

# CHAPTER 1

## Introduction

### Background and Significance of the Research Problem

The current healthcare system in China has been improved due to a series of healthcare reforms. Along with improving standard of living, the development of the healthcare sectors is current still far behind economic development. Even though the percentage of Gross Domestic Product (GDP) expending in healthcare has been increasing from 4.7% of GDP in 2003 to 5.1% of GDP in 2011 (World Health Organization, 2011), the capabilities of present Chinese health insurance and healthcare delivery system mismatch the need for healthcare services from the large population (IBM Institute for Business Value, 2006). Market competition, limited healthcare resources, patients' complex needs, increasing requirement for quality healthcare personnel, the impact of new technology, and other factors have pushed healthcare organizations to embrace significant cost-effective measures (Gafa, Fenech, Scerri, & Price, 2005). The pressure to provide higher-quality and cost-effective care induces hospitals and all disciplines of healthcare teams to improve patient care.

The nursing team is a healthcare team in which individual nurses who share collective norms and goals work together as a close group to give total care for patients under the supervision of a team leader (Thomas, Duffy, & Cawdry, 1992; Tiedeman & Lookinland, 2004). Nursing team takes advantage of each member's skills and level of experience for the effective and efficient delivery of care. Teamwork among nurses has been emphasized as essential for the provision of quality, safe and efficient nursing care (Finn, Learmonth, & Reedy, 2010). According to Kalisch and Lee's study (2010) among 2,216 nursing staff members on 50 units in four public hospitals of the United States of America, there was negative relationship between the missed care and teamwork ( $r = -.37, p < .01$ ). The finding may imply the relationship between two variables. Effective teams require capable leaders who have competencies in guidance,

encouragement, support, and innovation. Policy research has reported that there are calls for nursing leaders to bring about change in healthcare organizations and to rebuild the nursing workforce (Canadian Nursing Advisory Committee, 2002; Shaw, 2007).

Head nurses are deemed as team leaders in nursing teams. As team leaders, they must provide clear and engaging direction aligned with the organization, challenge the entire team to make decisions with clearly defined authority, utilize team-based reward systems, provide resources, and promote strategic thinking (Northouse, 2012). Their behaviors are important to team success by enhancing positive team effect (Watson & Tellegen, 1985). Many leadership styles of head nurses have been explored; illustrate three types of leadership including transactional leadership, transformational leadership, and laissez-faire leadership (Bass & Avolio, 1994; Kouse & Posner, 2002). Among them, paradigm shift occur with concerns for transformational leadership, because transformational leadership is more potent and complex than other leadership styles (Shieh, Mills & Waltz, 2001). As it is reported, transformational leadership has been confirmed to guide for nursing and contribute to improved effectiveness of teamwork in health care (Trofino, 1995). Therefore, this study focus on transformational leadership of head nurses on a team level construct.

According to Kouzes and Posner's Five Practices of Exemplary Leadership Model, transformational leadership refers to a collection of practices and behaviors of leaders to motivate their followers to go beyond expectations, to promote their awareness and acceptance of the group's vision and mission, and to accomplish the achievements through five key leadership practices (Kouzes & Posner, 1995, 2002). These five practices are "Model the way", "Inspire a shared vision", "Challenge the process", "Enable others to act", and "Encourage the heart". Under transformational head nurses' lead, staff nurses' confidence levels are elevated, and job satisfaction is greater increased (Shader, Broome, Broome, West, & Nash, 2001). Head nurses with transformational leadership styles can influence organizational commitment by focusing on empowerment and enhancing nurse recruitment, retention, healthy work environment, and team effectiveness as well (Avolio, Zhu, Kon, & Bhatia, 2004; Tomey, 2009). Transformational leaders, who have charisma or idealized influence, provide clear and absorbing visions to the team, inspire followers to recognize what

they are able to accomplish through extra effort and help followers to find opportunities in threatening situations and to overcome insurmountable problems (Avolio, Bass, & Jung, 1999; Bass & Avolio, 1994). Therefore, transformational leadership may be appropriate for the demands of nursing management and may also promote nursing teams effectiveness.

There are three types of hospitals in China including tertiary hospitals, secondary hospitals, and primary hospitals, classified by the bed numbers and functions of hospitals. Each tertiary hospital or secondary hospital can be divided into Level A, Level B, or Level C, according to the quality of service, administration, and medical equipment (Ministry of Health of the People's Republic of China [MOH], 1989). University hospitals in Shanghai, China are usually Level-A tertiary general hospitals which provide more advanced medical and nursing care than hospitals. Nurses in each hospital had vital roles to provide good nursing care for the patients through collaboration with each other and their head nurses. Chinese head nurses as the first-line nursing managers play important roles in wards or in the daily management of a unit or department. They are assigned the responsibility to support, monitor, and evaluate team effectiveness (Xiao, 2010). However, teamwork effectiveness diminishes because of heavy workload, lack of communication skills, and a minimal awareness of the importance of cooperation among nursing teams (Fu, 2009). Furthermore, some head nurses are appointed at a young age because of high education background, they tend to have no preparation for management or leadership (Cheng, 2009). Since there are mixed ages among head nurses, the nursing teams may have different views of their leaders' behaviors.

Chinese head nurses have great authority, but they fail to motivate staff nurses because of lack of knowledge and less experience skills in the art of leadership. They pay more attention on task accomplishment, and sometimes fail to motivate and stimulate cohorts' enthusiasm for innovation in their work (Yan, Tian & Zhong, 2010). Head nurses do not attach importance on developing followers' trust (Wang, 2011). They have limited time to do bi-direction communication with their staff, because of working overload and rotating shifts. It is necessary for head nurses to improve

transformational leadership behaviors as there is a correlation between the competencies of clinical workers and leadership skills of nursing managers (MOH, 2013a).

Transformational leadership is expected to exhibit higher levels of team potency (Bass, Avolio, Jung & Berson, 2003). According to the Input-Process-Output model (IPO model) of team effectiveness developed by Klimoski and Jones (1995), team potency is a moderator in the relationship between transformational leadership and team outcomes. Guzzo, Yost, Campbell, and Shea (1993) defined team potency as the shared belief by group members about the group's general effectiveness or confidence in its general capability across multiple tasks. According to their concepts, team potency is a motivational term which regards the team's confidence in its general capability. Opposed to an individual belief, team potency refers to a no-task specific belief about the team capability. In China, employees' personal interests and goals are subordinate to the interests and goals of the organization. Team spirit (similar meaning to team potency) is emphasized, referring to a "can do" attitude (Cohen, Ledford, & Spreitzer, 1996). Employees' job performance and outcomes lead to greater emotional dependence on the organization (Chen & Partington, 2004). Nurses working in the healthcare organizations are also in similar situations. Nursing teams need team potency for motivation because team members' actions are impacted by their collective beliefs that about success (Akgun, Keskin, Byrne, & Imamoglu, 2007).

There are numerous benefits of team potency for organizations and team members. The stronger team beliefs that they can succeed; the greater the team is effectiveness (Lester, Meglino & Korsgaard, 2002; Shea & Guzzo, 1987). Team with higher levels of potency leads to greater team empowerment (Kirkman & Rosen, 1999) and team performance (Gully, Incalcaterra, Joshi, & Beaubien, 2002). De Jong, De Ruyter, and Wetzels (2005) conducted a study on employees organized in 60 teams and their customers of a large bank in Netherlands. The result showed that there was a positive correlation between team potency and the quality of customer service.

Several studies have examined the relationship between transformational leadership and team potency in various settings including healthcare setting, but the findings were inconsistent. Gibson (1995) conducted a study in work organizations in the United State of America, Hong Kong, and Indonesia. As they discovered, the high status and power



held by transformational leadership within a group of followers could contribute to augmented potency beliefs. Sosik, Avolio, Kahai, and Jung (1998) conducted a study of 36 undergraduate student work groups in computer-mediated environments in two sessions. They found that higher levels of transformational leadership promoted higher levels of team potency and effectiveness. Gully et al. (2002) did a meta-analysis of 67 empirical studies yielding 256 effect sizes and concluded that transformational leaders could enhance team potency by communicating high confidence, modeling desired behaviors, using intellectual stimulation, promoting consideration of different viewpoints, inspiring collective action, and providing support to followers, which all contributed to team effectiveness. Schaubroeck, Lam, and Cha (2007) conducted a study on 218 bank teams in the United States of America and Hong Kong. They found that transformational leadership had a strong impact on team potency in collectivistic and high power distance teams ( $r = .33, p < .001$ ). Contrary to other studies, Gil, Rico, Alcover, and Barrasa (2005) studied 318 healthcare professionals in 78 teams at hospitals throughout Spain and hypothesized the influence of leadership on team potency. The findings showed that high potency teams were less affected than low potency teams by external influences, such as leadership.

In summary, from the review, it points that transformational leadership and team potency are often identified as determinants of team effectiveness. Many scholars have attempted to study the influences of leaders' behaviors on team members' beliefs about their team capacity. However, several gaps exist in the transformational leadership and team potency literature. Firstly, there are inconsistent findings in the relationship between transformational leadership and team potency. Secondly, most recent research has been conducted on how transformational leadership behavior impacts individuals; few studies focus on team levels (Yan et al., 2010). Thirdly, most research on team potency has been conducted on various professions other than nursing. No study extends the research area to the nursing profession in China. The results of other disciplines may not explain transformational leadership in nursing. Therefore, developing a better understanding of how transformational leaders can influence the organizational context to increase team potency is necessary. The purposes of this study were to describe perceived transformational leadership of head nurses and team potency in nursing teams, and to investigate the relationship between them among nurses

working in four university hospitals, Shanghai, the People's Republic of China. The findings of this study would be used as baseline information for hospitals to develop transformational leaders and build adaptive team potency among nurses that could improve the effectiveness of nursing teams.

### **Research Objectives**

1. To examine transformational leadership of head nurses as perceived by nursing teams in university hospitals, Shanghai, the People's Republic of China.
2. To examine team potency as perceived by nursing teams in university hospitals, Shanghai, the People's Republic of China.
3. To investigate the relationship between transformational leadership of head nurses and team potency in university hospitals, Shanghai, the People's Republic of China.

### **Research Questions**

1. What is transformational leadership of head nurses as perceived by nursing teams in university hospitals, Shanghai, the People's Republic of China?
2. What is team potency as perceived by nursing teams in university hospitals, Shanghai, the People's Republic of China?
3. Is there any relationship between transformational leadership of head nurses and team potency in university hospitals, Shanghai, the People's Republic of China?

### **Definition of Terms**

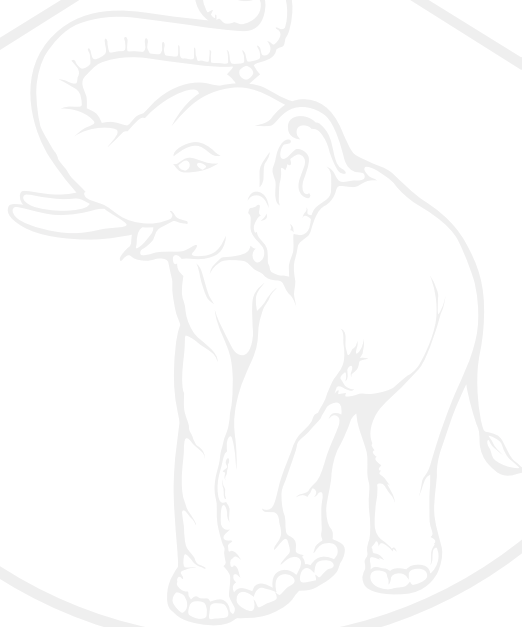
The operational definitions for this study include:

**Transformational Leadership** refers to the perception of nursing teams in relation to a collection of practices and behaviors serve as guidance for transformational leaders to motivate followers to work more than expected and to accomplish the achievements through five key leadership practices. These practices include “Model the way”, “Inspire a shared vision”, “Challenge the process”, “Enable others to act”, and “Encourage the heart” (Kouzes & Posner, 1995, 2002). It was measured by Chinese version of Leadership Practices Inventory (LPI) (Chen & Baron, 2007).

**Team Potency** refers to the perception of nursing teams in relation to the collective belief within a nursing team that it can be effective or confident in its general capability (Guzzo et al., 1993). It was measured by Guzzo et al.'s (1993) Potency Scale that was translated into Chinese version by the researcher.

**Head Nurses** refer to the persons who work as ward managers and leaders of nursing teams in the four university hospitals in Shanghai.

**University Hospitals** refer to Level-A general hospitals which are affiliated with Shanghai University of Traditional Chinese Medicine (TCM) and serve as institute-affiliated medical centers that combine health care, education and scientific research.



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