morale. Some organizations tend to assign different benefit schemes for managerial levels to attract talented and high calibers in managerial roles. However, in this organization, the benefits scheme is different based on different employee groups. Such a particular plan is not designed for senior management roles, which could justify the difference in benefits given to the employees. Accordingly, this variance in benefits was seen as inequity among the employees instead of being a tool to attract talents and high calibers in senior management roles. The benefits play a significant role in the employee's motivation, but the salary is also considered the most prominent factor that affects their motivation. Mona indicated her frustration with salary inequity. She was on a managerial level for the last seven years, with fifteen years in service within the same organization. Mona illustrates her opinion in regards to the compensation equity. She mentioned:

*Despite my long years of service, my salary is less than the newly hired staff within the same department, although we are doing the same job. It is unfair. I have more experience and a good history of excellent performance here and deserve to receive the same salary if not even higher.*

*(Mona, Technical Manager, April 2020)*

The inequity of salary placement drove mona's frustration as her newly hired colleague was placed at the same level and handled the same role/duties. Both Mona and Soad highlighted that the inequity in compensation and benefits affect the motivation negatively. As illustrated by Sandhya & Kumar (2011), the organization has to put in effect an equitable compensation strategy. Such a strategy has to consider employees working in other organizations and the employees working in the same organization. Soad submission supports Adam's (1965) equity theory that links equity with motivation. This theory highlights the need to develop an equitable reward system to ensure employees' motivation. Also, it identifies that employees observe the relationship between the amount of reward they receive compared to what others receive. Inequities in salaries affect employees' motivation and morale. It also causes mistrust, reduces motivation, and negatively affects organizational effectiveness (Arnolds & Boshoff, 2002).

### **5.3. Tools to boost employees' performance and engagement**

#### **5.3.1. Career Growth**

Career growth is another good motivating factor. The employees' motivation got boosted with more challenging tasks. Employees often prefer to continue at the same organization to help them in their personal growth and development. Samy's ten years of experience helped him to shift his career and started in a new position within the same organization. He was lucky to get promoted three times during his employment. His last promotion was to fill in a managerial level job. He perceived it as an excellent opportunity to acquire new skills and to grow within the organization. He stated:



*I'm enthusiastic that I will make a difference in this place. I have been looking for this promotion for a while, and I am happy that I achieved it. I have many plans to excel in this role and looking forward to more growth.*

*(Samy, Technical Manager, April 2020)*

Samy experienced a new challenge as he got promoted to a managerial level. Such career growth motivated Samy as he is looking forward to more progress in this role. It is part of the organizations' role to improve and open new opportunities to the talented workforce when it comes to career growth. Samy's submission was aligned with the need hierarchy theory and its more enhanced version, the ERG theory, which is the job-specific nature of its focus. In these theories, work growth satisfaction is evident in employees' job performance (Arnolds & Boshoff, 2002). According to Herzberg (2003), the work itself, responsibility, and growth or career advancement are the main factors to motivate employees.

Different ways led to employees' motivation; some employees got motivated with a higher salary, better benefits, bonus, or award. However, other employees got motivated through advancement in their careers. As employees get motivated differently based on their personality, preference, and characteristics, career growth is an excellent motivational tool for some employees. In this organization, they have a clear career ladder where employees know their next step based on their performance, achievements, and managers' feedback. Noor joined this organization after a long

journey in other companies. She is now motivated as she got promoted recently to fill in a position that she was looking for. Noor said:

*I saw examples of staff who reached high levels in this organization. I believe that I can grow here as long as I am a good performer. I am confident that I will be placed in a managerial role soon.*

*(Noor, Administrative Staff, April 2020)*

Noor sheds light that career growth is an excellent motivating factor that organizations can use for existing employees. Organizations can invest in their employees by providing them with on the job and career development training. Noor believes that it is crucial to ensure that employees who benefited from such training will continue and grow in the organization. In return, the organization will benefit from their expertise and good morale and loyalty. Taormina and Gao (2013) illustrates that growth needs stem from a person's desire to grow. Accordingly, it is placed at the top of the needs pyramids. In support of Maslow's theory (1954), Noor submission suggests that when the employee is satisfied with their career, it increases confidence, importance, self-esteem, and competence. Once the self-esteem needs are fulfilled, the need for self-actualization is at the top of the needs pyramids. The self-actualization need is the highest level of needs, which significantly impacts employee's interest and commitment. Therefore, career growth is having lasting motivational effects on employees' performance.

### 5.3.2. Work environment

Employees are spending much time in the workplace than they spent at their home. Accordingly, the work environment proves to be one of the good motivators. Transparent work culture is essential to employees' motivation. It assists in promoting accountability, trust, and responsibility in the workplace. The work environment affects the quality of work and fosters interpersonal harmony, which, in return, plays an essential role in employees' engagement (Deci & Ryan, 2012). This interview with a female manager who has been working for more than twenty years in the same organization sheds light on how the work environment acts towards the employees' motivation. Noha spent the last twenty years working for the same organization. She got promoted several times and transferred to fill a different role in another department. She spent ten years in the old department where her work relationships with colleagues and memories have always been linked with this period. Since she moved to the new department, she felt demotivated. Several factors supported her feelings as she said:

*I'm still in an excellent relationship with my colleagues in the old department. I always remember those days. They were my second family. I recall that we celebrated all our achievements together under the supervision of an unforgettable leader.*

*(Noha, Administrative Manager, May 2020)*

Noha's experience in two different departments within the same organization explains the role of the work environment towards motivation. The supportive colleagues, good leader, positive work environment all together enhance the work motivation and influence engagement. Noha's submission supports the organizational climate concept

that an open and supportive environment is vital for the employees to feel safe and engaged. Moreover, the work environment is affected by the team and the co-worker relationship. Such relationships in the workplace positively influence engagement (Shore et al., 2004).

### **5.3.3. Policies and Procedures**

The policies and procedures are of high importance to employees' motivation, as it fosters their engagement and willingness to achieve business goals. The policies and procedures include promotional policies and flexible working hours (Anitha, 2014). The below interview sheds light on the impact of the promotional policies and how that can affect the employee's motivation. The promotion itself could not be a motivator on its own. Nevertheless, when the employee got promoted is also affecting their motivation. Hana was not motivated when she got promoted to fill in another vacant position in another department. She would have been motivated if she received her promotion at her current department. Hana stated that:

*My manager couldn't promote me due to the HR policies. I got frustrated and applied to another vacant position at a higher level in another department where I was selected to fill that position. Even though I was happy to be accepted in the other position, I kept wondering if they promoted me, I would never leave my previous department.*

*(Hana, Administrative Staff, April 2020)*

Hana's comments revealed that it is of high importance to implement a fair and practical promotional policy. The current HR policy stated that an employee could not get promoted unless completing one year in service. Such a policy may affect the employee's motivation negatively. The number of years in service cannot be the only factor that has to be considered while assessing employees' eligibility for promotion. Other factors such as performance, additional accountabilities, and changes in responsibilities are factors that affect employee's eligibility for promotion. Linking the promotion decision based on seniority rather than performance may affect the performance and, accordingly, the overall expected outcome. In support of other research, Anitha (2014) indicates that fair promotional policies have a notable positive impact on the organization's employees' engagement. She says that previous studies confirmed the link between effective policies and procedures and the engagement of employees, which eventually affects the achievement of the organization's business goals.

Not only promotional policy but other policies like flexible working hours may influence employee motivation. Salma recently joined this organization, moving from a corporate sector. Her previous work environment was exhausting. She used to spend more than ten hours daily at work besides the average commute time. Based on her previous experience, she gave more attention to the importance of work-life balance than any other factors that influence her motivation. She mentioned:

*I was happy to learn that reduced working hours and extended leaves are an option here. Such flexibility encourages me to accept*

*the offer. Getting less salary but more time to spend with my family is the right choice for me.*

*(Salma, Technical Staff, April 2020)*

Salma's interview shows how policies and procedures can be of great benefit to the whole organization to attract and retain talented staff. Despite some other organizations may offer better remuneration; however, other factors play an essential role in employees' motivation to work. Anitha (2014) argues that an organization's flexible work-life policies have a remarkable positive impact on employee engagement. Also, other studies (Manzoor, 2011) show the importance of organizational policies and procedures, such as flexible work arrangements to help in balancing employee work and home environments; notably, organizations that implement flexible work arrangements are having more motivated and engaged employees (ibid).

## Chapter Six

### Conclusion and Recommendations

#### 6.1. Conclusion

In any work environment, the motivated workforce plays an essential role in organizational success. These organizations believe that the link between the initial performance goals and the outcomes are apparent. It is more challenging to reward certain behaviors, which is more critical to organizational performance. They can overcome that obstacle by identifying the behavior that is important to the organization. This study specifies some factors that influence employees' motivation, especially those working in the administrative and technical roles on professional and managerial levels at three non-profit organizations in Egypt, as this area was under-researched. This study's findings show that the style of leadership, compensation, and benefits and equitable pay, career growth, work environment, and policies and procedures are all factors that affect employee motivation in the studied organizations.

Accordingly, the answer to the first research question regarding the factors that motivate employees is that several factors motivate employees. These factors can be categorized into three main categories; they are the style of leadership, the reward system, and the organizational climate. Each of them consists of other sub-factors that contribute to the employees' motivation, namely, trust, feedback, and open communication under leadership style. For the reward system, the sub-factors are equity, financial and non-financial awards. Finally, the organizational climate includes work environment, company policies, and career growth sub-factors.

Furthermore, the answer to the second research question about how transformational leadership style affects employees' motivation is that the transformational leadership style affects employees' motivation in different ways. It starts by changing the organizational culture and climate towards cultivating a more innovative and competitive work environment, which will promote innovation and creativity within the workplace and enhance employees' performance and engagement. This leadership style is the most inspiring style, and at the same time, the most challenging style that can be adopted. It is the other side of the coin from the transactional leadership styles. The transformational leadership style is based on the leader's traits and personality and the extent to which this leader can articulate a vision and encourage employees to follow his vision. Transformational leaders work towards the benefits of others. They are starting from the benefit of the team, the organization, and the whole community. This leader strives to change the organization's culture towards a more innovative and creative one. Accordingly, cultivating a new transformational leader within the organization is not an easy step. It requires the collaboration between the organization and the leaders to identify the potential future leaders and prepare them for this role. Also, the future leader has the responsibility to enhance their capabilities and traits, which will be their capstone towards a more inspirational organizational transformation.

This study's main finding is related to the impact of the transformational leadership style on employees' motivation. This leadership style promotes innovation and creativity in the workplace. It directly affects employees' intrinsic motivation, which is



the driving force of the enhanced performance and engagement within the organization. In this leadership style, the leader stimulates a vision and encourages the subordinate to achieve it. Using this leadership type, the leader boosts the employees' morale and motivation and their feeling of empowerment. To positively impact their team motivation, the managers must be aware of variables within their subordinates that stimulate their motivation, such as personality, values, beliefs, and other variables. Therefore, the transformational leadership style is apparent to be encouraged within the workplace.

Another unique contribution of this study is the importance of the succession plan. The organization's role is to put in place the proper tools and techniques for selecting future leaders. The succession plan is the process that includes not only identifying the potential leaders but also the development plan that will be inherited by the organization for this position (Sarros et al., 2008). The succession plan can be implemented for only senior management roles or it could include all positions based on the organization's strategy. This finding contributes to McClelland (1988) needs motivation theory that divided the needs into three main needs, the need for power, achievement and affiliation, where the succession plan will capitalize on these needs.

Furthermore, this study shows that the compensation and benefits strategy acts as a motivator to attract high caliber and retain talented employees. It can be used to reward the employees for achieving the desired outcome. The salary increase will affect behavior if employees have the internal desire for such a reward; at that point, the intrinsic reward will influence the external environment. Accordingly, this study

revealed that the monetary compensation solely on its own could not act as a motivator. A combination of intrinsic and extrinsic motivators provides a better result that can be seen through employees' engagement and high performance. Ultimately, financial and non-financial incentives are based on the reinforcement theory that was designed by Skinner (1953). It focuses on the relationship between the motivational tool and the target behavior. The compensation improves performance when it is accompanied by other reinforces. Such re-enforcers can be in the form of incentives, organizational behavior, social recognition, equity, or feedback; however, combining all these approaches improves the performance higher than applying each approach separately. Other studies' findings show that the employees' satisfaction with benefits does not enhance self-esteem as they seem to be hygiene factors that are essential to prevent employees' dissatisfaction (Arnolds & Boshoff, 2002).

One of the findings of this study is that positive culture and a healthy climate can enhance the organization's performance, which maximizes the business results. To avoid rising organizational climate problems, leaders have to pay more attention to the importance of open communication channels between employees and management. Such open communication will improve transparency, increase collaboration, and better alignment of talents within the organization.

Another finding was linked to policies and procedures. The organizations have to adopt more flexible policies to accommodate different motivational factors. Maslow's (1954) concept explains that intrinsic motivation surpasses extrinsic incentives in jobs that include complex tasks, personal intervention, and requires quality performance. On the

other hand, extrinsic incentives correlate more to repetitive and less enjoyable tasks. Linking pay to performance improves productivity in monotonous tasks. Accordingly, organizations have to consider that while working on their policies and procedures.

In short, organizations can use simple techniques to boost their employees' motivation, from creating a positive workplace environment, to open a channel for communication between employees and senior management, create more flexible and competitive policies and procedures including equitable pay and benefits and implement effective succession planning process.

## **6.2. Recommendations**

Based on the analysis and findings of this study, below are the recommendations that can be adopted by the management of the three non-profit organizations that were the aim of this study to boost their employees' motivation and accordingly improve their performance and engagement.

The succession plan is the first recommendation to boost employees' motivation as it can be seen as an incredible tool to retain highly talented employees and a good motivator for the other ambitious and less experienced employees who want to advance their careers and step into a managerial role. Career growth is an apparent engagement tool. Professional growth opportunity has to be considered at the top of the tools that are used to influence the employees' motivation. One of the techniques that can be used to identify the future leader is through the succession plan. The succession plan is a

process to identify and develop employees. This process is used to assign employees to fill in a managerial role within the organization. A succession plan can be for middle management or senior management roles only, or it could be for every position and employee in the organization. This process provides a safety net for the organization as it is a critical business continuity function. In the same context, it is an excellent benefit for the employees.

Second, the succession plan is the starting point of another long pathway of employee development and training. Once an employee is selected as part of the succession planning process, the organization has to start a plan to develop this employee, which could be through mentoring, coaching, job shadowing, training programs, or in some cases, an advanced educational certificate. Through such a development plan, the organization gives the employees time to acquire the required managerial skills and experience that they need to perform their managerial role without sacrificing other junior staff who will work under an unprofessional leader. It will also deliver a positive message to the employees that the organization is willing to invest in their development and career growth, which will increase their loyalty and, consequently, their performance, given that the succession plan is the initial step to identify the future leader. The next step is to work on enhancing leadership skills. We cannot expect that all managers have the required leadership skills, which is an acquired behavior, as leadership is a combination of skills used to influence and motivate individuals and teams. Accordingly, the organization has the responsibility to assess and improve the leadership skills of its managers. Leadership development is seen as a significant

human capital challenge. Identifying potential leaders is a critical strategy that ensures the sustainability and competitiveness of the organization.

Third, several tools can be inherited by the organization to select potential leaders. One of these is the Internet-based personality assessments that can help organizations determine the personality traits required for such a leadership position. Another tool is 360-degree feedback. This tool involves leadership performance and abilities measurements from different perspectives, including subordinates, supervisors, self, and colleagues. This measurement tool provides a specific focus on the necessary improvement in the performance and the required leadership skills, which, in return, will enhance motivation.

Fourth, the coaching and mentoring techniques can help future leaders understand their assessment data and provide them with the know-how on how to apply it to real-life scenarios. Besides, extended or rotational assignments could be another option to screen employees for leadership opportunities and develop leadership abilities when an employee is coaxed out of his comfort zone and faces new challenges. They develop new strategies to deal with these challenges, which opens a new opportunity for developing the required leadership skills. Finally, the most crucial technique is developing the individuals' emotional intelligence, which is the ability to understand others' emotions and manage them. It is a fundamental aspect of leadership skills.

Fifth, the positive work environment will help to create a more engaged workforce. How the team perceives the work culture, stimulate the operations, and increase

productivity and creativity. The positive work environment includes open communication between staff and managers, creating a trusted environment, providing regular feedback, creating engagement between the team, and enhancing the workplace. Creating a positive work environment is the responsibility of the organization and the leaders. The organization's role is to make its goals and core values clear for all the employees and to improve the working space. These goals and core values will define the organization's culture, stimulating employee engagement and, consequently, performance. The leaders' role is apparent not only for the current employee but also for new joiners. The leader needs to encourage collaboration and communication between the team and provide an effective onboarding for new employees. The proper onboarding helps employees understand the organization's culture, which will facilitate their workplace experience and help them feel engaged. The leader can also use other techniques to cultivate a positive work environment by giving autonomy to the employees, improving communication, developing the subordinate's skills through training and development programs, and recognizing achievers by praising their effort and tangible rewards.

Sixth, the policies and procedures are one of the most impactful tools that affect employee motivation. The institution's management under discussion can review its policies and procedure to be more attractive, flexible, and equitable. Examples of policies and procedures are promotion, benefits, equitable pay, and open-door policies. They need to make sure that their policies are up to date and competitive to the market to attract and retain talents and, at the same time, improve performance for current employees.

Seventh, in order to increase employees' performance and engagement in an organization. Leaders can use different techniques to improve transparency and collaboration in the workplace. They can use surveys to monitor employees' feedback regarding the organization's climate. Such surveys can assess the extent to which the employees are motivated and provide a clear picture of what motivates employees. These surveys' results can increase transparency and collaboration and emphasize areas that require enhancements.

Ultimately, employees' motivation is the building block of the organization's overall performance. Whether in the western or non-western contexts, previous research showed that human capital is a powerful tool. Accordingly, the management of the non-profit organizations that were the aim of this study has to consider an open communication channel, enhance the working environment, create a succession plan, and update the policies and procedures. All of which will positively impact employees' motivation, which consequently will improve their engagement and performance within the organization.

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## **Appendices**

### **Appendix A: Interview questions**

#### **Objective: Collecting general information about the participants:**

- What is your current job?
- What are your responsibilities?
- How long have you been in this job?

#### **Objective: Assessing participants' motivational factors**

- What would motivate you in a job?
- Tell me more about it.

#### **Objective: Get to know about the influence of the nature of the job:**

- What was the job that you enjoyed the most?
- What were your responsibilities?
- What did you not like about it?
- Was there anything that you enjoyed about this position?

#### **Objective: Assessing the work environment effect:**

- What type of work environment do you work best in?
- Did you work in such an environment? Tell me more about it

#### **Objective: Assessing the influence of the leadership style:**

- Describe an ideal supervisor?
- Did you work for someone like this? Tell me more about it.



## Appendix B: IRB approval

CASE #2019-2020-074



To: Nada Miry  
Cc: Menna Youssef  
From: Atta Gebril, Chair of the IRB  
Date: Feb 29, 2020  
Re: IRB approval

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This is to inform you that I reviewed your revised research proposal entitled "Factors That Influence Employees' Motivation" and determined that it required consultation with the IRB under the "expedited" category. As you are aware, the members of the IRB suggested certain revisions to the original proposal, but your new version addresses these concerns successfully. The revised proposal used appropriate procedures to minimize risks to human subjects and that adequate provision was made for confidentiality and data anonymity of participants in any published record. I believe you will also make adequate provision for obtaining informed consent of the participants.

This approval letter was issued under the assumption that you have not started data collection for your research project. Any data collected before receiving this letter could not be used since this is a violation of the IRB policy.

Please note that IRB approval does not automatically ensure approval by CAPMAS, an Egyptian government agency responsible for approving some types of off-campus research. CAPMAS issues are handled at AUC by the office of the University Counsellor, Dr. Ashraf Hatem. The IRB is not in a position to offer any opinion on CAPMAS issues, and takes no responsibility for obtaining CAPMAS approval.

This approval is valid for only one year. In case you have not finished data collection within a year, you need to apply for an extension.

Thank you and good luck.

A handwritten signature in black ink that reads 'Atta Gebril'.

Dr. Atta Gebril  
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## Appendix C: Consent Form



### Documentation of Informed Consent for Participation in Research Study

**Project Title:** Factors That Influence Employees' Motivation and its implication on employees' retention.

**Principal Investigator:** Nada Miry, 01006692645

\*You are being asked to participate in a research study. The purpose of the research is to examine factors that influence employees' motivation and its implication on employee's retention, and the findings may be presented. The expected duration of your participation is 30 minutes.

The procedures of the research will be as follows, you will be asked 13 questions, your answer will not be recorded, but notes will be taken to help while transcribing your answer.

\*There will not be certain risks or discomforts associated with this research.

\*There will not be benefits to you from this research.

\*The information you provide for purposes of this research is confidential.

\*Questions about the research should be directed to Nada Miry at 01006692645

\*Participation in this study is voluntary. Refusal to participate will involve no penalty or loss of benefits to which you are otherwise entitled. You may discontinue participation at any time without penalty or the loss of benefits to which you are otherwise entitled.

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Date \_\_\_\_\_