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EFFECTS OF SERVANT LEADERSHIP ON EMPLOYEES' COLLECTIVE STRATEGIC VISION AND ORGANIZATIONAL INNOVATION PERFORMANCE IN HEALTHCARE INDUSTRY

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Effects of Servant Leadership on Employees' Collective Strategic Vision and Organizational Innovation Performance in Healthcare Industry

Luxi REN¹, Huayu SHEN²

Abstract

Under the progress of network environment, the interaction between employees and an organization might result in great effects on the organization and directly affect the relationship between the organization and customers. Employees receiving good trust, selfless devotion, and kind care from the leader would show feedback and voluntary act to the organization to indirectly or directly affect organizational employees' work attitude and performance. Taking supervisors and employees in healthcare industry in Fujian Province as the questionnaire objects, total 500 copies of questionnaire are distributed. After removing invalid and incomplete copies, 416 copies are valid, with the retrieval rate 83%. The research results reveal 1.significantly positive effects of servant leadership on employees' collective strategic vision, 2.remarkably positive effects of employees' collective strategic vision on organizational innovation performance, and 3.notably positive effects of servant leadership on organizational innovation performance. According to the results to propose suggestions, it is expected to have organizational employees and stakeholders in healthcare industry, under the leading of servant leaders and resource distribution, perceive fair treatment so that employees present identity on organizational vision and further form positive, shared, and innovative climate to effectively promote organizational innovation performance.

Keywords: healthcare industry, servant leadership, collective strategic vision, organizational innovation performance.

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Introduction

An enterprise, in the cooperation and service process with customers and partners, constantly updates service by absorbing resources and knowledge in external environment to adapt to the complicated environment and promotes the business competitiveness. Most past studies stress on customers' experience and participation or enterprises' resource integration in the service provision process, but seldom concern about the relationship between internal employees and organizations. Under the advanced network environment, the interaction between employees and leaders therefore might result in great effects on organizations and directly affect the relationship between organizations and customers. Past studies indicate that employees receiving good trust, selfless devotion, and kind care from the leaders would appear feedback and voluntary act to the organizations. For instance, when a servant leader assists the employees in the growth through relationship building, sincere understanding, and full empowerment and creating organizational service climate, the employees would appear feedback to the leader's devotion to indirectly or directly influence the work attitude and performance. Organizational employees would build relationship with the leader in the reciprocal process (Mueller et al., 2020). Benign influence would be generated when employees are inspired by the leader to appear value co-creation behavior of mutual aid and feedback and then provide customers with service. A servant leader allows learning and mistake-making space for employees having safe psychological climate, applying the knowledge in the process when the organization steps towards strategic vision, and focusing on continuous development and learning. Trust and sense of fairness could have employees, with sufficient safety climate, face challenges when the organization steps towards the vision (Shulga & Busser, 2020). Accordingly, this study intends to discuss the effects of servant leadership on employees' collective strategic vision and organizational innovation performance in healthcare industry, expecting to help healthcare industry, under the leading of servant leaders and resource distribution, give the feeling of fair treatment to the employees and stakeholders so that the employees appear identity on organizational vision and further form positive, shared, and innovative climate to effectively enhance organizational innovation performance.

Literature review

In terms of servant leadership oriented collective strategic vision, a lot of researchers indicate the vision communication property of servant leaders. Lee et al. (2020), in the research on servant leadership, proposed that an ideal leader presented vision, practice, and inspiration ability, was definitely aware of the future direction of the organization, and could induce employees' objectives and motivation. Hamidi et al. (2020) considered that a leader respecting employees,

seeing employees' value and potential, empowering employees' participation in organizational activity, and regarding more importance to serve others than ego could really inspire the followers to appear shared vision. Sakdiyakorn et al. (2021), in the study on servant leadership, mentioned about the property of a leader as to build the organizational future objectives with inspiration, empowerment, and excitation and, from the perspective of a leader, considered that vision was an ideal and unique blueprint in the future and a forward-looking idea. Aarons et al. (2021) considered that vision could not be ordered or coerced. Strategic vision required a leader's continuous communication with the organization to become a part of corporate culture. In this case, vision contained the leader's property and covered the integrated value system of the organization, i.e. the cognition of stakeholders, including employees. As mentioned, strategic vision refers to the direction and objectives of an enterprise in the future decade, and collective strategic vision is employees' identity to the leader's draft and interpretation of strategic vision. A leader simply and briefly interpreting organizational ideal and objectives to the subordinates could have the employees deeply understand the vision delivered by the leader and clearly understand the future long-term objectives and direction of the organization, with identity. Community could build shared vision with the organization (Kaltainen & Hakanen, 2022). According to above literature review, the following research hypothesis is deduced in this study.

H1: Servant leadership presents significantly positive effects on employees' collective strategic vision.

Regarding collective strategic vision oriented employee value co-creation, when a foresighted leader makes the inspirational vision and idea for the organization and simply and briefly deliver the organizational principles and objectives to the subordinates (Kül & Sönmez, 2021), the employees would be encouraged and inspired by the leader to show the identity to the future and objectives of the organization and present collective strategic vision. Employees with collective strategic vision of organizational objectives would understand that organizational strategic objectives are not simply the value of the enterprise, but focus on value system, i.e. the roles of various economic agents, including suppliers, partners, business partners, and customers, co-creating value to promote organizational innovation performance; because, strategic vision has to match the value and expectation of the organization and stakeholders (Chathoth et al., 2020). In other words, employees with collective strategic vision would better understand that they should emphasize the products or service of the enterprise as well as the interaction and participation process with other employees, customers, and stakeholders (Sorkun et al., 2020). Afifi & Amini (2021) considered that it was rare to have a single person be able to provide the comprehensive opinions of the organization, and deep opinions mostly came from the interaction among various perspectives; the benign interaction between a leader and the employees could have employees appear collective vision to provide different points of view about the organization

so as to generate distinct ideas in the organization. In this case, when employees appeared collective strategic vision in the process of the organization stepping towards shared vision, the employees would be more willing to actively seek and share the service information in order to ensure the organization, in the value co-creation process, being able to satisfy the needs and acquire good environment and organizational value co-creation. Employees would appear responsible behaviors, do well of the work and duty, help other colleagues, present good interaction with other employees, and collaboratively complete organizational vision with other members. In the organizational cooperation process, employees, in order to collaboratively complete the vision with the organization, would timely provide suggestions for the organization and propose ideas with different perspectives for the improvement of the organization, which could further offer better service for employees, customers, and stakeholders, to promote the organizational innovation performance. According to above literature review, the following hypothesis is deduced in this study.

H2: Employees' collective strategic vision shows remarkably positive effects on organizational innovation performance.

A servant leader, through relationship building with the employees, could have the employees comprehend the behavior aiming to assist them and the organization in the growth and success. In this case, the employees with improvement ideas would be more willing to actively feedback to the organization for the improvement of the organization and to provide better service for effectively promoting organizational innovation performance (Gerlach et al., 2020). The vision communication between a servant leader and the employees combines the employees' personal development and the shared vision built in organizational objectives. Nevertheless, a servant leader regards employees' individual development as the final goal, rather than the tactic for the leader achieving organizational objectives. The employees are therefore inspired and influenced to present loyalty on the organization and actively advocate the organization to result in positive effects on organizational evaluation and performance (McClanahan, 2020). A servant leader presents high moral sense and social responsibility and regards the responsibility covering the organization, employees, and stakeholders. A leader creates the helping climate in the organization by helping others; employees, on the other hand, are influenced and consider that they should also present social moral responsibility and perform the behavior of helping others that the organizational innovation performance could be effectively enhanced (Asamrew et al., 2020). A servant leader takes the subordinates' individual benefits and achievement as the prior consideration, assists the employees in combining personal development and organizational philosophy to build shared vision, and creates positive and inspiring climate so that each person in the organization could be the best self (Zeng & Xu, 2020). According to social exchange theory, a subordinate being satisfied with the leader tends to repay the leader with actions. As a result, an employee, when being influenced

and inspired by the leader, would be willing to grow with the organization and serve others as the reward (Mueller et al., 2020) as well as present participation and citizenship behavior in the organization to co-create organizational innovation performance. According to above literature review, the following hypothesis is deduced in this study.

H3: Servant leadership reveals notably positive effects on organizational innovation performance.

Methodology

Conceptual framework

Summing up above literature review, the conceptual framework of this study is drafted (Figure 1) to discuss the relations among servant leadership, employees' collective strategic vision, and organizational innovation performance.

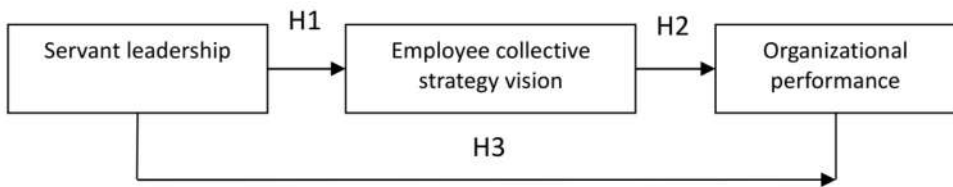


Figure 1. Conceptual framework

Operational definition

(1) *Servant leadership*. Referring to the definition of Zhang et al. (2021), servant leadership stresses on employees' development and achievement, rather than the reputation of the leader. Based on the developed scale, servant leadership is divided into "relationship building", "empowerment to subordinates", "subordinate success", and "moral behavior".

- Relationship building: A leader sincerely comprehends and supports others in the organization and emphasizes long-term relationship with the subordinates.
- Empowerment to subordinates: A leader encourages the subordinates to co-define and solve problems as well as decide when and how to complete tasks.
- Subordinate success: A leader sincerely cares about the subordinates' career growth and development by giving support and instruction.
- Moral behavior: A leader makes promise to the subordinates to prove the strong morality.

(2) *Employees' collective strategic vision*. Referring to the definition of Chiang et al. (2021), a leader's foresight could specifically describe the idea to deliver vision and future and simply and briefly interpret the organizational ideal and objectives to the subordinates for the subordinates' identity. The single dimension is used in this study for the measurement.

(3) *Organizational innovation performance*. Referring to Li et al. (2021), performance shows high correlations with objective financial performance that cognitive measurement is adopted for organizational innovation performance.

- Management innovation performance: the quality and development of products/ service or projects, the ability to attract or retain excellent employees, satisfaction of customers or agents, relationship between managers and employees, and relationship among general employees.
- Market innovation performance: marketing, sales growth, profitability, and market share of a company in past three years.

Research subject

Supervisors and employees in healthcare industry in Fujian Province, as the research samples, are distributed 500 copies of questionnaire. After removing invalid and incomplete copies, 416 copies are valid, with the retrieval rate 83%.

Method and model

LISREL model fit test is generally measured from overall model fit (extrinsic quality of model) and intrinsic quality of model. The commonly used overall model fit indices contain (1) "χ² ratio" (Chi-Square ratio), standing for the difference between theoretical model and expected value, which is better smaller than 3, (2) the closer goodness of fit index (GFI) and adjusted goodness of fit index (AGFI) to 1 revealing the better fit, (3) root mean square residual (RMR), reflecting the square root of "fit residual variance/covariance mean, which is better smaller than 0.05, and (4) incremental fit index (IFI) higher than 0.9, showing excellent model fit.

The common LISREL model fit indices for intrinsic quality include (1) SMC (square multiple correlation) of individual manifest variables, as R² of manifest variables and latent variables, which should be higher than 0.5, (2) composite reliability (ρ) of latent variables, as the Cronbach's α of the observed indices, which should be higher than 0.6, and (3) average variance extracted of latent variables, which is calculated by the R² sum of manifest variables in a latent variable divided by the number of manifest variables to show the percentage of the latent variable measured through the manifest variables; the value is better higher than 0.5.

Results

Factor analysis

The factor analysis results are showed in Table 1. The servant leadership scale, through factor analysis, is extracted four factors of “relationship building” (eigenvalue=2.683, $\alpha=0.87$), “empowerment to subordinates” (eigenvalue=2.275, $\alpha=0.86$), “subordinate success” (eigenvalue=1.942, $\alpha=0.85$), and “moral behavior” (eigenvalue=1.688, $\alpha=0.84$). The cumulative covariance explained achieves 79.162%. The employees’ collective strategic vision scale, through factor analysis, is extracted a factor (eigenvalue=4.237, $\alpha=0.88$), with the cumulative covariance explained reaching 85.422%. Two factors are extracted from the organizational innovation performance scale through factor analysis, including “management innovation performance” (eigenvalue=3.562, $\alpha=0.91$) and “market innovation performance” (eigenvalue=2.755, $\alpha=0.90$). The cumulative covariance explained achieves 81.193%.

Table 1. Factor analysis

variable	factor	eigenvalue	α	cumulative variance explained
servant leadership	relationship building	2.683	0.87	79.162
	empowerment to subordinates	2.275	0.86	
	subordinate success	1.942	0.85	
	moral behavior	1.688	0.84	
employees’ collective strategic vision	employees’ collective strategic vision	4.237	0.88	85.422
organizational innovation performance	management innovation performance	3.562	0.91	81.193
	market innovation performance	2.755	0.90	

Correlation analysis

Table 2 shows significant correlations among servant leadership, employees’ collective strategic vision, and organizational innovation performance. Such a result reveals the possibility of multicollinearity among dimensions. The remarkable correlations among dimensions also show the correspondence with research hypotheses.

Table 2. Pearson correlation analysis

dimension	α	servant leadership	employees' collective strategic vision	organizational innovation performance
servant leadership	0.85			
employees' collective strategic vision	0.88	0.29**		
organizational innovation performance	0.90	0.25**	0.33**	

Model fit test

“Maximum likelihood estimation” is applied in this study, and the analysis results reach the convergence. Overall speaking, the overall model fit indices pass the test, Table 3, fully reflecting good extrinsic quality of the model.

Table 3. Model analysis result

	index	judgement standard	result
Overall fit	p -value	p -value > 0.05	0.000
	$\chi^2/d.f.$	< 3	1.374
	GFI	> 0.9	0.971
	AGFI	> 0.9	0.935
	CFI	> 0.9	0.958
	RMR	< 0.05, < 0.025 excellent	0.022
	RMSEA	0.05~0.08 good < 0.05 excellent	0.041
	NFI	> 0.9	0.962
	IFI	> 0.9	0.943

Path relation test

Selecting latent variables of relationship building, acceptance, inner satisfaction, and task performance as the reference indicators being fixed 1, the causal relation paths, Table 4, show notable estimates among dimensions and variables. With analyses, empowerment to subordinates=1.05 presents better explanatory power than relationship building, and market innovation performance=1.04 shows better explanatory power than management innovation performance.

Table 4. Overall linear structural model analysis result

factor/evaluation standard		estimate
servant leadership	relationship building(α_1)	1.00
	empowerment to subordinates(α_2)	1.05
	subordinate success(α_3)	1.02
	moral behavior(α_4)	1.08
organizational innovation performance	management innovation performance(σ_1)	1.00
	market innovation performance(σ_2)	1.04
servant leadership \rightarrow employees' collective strategic vision		0.346
employees' collective strategic vision \rightarrow organizational innovation performance		0.359
servant leadership \rightarrow organizational innovation performance		0.327

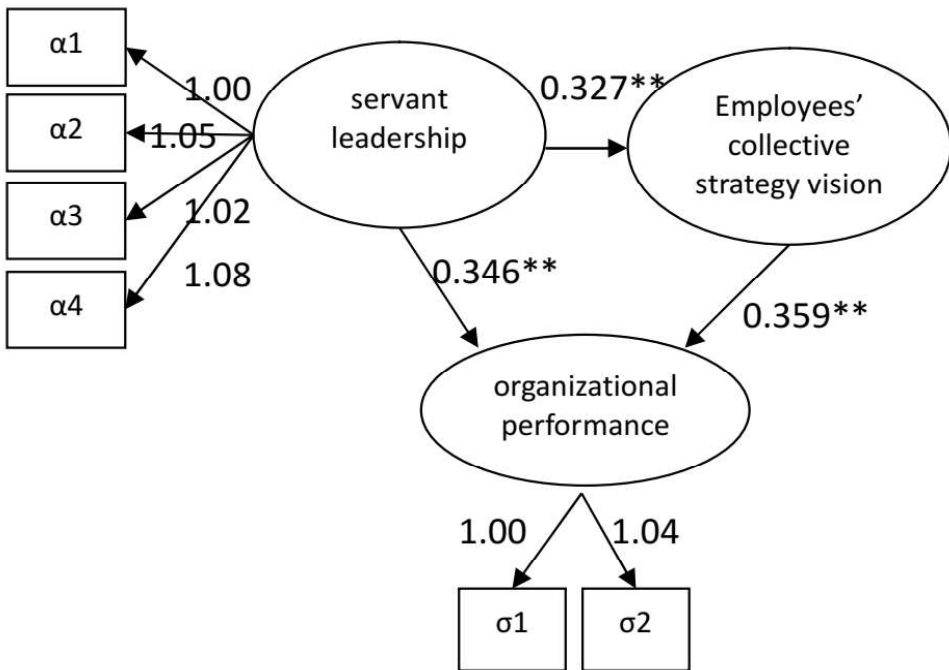


Figure 2. Relation path

Discussion

A servant leader interpreting vision to employees would affect the psychological factors of employees to generate collective strategic vision and further influence the organizational innovation performance in healthcare industry. Apparently, a servant leader with definite objectives and direction of the organization would generate vision in the organization and communicate the vision with the employees to induce and inspire the employees generating collective strategic vision and lead the organization to practice organizational ideal and shared objectives. Meanwhile, a leader in healthcare industry is capable of interpreting the future strategy of the company and enhancing internal collaboration in the organization to match the needs and expectations of customers and stakeholders. A leader in healthcare industry could clearly interpret company vision and future objectives that the employees are inspired to feel the responsibilities not just being in the organization, but matching the needs of customers and stakeholders. It facilitates employees in healthcare industry to generate collective strategic vision, be willing to make efforts to the shared objectives of the organization, and present citizenship behavior to enhance organizational innovation performance. The research results therefore reveal the importance of employees' collective strategic vision in healthcare industry.

Conclusion

The research results prove employees in healthcare industry as the frontline in the direct interaction with customers. Leadership in an organization would affect employees' behaviors in healthcare industry to further influence the relations between employees and customers as well as affect the image of healthcare industry in customers' mind. The role of employees is therefore important for healthcare industry. This study discusses the perspectives of employees and the organization in healthcare industry, and takes servant leadership as the independent variable to discuss the collective strategic vision of employees in healthcare industry and enrich the research on value co-creation. The entire framework is different from past research method stressing on single level. With systematic integration of organizations and employees, i.e. overall level and individual level, cross-level analysis is applied to discuss factors in servant leadership and employees' collective strategic vision and to contribute to research method related to leadership styles and employees' organizational innovation performance in enterprises. The results reveal positive and significant effects of servant leadership on employees' collective strategic vision. Leaders and employees in healthcare industry build relationship in the reciprocal process to appear climate in the organizations and have organizational members regard serving others as the mission. A servant leader pays attention to employees' personal traits, takes employees' future and

growth as the major considerations, and devotes to serving internal and external organizational members, including stakeholders, to create organizational climate and influence the employees' work attitude and performance. It corresponds to past research that employees receiving good trust, goodwill, and care from the leader would appear feedback and further perform participation behavior and citizenship behavior.

Suggestions

Aiming at current situations of healthcare industry, several practical suggestions are proposed in this study. First, a leader in healthcare industry should clearly understand changes in the organization, stakeholders, and environment, set strategic vision adapting to conditions, understand the strategies and direction of the company in the future decade, actually deliver the vision to the employees, as well as inspire and excite the employees so that the employees comprehend the leader's direction and objectives and further make efforts to the shared vision of the organization. Second, employees in healthcare industry should have positive cooperation and communication through good interaction and participation so as to practice the vision. It is therefore suggested that the introduction of servant leadership style to an organization in healthcare industry would have the leader sincerely care about the employees, build relationship with the employees, timely empower the employees, encourage the employees, and assist the employees in growth to generate the fair and service climate in the organization. In this case, employees in healthcare industry would actively seek and share service information for feedback to the leader and completing shared objectives of the organization, in order to ensure good value co-creation environment. Employees in healthcare industry being encouraged and inspired by the leader would be more willing to actively feedback opinions to the organization to make the organization better and help other employees' growth to have all employees and the organization move towards the shared vision and promote the organizational innovation performance.

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