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EFFECTS OF TRANSFORMATIONAL LEADERSHIP ON ORGANIZATIONAL IDENTIFICATION AND ADAPTIVE PERFORMANCE IN HEALTH CARE INDUSTRY

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Effects of Transformational Leadership on Organizational Identification and Adaptive Performance in Health Care Industry

Jinghe FAN¹

Abstract

In consideration of global economy, business management should adapt to such environmental changes. Under such dynamic background, it is emergent to seek for excellent change leaders. Based on such background, researchers propose the idea of transformational leadership, stressing on how such a leadership style effectively manages employees and induces employees' advanced requirements to create larger value for the business, satisfy employees' personal needs, as well as realize effective coordinated development between employees' individual performance and organizational goals. Cross-regional health care related enterprises in Shandong Province are selected as the research samples for this study. Total 300 participants, standing for various roles, backgrounds, and experiences in modern enterprises, are invited to provide rich and diverse data for this study. Mature domestic and international scales are adopted for the research. The results reveal positive effects of transformational leadership on employees' adaptive performance, definite and significant effects of transformational leadership on organizational identification, as well as definite and remarkable effects of organizational identification on adaptive performance. Finally, corresponding suggestions in management are proposed, expecting that both leaders and employees, when facing complicated environment and work requirements, could contribute to the long-term development of the organizations.

Keywords: transformational leadership; adaptive performance; organizational identification; working environment; adaptive performance; social identity.

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Introduction

In order to excite employees' active dedication and maximal job contribution in health care industry, transformational leaders normally would actively intervene to understand employees' various expectations and real needs, effectively match health care organizations' development strategies with employees' individual goals, assist employees in designing the directions for efforts, guide employees continuously innovating the problem-solving thinking, timely help employees correct and perfect the job goals, pay attention to targeted guidance and excitation, as well as enhance employees' initiative in job dedication to achieve the objective of exciting employees. It is considered in social identity theory that an organization would generally become the dependence of individuals to have individuals appear sense of belonging (based on emotion), consider the organization being composed of various individuals, and regard themselves as an element of the organization that they would make efforts to enhance organizational development (Lixiang & Xingzi, 2022). Based on two-way communication model, transformational leaders and employees in health care industry would understand each other's styles and methods, in order to build the unified cognition. In the process, the health care industry leader would propose targeted and personalized care and guidance strategies based on employees' individual differences. Such a well intention would be directly delivered to the employees to build the emotional bond in between. A health care industry leader's style and value would be naturally accepted by the employees, who agree, accept, and support the organizational strategies and goals with heart. A transformational leader generally presents clear ideal and value, and the care and support for employees would silently affect employees' job attitude and effectively excite the initiative consciousness and dedication to the job (Yan & Yuhan, 2021). Based on the situation, this study stresses on the function of "transformational leadership - organizational identification - employees' adaptive performance" for analyses and discussions. The possible influence routes and mechanisms between adaptive performance and transformational leadership are analyzed to enhance the selection accuracy of health care industry managers' behaviors and promote employees' job performance. The effect of transformational leaders' behaviors on employees' adaptive performance is discussed in this study, expecting to provide suggestions for improving leaders' behaviors and promoting employees' adaptive performance so that the organization could continuously develop in the dynamic and changing environment.

Literature review

For realizing management goals, employees, with leaders' excitement, could better build the confidence to fulfill job responsibilities, more strongly enhance self-confidence, and be glad to develop job innovation to comprehensively promote the job efficiency (Ashfaq, Abid, & Ilyas, 2023). In this case, employees, when facing new job standards and new job requirements, would constantly perfect themselves for adapting to job requirements and environmental fluctuations (Vakola, Xanthopoulou, & Demerouti, 2023). Meanwhile, employees with positive job attitude and ideal target results (based on leaders' encouragement) receive more appreciation and support from the leaders. A leader's inspiration for vision could have the employees clearly comprehend and understand the meaning and goal of the organization, receive organizational members' experiences in job responsibilities and (high) inspiration for job requirements so that individuals, during the execution of organizational goals, would benefit others and yield to organizational benefits (Madi Odeh *et al.*, 2023). When encountering problems in tasks and environmental fluctuations, employees would do the best to handle and learn to effectively enhance organizational efficiency and employees' response standard (Ardita *et al.*, 2023). In sum, transformational leaders, with the unique leadership, would positively affect employees' adaptive performance. They provide clear directions for employees, excite employees' intrinsic motivation, provide personalized support, and encourage open communication to help employees better adapt to and cope with changing working environment. It is therefore assumed that transformational leadership presents positive effects on employees' adaptive performance (H1).

Organizational identification is actually covered in sense of belonging (individual to organization). In other words, an organization and an individual are basically convergent. Scholars regard the close correlations between organizational identification and open leadership style. Employees' organizational identification is obviously affected by the perceived transformational leadership. Existing literature generally regards organizational identification as a mediator, which is notably linked with transformational leadership. It is considered in social cognitive theory that individuals would form certain sense of belonging to the organization. Transformational leaders, based on the communication and support between managers and the managed, would keep the consistent thinking and action between both parties, guide, excite, and care for employees, and provide assistance for employees deeply understanding the job meaning & value and organizational goals; the value and principle would be silently delivered to employees to guide employees' identification with organizational strategic goals, continuously make effort to the job, and even make outstanding

contributions (Yongwei *et al.*, 2023). Employees' organizational identification would be significantly enhanced by transformational leadership. Employees, based on receiving explanations and support from the organization, would more deeply understand and realize transformational leadership and the management style to form mutual identification and mutual support (Susanto *et al.*, 2023). Accordingly, transformational leaders, through the unique leadership and qualities, remarkably affect employees' organizational identification, provide definite directions for the employees, build emotional connection, stress on the consonance of value, provide personalized support, and encourage open communication to enhance employees' organizational identification. It is therefore assumed that transformational leadership shows positive effects on organizational identification (H2).

Employees with higher openness present higher adaptive performance. Research reveals positive correlations between individual self-efficacy and adaptive performance, when facing challenges and threats resulted from environmental fluctuations (Maynard *et al.*, 2023). In face of changes, ones with higher self-determination would have more active attitude and stronger adaptability. In consideration of a leader, leader support could support employees' promotion of environmental adaptability to actively cope with changes and the real risks and challenges. Team support and organizational citizenship behavior are the key points in the research on organizational factors. Regarding teams, team performance shows positive correlations with the response ability (Salameh *et al.*, 2023). Team adaptive performance also presents positive correlations with organizational commitment and team support. Organizational identification refers to employees' sense of belonging to, emotional connection with, and value identity to the organization. Such identification is closely correlated with employees' satisfaction, commitment, and intention to stay as well as important link with the adaptive performance (Kundi, Baruch, & Ullah, 2023). Existing literature reveals that individual job performance is also affected by organizational identification. The measurement and development of adaptive performance match employees' job standard (not including the rest factors of environmental fluctuations) (Ni *et al.*, 2023). In conclusion, organizational identification shows remarkable effects on employees' adaptive performance. It could enhance employees' self-efficacy, intrinsic motivation, team spirit, innovation, and creativity as well as reduce employees' resistant and defensive behaviors. For this reason, cultivating and enhancing employees' organizational identification is extremely important for organizations tending to enhance employees' adaptive performance. It is therefore assumed that organizational identification reveals positive effects on employees' adaptive performance (H3).

Methodology

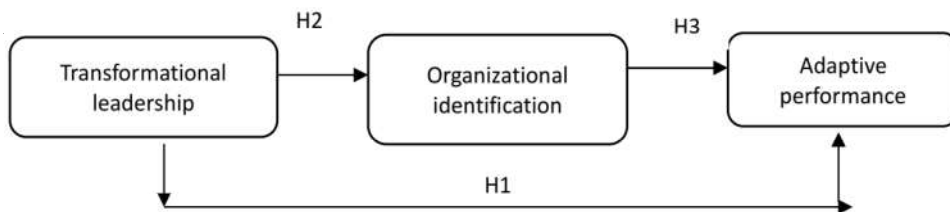


Figure 1. Research model

Measurement of variable

(1) Transformational leadership: “TLQ (transformational leadership questionnaire)” developed by Li- Chaoping (2005) is designed for the measurement of transformational leadership in this study. The questionnaire test results reveal the better reliability and validity. The scale contains four dimensions to reflect the key features of transformational leadership.

- Example setting of virtue: This dimension focuses on how a leader excites employees’ trust and worship through the behaviors, words, and charisma.
- Inspiration for vision: This dimension discusses how a leader excites employees’ intrinsic motivation to push employees exceeding personal limits.
- Charisma: It involves in how a leader challenges employees’ thinking and encourages their innovation and thinking.
- Personalized care: This dimension focuses on how a leader cares about employees’ personal needs and development.

To ensure the reliability and validity of the scale, typical projects of such dimensions are used in the questionnaire; and, according to the actual experiences of the respondents, the statements are properly revised. Finally, 13 items covered in the dimensions of example setting of virtue, inspiration for vision, personalized care, and charisma in the TLQ scale are positive to test managers’ leadership.

(2) Organizational identification. Mael and Ashforth’s (1992) classical model to measure organizational identification is applied in this study to design the organizational identification scale. The scale mainly contains the following dimensions.

- Affective organizational identification: The dimension focuses on employees’ emotional connection with and sense of belonging to the organization.
- Cognitive organizational identification: This dimension mainly measures the match between employees’ value and organizational value.
- Evaluative organizational identification: This involves in how employees treat the relationship with the organization and the roles in the organization.

To ensure the accuracy and applicability of the questionnaire, several relevant studies are integrated into the scale design, which is also adjusted according to respondents' actual experiences. Moreover, the scale covers emotion, cognition, and behavior in order to catch the multi-dimensional property of organizational identification. Finally, proper revision is made for the organizational identification scale in this study. The scale contains 3 dimensions of evaluative, affective, and cognitive organizational identification, with total 11 items.

(3) Adaptive performance. The adaptive performance scale is designed referring to Qi & Zhongming (2006). The scale highlights the following dimensions.

- Job continuous learning: The dimension measures the employees' adaptability in health care industry, when tasks require changes.
- Innovative problem solving: The dimension evaluates employees' adaptability in health care industry, when the roles or responsibilities change.
- Interpersonal & cultural adaptability: This focuses on employees' adaptability to interacting with colleagues or customers in health care industry, particularly when the interaction property or content is changed.

Proper revisions are made for this questionnaire, which contains 12 items in four dimensions of interpersonal & cultural adaptability, innovative problem solving, job continuous learning, and pressure & emergency management. To ensure the accuracy and practicability of the scale, previous literature and practical experiences are combined in the design.

Research sample

Cross-regional health care related enterprises in Shandong Province are selected as the research samples in this study. By communicating with the executives and the grass roots of the enterprises, 36 enterprises are eventually selected for the survey. Before the questionnaire distribution, managers and employees of 6 health care enterprises are randomly sampled for interviews to understand the understanding and opinions of such managers and employees about transformational leadership, adaptive performance, organizational identification, and proactive personality so as to further confirm the applicability of research variables to the practice in the enterprises. Staff in the human resource department of health care enterprises is contacted to further confirm the coverage of research objects, and the questionnaire is distributed through emails. Total 300 participants are invited; it is the largest sample population in the research. Such participants stand for various roles, backgrounds, and experiences in health care industry to provide rich and diverse data for this study.

Results

Reliability & validity test

First, the total Cronbach's α of the transformational leadership scale achieves 0.804, revealing good internal consistency. AVE of example setting of virtue, charisma, personalized care, and inspiration for vision exceeds 0.5 and CR also exceeds 0.7, meaning that the convergent validity and discriminant validity of the scale are guaranteed.

The total Cronbach's α of the adaptive performance scale appears 0.817, showing high reliability of the scale. AVE and CR of interpersonal & cultural adaptability, innovative problem solving, and job continuous learning reaches the reliability and validity standards, proving that the measurement of such dimensions is valid and steady.

The Cronbach's α of the organizational identification scale reaches an extremely high value of 0.909, highlighting the excellent reliability. AVE and CR of the three dimensions also satisfy the standards to ensure the high quality of the scale.

Table 1. Reliability & validity test

scale	AVE	CR	Cronbach's α
transformational leadership			0.804
-example setting of virtue	0.69	0.71	
-charisma	0.74	0.76	
-personalized care	0.74	0.74	
-inspiration for vision	0.75	0.68	
adaptive performance scale			0.817
-interpersonal & cultural adaptability	0.58	0.76	
-innovative problem solving	0.65	0.91	
-job continuous learning	0.86	0.73	
organizational identification scale			0.909
-cognitive	0.76	0.79	
-affective	0.75	0.93	
-evaluative	0.52	0.76	

Data source: self-organized in this study

For the structural equation modeling analysis, global fit is the primary indicator to evaluate the match between models and actual data. To ensure the conscientiousness of the research, the models should globally have good match with the data.

First, the chi-square value of the models is generally lower. Lower chi-square normally reveals better fit between the models and data. Second, RMSEA is a key indicator to measure model error. RMSEA of all models is lower than the standard 0.08, where Model 1 (0.056) is the best, showing smaller error of the model prediction. In terms of overall model fit, CFI and TLI are two core indicators. The data show that most models appear CFI and TLI close to or exceeding the threshold 0.9. It reveals high fit between the models and data. Finally, SRMR is another important indicator to evaluate the mean residual of model. SRMR of all models is lower than the recommended standard 0.08, proving high fit of the models. According to above analyses, the research models globally present good fit with data. It reinforces the validity of the research model and provides the basis for successive path effect analysis and research conclusion.

Table 2. Global fit of scale effect model

Model	Chi-Square Test of Model Fit	RMSEA	CFI/TLI	SRMR
Model 1	0.091	0.056	0.863/0.892	0.669
Model 2	0.082	0.072	0.874/0.826	0.673
Model 3	0.193	0.067	0.866/0.862	0.682

Data source: self-organized in this study

Regression analysis

The research could be intuitively observed from the data in Table 3. According to the table, the estimated value of the direct effect of transformational leadership on adaptive performance is 3.537, the standard error is 0.387, the estimated value and the standard error ratio is 9.142, and two-tailed p is 0. It explains significantly positive effects of transformational leadership on adaptive performance, with relatively larger intensity.

Regarding the direct effect of transformational leadership on organizational identification, the estimated value is 0.326, the standard error is 0.057, the estimated value and the standard error ratio is 5.769, and two-tailed p is 0, showing remarkably positive effects of transformational leadership on organizational identification.

About the direct effect of organizational identification on adaptive performance, the estimated value is 0.792, the standard error is 0.375, the estimated value and the standard error ratio is 2.115, and two-tailed p is 0.034, revealing notably positive effects of organizational identification on adaptive performance, but with relatively smaller influence.

Accordingly, the effect of transformational leadership on adaptive performance, the effect of transformational leadership on organizational identification, and the effect of organizational identification on adaptive performance are definite and remarkable.

In this case, the following hypotheses are proven.

H1: Transformational leadership presents positive effects on employees' adaptive performance.

H2: Transformational leadership shows positive effects on organizational identification.

H3: Organizational identification reveals positive effects on employees' adaptive performance.

Table 3. Effect test of variable

Path	Not standardized		Standardized	The Estimated Value/ Standard Error	Two-Tailed P	R ²	ΔR ²	F (sig)
	The estimated value	Standard error	The Estimated Value					
Effect of X on Y	3.537	0.387	0.475	9.142	0	0.271	0.268	81.292 (0.00)
Effect of X on Z	0.326	0.057	0.110	5.769	0			
Effect of Z on Y	0.792	0.375	0.316	2.115	0.034			
Intercept Y	16.872	1.524		11.068	0			
Intercept Z	3.176	0.147		21.615	0			

Data source: self-organized in this study

Discussion

The theoretical hypotheses emphasize the positive effects of transformational leadership on employees' adaptive performance in health care industry. The research results match the hypotheses to prove that employees in health care industry would remarkably enhance adaptive performance when the leaders present transformational traits. It shows that leader's behavior, in real organizational environment, could deeply affect employees' job performance in health care industry. The relationship between transformational leadership and employees' adaptive performance has been a popular issue in past studies. For instance, Bass

(1985) proposed that transformational leadership could induce employees' intrinsic motivation to present better innovation and adaptability. This research result appears high consistency to Bass's findings and further proves that transformational leadership indeed could enhance employees' adaptive performance. With deep comparison, slight differences could be found in this study. For example, the effect of transformational leadership on adaptive performance in health care industry, especially in highly competitive environment, might be limited. This research result reveals that the effect of transformational leadership in health care industry, under distinct organizational culture and background, is still remarkable, without being obviously limited by environmental factors. What is more, dimensions of inspiration for vision and personalized care, among four dimensions of transformational leadership in health care industry, show the most obvious effects on adaptive performance. It is discovered in this study that such two dimensions indeed appear notable effects, but example setting of virtue and charisma also present important influence in health care industry. In conclusion, this research result is consistent with past studies and provides new vision and findings for more deeply comprehending the relationship between transformational leadership and employees' adaptive performance in health care industry.

Conclusion

This study proves the notably positive effects of transformational leadership on employees' adaptive performance in health care industry (H1), meaning that when leaders in present more transformational leadership traits, the employees would enhance the adaptive performance. Especially, dimensions of example setting of virtue, inspiration for vision, charisma, and personalized care reveal significantly positive correlations with adaptive performance. The research data also support the positive effects of transformational leadership on organizational identification in health care industry (H2). It further emphasizes that transformational leadership enhances the close link between the employees and the organization in health care industry to further enhance the adaptive performance. Regarding the effect of organizational identification on adaptive performance in health care industry, the research results confirms the positive effects of organizational identification on employees' adaptive performance (H3). When employees present stronger identification to the organization in health care industry, they would more possibly present high adaptability and flexibility to satisfy the needs and expectation of the organization.

Suggestions

Aiming at the research results, the following suggestions are proposed in this study.

- To train and develop transformational leadership ability: Organizations in health care industry should provide training and development opportunities for existing and potential leaders enhancing the transformational leadership. Such trainings could help a leader in health care industry understand how to set and deliver definite vision, encourage and support team innovation, and present care and support to employees. Through such trainings, a leader could better induce employees' potential and promote the adaptive performance in health care industry.
- To reinforce the communication of organizational culture and value: Organizations in health care industry should clearly define and broadly spread the core value and mission. Through regular employee training, team activity, and internal media, health care industry could have the employees understand and accept the organizational culture and value to build deeper organizational identification.
- To set long-term development plan: Organizations in health care industry should make long-term career development plans for the employees clarifying the career trajectory. Such plans do not simply provide clear directions for employees, but also enhance the work enthusiasm and loyalty.
- To create multiple career development channels: In addition to traditional promotion channels, organizations in health care industry should provide cross-department, cross-functional, or cross-regional job opportunities for employees understanding the company from different angles and layers to enrich the experiences.

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