Investigating Relationships Between Vision Components and Hospital Performance: Proposed Model

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Abstract

Surprisingly little research has been conducted on what constitutes an “effective” vision, and yet leaders are widely exhorted to employ visions. A research model is proposed for investigating relationships between “effective” vision components and the performance of hospital wards, as measured by patient and nursing staff satisfaction. The model, expressed both graphically and as three research propositions, proposes that vision attributes of brevity, clarity, abstractness, challenge, future orientation, stability, and desirability, and vision content relating to patient and nursing staff satisfaction, can directly affect performance. However, the model also predicts indirect effects on performance mediated by six intervening variables.

1. Introduction

Since the 1980s, increasingly rapid change has impacted organizations: mergers and acquisitions in the banking and finance industry, liberalization in the telecommunications industry, advances in information technology, changing expectations in the emerging workforce, and internationalization. In a fast-changing world, the question is what kind of leadership is needed for organizations to survive and remain competitive. To many scholars, leadership with vision as a core component is the answer (Bass, 1990; Conger, 1991; Conger & Kanungo, 1987; Tichy & Divanna, 1986). In general, vision has been studied as part of a blend of charismatic leadership in a wide variety of samples and industries, predominantly at the individual level rather than at the business-unit and organizational levels. Generally positive findings between visionary leadership and individual follower performance, attitudes, and perceptions have been reported, with no published studies reporting a negative relation between charismatic/visionary leadership and individual performance.

At the business-unit level, two studies on corporate managers (Barling, Weber, & Kelloway, 1996; Howell & Avolio, 1993) reported significant relationships between charismatic leadership and performance. At the organizational level, a major study found positive relationships between characteristics of CEO visions and venture growth, as measured by sales, profits, employment, and net worth, thereby supporting the view that vision is critical to broader organizational success (Baum, Locke, & Kirkpatrick, 1998).

In general, examining what constitutes an effective vision has not been studied, yet this is critical to researchers and practitioners who wish to understand the relationship between visionary leadership and organizational performance. Most research into vision has generally focused on four aspects: development, articulation, communication, and implementation of the vision (e.g. Nanus, 1992; Quigley, 1993; Robbins & Duncan, 1988; Sashkin, 1992; Wall, Solum, & Sobol, 1992; Westley & Mintzberg, 1989). In particular, no published studies have linked characteristics of visions specifically to hospital performance.

Readers with comments or questions are encouraged to contact the authors via email.
This paper addresses some key issues in developing a vision, and proposes a research model for investigating “effective” vision components with particular application to the healthcare industry. Three propositions, future research directions, and managerial implications are also discussed.

2. Vision Concepts

In this section, we summarize the literature relating to vision definitions, content and realization factors.

2.1. Defining Vision

Research into vision is complicated by the fact that the concept of vision is not clearly defined in the literature, with definitions ranging from a goal-oriented mental construct (Seeley, 1992), to a force field whose formative influence leaders can use to create a power, not a place (Wheatley, 1999). Vision is frequently confused with, or even deliberately combined with, mission, goals, strategy, values, and organizational philosophy (i.e. Campbell & Yeung, 1991; Collins & Porras, 1994; Hay & Williamson, 1997; Levin, 2000; Lipton, 1996; Schoemaker, 1992).

Avoiding the confusing definitional issue altogether, Baum et al. (1998) opted to define the term vision as each leader defines it, arguing that it is the leader’s actual vision that guides his/her choices and actions. This pragmatic definitional approach is adopted here for two main reasons. First, each leader develops a vision in his/her own way, sometimes rationally and objectively, often intuitively and subjectively (Nanus, 1992). Second, visionary leadership can vary importantly from leader to leader in both the leader’s style, the content of the leader’s vision, and the context in which it takes root (Westley & Mintzberg, 1989). Thus, in investigating any links between leader vision and organizational performance, it is essential to consider the visionary tools that the leader employs, rather than a possibly unrelated theoretical definition. Baum et al.’s (1998) approach of adopting what individual leaders regard as a vision offers a pragmatic way around the definitional confusion in the vision literature.

2.2. Vision Attributes

What are the attributes of an effective vision? Opinions vary, from the view that an effective vision is inspiring, abstract, brief, stable and motivating (Locke et al., 1991), strategic and well-communicated (Conger, 1989), to ideas that long-term and focus should be included (Jacobs & Jaques, 1990; Kouzes & Posner, 1987). Sashkin (1988) and Sims and Lorenzi (1992) propose that effective visions are inspirational, widely accepted, and integrated with visions of others.

Though many leadership and business strategy theorists have postulated different attributes of vision some commonly shared attributes can be identified. Common attributes include: brevity (Baum et al. 1998; Locke et al., 1991), clarity (Baum et al., 1998; Jacobs & Jaques, 1990; Locke et al., 1991; Nanus, 1992; Sashkin, 1988; Sims & Lorenzi, 1992; Williams-Brinkley, 1999), future orientation (Baum et al., 1998; Jacobs & Jaques, 1990; Kotter, 1990; Lipton, 1996; Locke et al., 1991; Senge, 1990; Williams-Brinkley, 1999), stability (Baum et al., 1998; Locke et al., 1991), challenge (Baum et al., 1998; Locke et al., 1991; Nanus, 1992; Sashkin, 1988; Sims & Lorenzi, 1992), abstractness (Baum et al., 1998; Locke et al., 1991), and desirability or ability to inspire (Baum et al., 1998; Locke et al., 1991; Sashkin, 1988; Sims & Lorenzi, 1992; Williams-Brinkley, 1999).

2.3. Vision Content

The strategic content of a vision, which may focus on products, services, markets, the organization, or even shared ideals, forms the central image that drives a vision (Westley & Mintzberg, 1989). The specific content or core of a vision needs to be considered because it has been found to be important in organizational growth (Baum et al., 1998). A successful strategic vision appears to take into account industry, customers, and an organization’s specific competitive environment in identifying an innovative competitive position in the industry (Pearson, 1989), ideally differentiating the content across visionary organizations (Collins & Porras, 1994). For example, in the healthcare context, Williams-Brinkley (1999) argued that the focus of a healthcare vision should always be on patients, their families, and staff.
Little research has been conducted into vision content. Larwood et al. (1995) published the first large sample empirical study of vision content. In this study, chief executives in one national and three regional samples were asked to describe their visions in one sentence and to evaluate their visions along 26 content dimensions. Vision content ratings appeared in clusters found to relate to rapidity of firm change, amount of control the executives exercised over their firms, and type of industry. This study did not, however, associate vision content with performance.

2.4. Realizing Visions

Developing a vision is the first step, but then leaders need to realize their visions. The realization process has been extensively addressed in the literature, yielding the following seven common themes. Visionary leaders:


(b) acquire support for their visions from both internal and external stakeholders (Cowley & Domb, 1997; Kouzes & Posner, 1987; Locke et al., 1991; Nanus, 1992).

(c) communicate their visions to promote changes (Bass, 1985; Bennis & Nanus, 1985; Conger & Kanungo, 1987, 1988; Cowley & Domb, 1997; House, 1977; Kouzes & Posner, 1987; Larwood et al., 1995; Levin, 2000; Locke et al., 1991; Nanus, 1992; Tichy & Devanna, 1986; Williams-Brinkley, 1999). Further, Baum et al. (1998) found that the attributes of effective visions were strongly related to venture growth through their effects on vision communication.

(d) align people and supporting systems to suit their visions (Kotter, 1990; Kouzes & Posner, 1987; Locke et al., 1991; Nanus, 1992).

(e) empower their people to act consistently with the new vision and to help sustain their commitment to it (Conger & Kanungo, 1987; Cowley & Domb, 1997; Nanus, 1992; Robbins & Duncan, 1987; Sashkin, 1988; Srivastva et al., 1983).


3. Hospital Performance Measures

Employee satisfaction has been cited as a performance indicator in various business organizations (e.g. Anderson, 1984; Barbin & Boles, 1996; Tompkins, 1992; van Dyck, 1996; Yeung & Berman, 1997), as has customer satisfaction (e.g. Bird, 1995; Gates, 2000; Sitzia & Wood, 1997).

Parallel to measures in other industries, hospitals often measure performance through employee satisfaction (e.g. Drechsel & Saunders, 1999; Mantel, 1990; NHS Executive, 1998) and patient satisfaction (e.g. Independent Pricing & Regulatory Tribunal of NSW, 1998; NSW Health, 1997; NSW Health Council, 2000; Queensland Health, 1998; Victorian Department of Human Services, 1996; Western Australian Department of Health, 1996).

Similarly, patient satisfaction has been defined as quality of service delivery as perceived by patients (Risser, 1975; Van Maanen, 1984), and has been widely emphasized as a key performance measure for health service providers (e.g. Abramowitz et al., 1987; Cox et al., 1993; Hopkins, 1990; Williams & Calnan, 1991). Empirical studies on hospital performance have also used patient satisfaction as a key measure (e.g. Abramowitz et al., 1987; Astedt-Kurki & Haggman-Lahtla, 1992; Greenwood, 1993; Ipsen et al., 2000; Rubin, 1990; Wardle, 1994; Wensing et al., 1994; Williams & Calnan, 1991). Specific patient satisfaction measures, recommended in this paper, relating
to nursing staff, include nurse friendliness, promptness, attitude, taking health problems seriously, attention to special needs, technical skills, professional appearance, and attitudes toward visitors (Hall, 1995).

Numerous studies have used employee satisfaction as an indicator for hospital performance (e.g. Curtright, Stolp-Smith, & Edell, 2000; Gersch, 1996; Hausfeld et al., 1994; Mantel, 1990; Mckenzie, Torkelson, & Holt, 1989; Stolte, 1994). At the ward level, the focus of the model proposed in this paper is on nursing staff employees. Nurse satisfaction measures include six elements of job satisfaction determined to be relevant to healthcare professionals (Slavitt et al., 1986). These elements are: pay (dollar remuneration and fringe benefits), autonomy (job-related independence, initiative, and freedom), task requirements (job activities that must be done), organizational policies (ward policies and nursing policies), interaction (formal/informal, social and professional contact at work), and professional status (overall importance of job through self/other’s perspective).

4. Proposed Research Model

Although relationships among the various characteristics of visions and hospital performance are not yet well understood, Figure 1 depicts a model proposing a link between Vision – Ward performance factors derived from the vision, business strategy, leadership, and hospital performance literature. Since most research focuses on the effect of vision at the individual performance level in studies where vision tends to be regarded as a core component of charismatic leadership, the research model proposed here focuses on the business unit level, which in the case of the health industry is the hospital ward.

Figure 1: Proposed model linking vision – ward performance

[Diagram of proposed model]

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Two domains of variables, vision attributes and content, shown in Figure 1 are represented in a vision main effects path model that has hospital ward performance as measured by patient and staff satisfaction as the outcome variable. The vision attributes domain includes individual variables of brevity, clarity, abstractness, future orientation, stability, inspiring, and challenge. The vision content domain encompasses the individual variables of patient and nursing staff satisfaction imageries. Vision attributes and content can be expected to have direct effects, as shown by the bold lines, on patient and nursing staff satisfaction.

However, a simple main effects model would suffer the limitations that the two vision domains do not necessarily afford an exhaustive explanation of hospital ward performance, and nor is patient and staff satisfaction a complete indicator of hospital ward performance. Instead, indirect effects are proposed to operate, represented by the dotted lines linking vision attributes and content to patient and nursing staff satisfaction via the six realization factors identified in the literature: strategy and plan development, support acquisition, communication, organizational alignment, empowerment, and motivation. Communication is probably the most widely recognized realization factor, but by including five additional realization factors, our proposed model is more comprehensive than a previous model proposed by Baum et al. (1998).

The six realization factors identified above are proposed as mediating variables, since each appears to have empirical or broad theoretical support in the literature.

Based on the model, the following proposition statements can be developed.

\( P1: \) Vision attributes of brevity, clarity, abstractness, challenge, future orientation, stability, and desirability are directly associated with patient and nursing staff satisfaction.

\( P2: \) Vision content of patient and nursing staff satisfaction imageries is directly associated with patient and nursing staff satisfaction.

\( P3: \) Vision attributes and content affect patient and nursing staff satisfaction through the mediating effects of strategies and plans development, support acquisition, communication, organizational alignment, empowerment, and motivation.

5. Future Directions

Research is needed to test the three propositions. One critical area is to test whether visions characterized by brevity, clarity, abstractness, challenge, future orientation, stability, and desirability are associated with higher patient and nursing staff satisfaction than visions without these attributes. Similarly, one can also test whether visions with patient and nursing staff satisfaction imageries are associated with higher patient and nursing staff satisfaction than ones without. It would also be interesting to examine the extent to which vision creates such effects on patient and nursing staff satisfaction through any or all of the proposed mediating variables, namely strategies and plans development, support acquisition, communication, organizational alignment, empowerment, and motivation.

If supported by future research, the proposed model will have important business implications, in particular for the healthcare industry. Once effective vision components are known, practicing hospital managers can apply them to develop their visions to maximize patient and nursing staff satisfaction. The model suggests that healthcare visions that are brief, clear, abstract, challenging, future oriented, stable, and desirable and contain a high level of patient and nursing staff satisfaction imageries, are more effective in enhancing patient and nursing staff satisfaction. Hospital managers can also apply the six mediating factors of strategies and plans development, support acquisition, communication, organizational alignment, empowerment, and motivation in maximizing their patient and nursing staff satisfaction.

The hope is that some researchers will test this model beyond the hospital industry by employing appropriate performance measures, and if supported, that the model will find applications in other industries.
References


