

# Leadership Styles and Organizational Efficiency in Healthcare Management

Bader Matla Almutairi<sup>1</sup>, Salman Mubarak Almutairi<sup>2</sup>, Faleh Masheal Alghamdi<sup>3</sup>,  
Mohammed Nasser Alqahtani<sup>4</sup>

<sup>1,2</sup>Health Information Technician Air Medical Center, Dhahran KSA

<sup>3</sup>Social Worker, Air Medical Center, Dhahran KSA

<sup>4</sup>Nursing Technician, PSMC Region, Riyadh KSA

## ABSTRACT

The management of organizations is one of the aspects that largely determines how efficiently and effectively are the healthcare organizations? The review paper investigates the influence of different types of leadership styles—transformational, transactional, servant, democratic and autocratic—on organizational performance, staff job satisfaction and patient outcomes in health care, the paper says. Based on numerous empirical studies and models, the paper discusses the impact of different types of leadership on the efficiency of operation, the process of decision making, employee engagement and the delivery of quality care. According to the article, transformational and servant leadership styles have time and again been found to improve team cohesion, creativity, and patient satisfaction; while authoritarian styles tend to be an impediment for collaboration and morale. They also investigate contextual elements—things like organizational culture, existing resources, and healthcare system complexity that may moderate a leadership's effect. Limitations of the available Models: The conclusion of the paper highlights the need for adaptive models of leadership that can respond to the dynamic challenges inherent in available healthcare and call for strategic LM programs to produce resilient high performing healthcare Organizations.

**Key Words:** Leadership styles, Healthcare management, Organizational efficiency, Transformational leadership, Transactional leadership, Servant leadership, Health systems performance, Employee engagement, Patient outcomes, Strategic leadership.

## INTRODUCTION

With the healthcare sector being so dynamic and multitude-driven, it is often assumed that successful organizations excel in leadership. Worldwide healthcare systems remain under increasing pressures to improve care quality, reduce cost and resource utilization, improve staff retention, while adapting to technological innovations and meeting new public health challenges (Sfantou et al., 2017). Leadership styles in this context are not merely a preference of the individual, rather a strategic preference that guides culture, communication, and overall organizational effectiveness.

Leadership style is defined as the manner and approach of providing direction, implementing plans, and motivating people (Giddens, 2018). Clear leadership styles observed in healthcare are transformational, transactional, servant, democratic, and autocratic styles. Transformational leaders drive their subordinates to reach beyond what is expected, creating innovation and dedication (Boamah et al, 2018), while transactional leaders are rather inclined toward the mechanism of structure, rewards and your performance evaluation and monitoring (Alilyyani, Wong, & Cummings, 2018). Over recent years, an emerging form of leadership focusing on humility and putting staff and patient needs before leaders' own, Servant Leadership, has been positively associated with organizational trust and patient-centered care (Eva et al., 2019).

Leadership style has been implicated, with evidence of associations between leadership style and healthcare outcomes, including staff satisfaction, clinical performance, patient safety, and organizational agility (Cummings et al., 2018).

Transformational leadership has been associated with lower turnover and improved quality of care (Specchia et al., 2021) and although it is effective in crises, autocratic leadership can stifle innovation and can lead to burnout health care (Spinelli, 2006). Quality level of the article: This review target to critically of employee leadership approaches and organizational efficiency in healthcare management. It draws on recent literature to establish the leadership styles that best foster high-functioning, resilient health care organizations. It also examines moderators of leadership impacts on performance

outcomes such as organizational size, culture, and system complexity. In doing so, the paper provides guidance for policy-makers, administrators and practitioners who aim to develop capable leadership in turbulent healthcare contexts.

## **METHODOLOGY**

To identify, analyse and synthesise existing literatures on leadership styles and its impact in organisational efficiency in healthcare management. Methods A systematic review was performed using the Preferred Reporting Items for Systematic Reviews and Meta-Analyses guidelines. The methodology was designed to be transparent, reproducible, and to cover all relevant studies.

### **Search Strategy**

We performed a database-driven systematic literature search of electronic databases (PubMed, Scopus, Web of Science, CINAHL, Google Scholars) for peer-reviewed studies published between 2010 and 2024. Leading keywords and corresponding Boolean searches were conducted, including : leadership styles, healthcare management, organizational efficiency, transformational leadership, servant leadership, hospital leadership, and health systems performance. More filters were employed for English language, full-text available, and relevance to human health settings.

Study selection: Inclusion and Exclusion criteria

The following types of studies were considered for inclusion:

Largely directed towards healthcare organizations like hospitals, clinics, or primary care systems;

Examined the association between forms of leadership and organisational or personnel results (e.g., productivity, effectiveness, and job satisfaction);

Used quantitative, qualitative, or mixed-methods approaches; Appeared in peer-reviewed journals.

### **We excluded studies that:**

#### **Limited to non-healthcare sectors;**

If they were editorials; commentaries; or theoretical papers without data; Study selection and data extraction

Titles and abstracts were screened for relevance following removal of duplicates. Two reviewers assessed full texts of potentially eligible articles independently. All disagreements were resolved by consensus or with a third reviewer. Extracted key data included: author; year of publication; study design; sample size; healthcare setting; leadership styles examined; outcome measures; and main results.

### **Quality Assessment**

Depending on the type of study design, the standardised tools were as follows: the Critical Appraisal Skills Programme (CASP) checklist for qualitative studies and Joanna Briggs Institute (JBI) checklist for observational and cross-sectional studies were used to evaluate the methodological quality of included studies. Studies that did not meet an acceptable threshold were excluded from synthesis

### **Data Synthesis**

A narrative synthesis was performed because of differences in study design, leading frameworks and outcomes. Findings were classified by leadership style and reported to have a positive, negative, or neutral effect on organization performance measures, hard outcomes such as decision-making, employees, performance indicators, and hard clinical outcomes.

## **RESULTS**

Out of 6100 screening researches, 42 peer-reviewed articles were included and analyzed for the effectiveness of different types of leadership styles on organizational effectiveness in health care setting. The studies varied in research design: 27 were quantitative, while 10 used qualitative and 5 used mixed- method designs; 16 were set in hospitals, 21 in primary care settings and 5 in long-term care settings across North America, Europe, Asia and Africa.

### **Health Care Prevalence of Leadership Styles in Health Care Settings**

Transformational (appeared in 30 studies), transactional (20 studies), servant (15 studies), democratic (10 studies) and autocratic (8 studies) were the five most common styles studied across the reviewed literature. A few studies have compared more than one leadership style to determine which is more effective.

### **Effect on Organizational Efficiency**

A "transformational" leadership style was consistently linked to higher degrees of organizational efficiency. These effects were increased staff performance, greater innovation, and higher patient satisfaction scores (Boamah et al., 2018; Specchia et al., 2021).

Eva et al (2019) correlated servant leadership with improving teamwork, fostering higher commitment to the organization within healthcare staff along with trust, leading to improved workflow and morale.

The transactional style led to effectiveness in highly structured environments with a specific compliance on protocols. It had both positive and negative shows of strength with regards to staff motivation and long-term adaptability (Cummings et al., 2018).

Autocratic leadership, effective in crises such as emergency or surgical units but associated with lower job satisfaction, higher turnover and lack of staff autonomy (Spinelli, 2006).

If the leaders were democratic, they encouraged participative decision-making and it was also proved that communication and employee satisfaction improved especially in multidisciplinary care teams.

### **Effect on Particular Key Performance Indicators**

Lower turnover and greater job satisfaction: Staffing with transformational and servant leadership styles produced significantly lower turnover of staff and job satisfaction (Alilyyani et al., 2018).

**Patient Outcomes:** Transformational leadership in hospitals resulted in improved clinical outcomes, including fewer medication errors, shorter recovery times, and greater patient-reported satisfaction (Sfantou et al., 2017).

**Resource Utilization:** Better Equipped leaders led to effective management of time, managed to reduce operational costs, and the streamlined utilization of Human resources.

### **Moderating Factors**

How effective leadership styles were all depended on:

The size and structure of the organization; Cultural and regional variances;  
Over Crisis and routine operational conditions;

Patience with staff training and cross-functional co-work.

### **DISCUSSION**

For improving organizational efficiency in health care management, this review emphasizes the unparalleled impact of leadership styles. The results confirm that leadership is not a one-size-fits-all but in contrast a context-dependent and dynamic aspect of successful health care delivery. Particularly, transformational and servant leadership styles were most consistently correlated with: stronger staff engagement; increased patient outcomes; and greater organizational performance;

Most studied transformational leadership and positively associated with innovation, staff motivation and high quality care outcomes (Boamah et al., 2018; Specchia et al., 2021). Focusing on vision, motivation, and individual attention cultivates a culture of continuous improvement and adaptability—traits that are paramount in the complex modern healthcare landscape. That kind of leadership helps the team work as a unit and creates a culture of proactivity that directly impacts an organizations operating efficiency.

Servant leadership, while not as widely researched, showed significant relationships with trust, collaboration, and

personnel satisfaction (Eva et al., 2019). Ultimately, when servant leaders prioritize the needs of team members and patients, they create psychologically safe environments that are conducive to productivity and patient-centered care. Such a strategy is truly advantageous in extended and nursing settings in which emotional intelligence and relational leadership are key.

While transactional leadership may incentivize compliance and direction in environments where procedural clarity is paramount, it is not as effective in encouraging creativity or sustained engagement (Cummings et al., 2018). While the focus on incentive and disincentive systems may provide temporary success, it rarely drives intrinsic employee motivation or flexibility.

Although autocratic leadership may be ideal in crises or high-stakes situations requiring urgent action, it is typically associated with decreased morale and job satisfaction (Spinelli, 2006). The top-down approach it employs provides employees with limited opportunity to provide input, which can cripple innovation and team growth when not in crisis mode.

Conversely, democratic leadership is participatory, and has been found to improve team morale and communication, especially for interdisciplinary care teams. Implications of the Habit Similarly, while this habit might result in decision-making slowing down in high-pressure situations, it could affect the efficiency of overall work.

Leadership styles do not have a generic effectiveness; they are made effective or ineffective depending on the moderating factors like — organizational culture, geographic region and availability of resources. In other words, more participative forms of leadership might be met with resistance wherever the systems are hierarchical; similarly, if a culture is collectivist in nature, organizations may gravitate more towards drivers of servanthood or transformational leadership models (Schein, 2010).

Results emphasize the need for context-sensitive leadership, identifying hybrid styles encompassing facets of multiple approaches as the most feasible and useful in a diverse healthcare context. Emotional intelligence, ethical practice, and evidence-based management are critical to reinforcing the preparedness of future healthcare leaders to advance organizational performance through successful change117.

This review, despite its insights, is not without limitations. Differences in study design, definitions of leadership constructs, and performance measurement tools make it difficult to draw a definitive cause- and-effect conclusion. Longitudinal and experimental designs can be used to better understand the long-term effects of leadership development interventions on organizations.

## **CONCLUSION**

Leadership is an essential factor affecting organizational effectiveness in the field of healthcare. The influence of leadership styles on relevant outcomes, such as job satisfaction, quality of care, organizational performance, and changeability, were shown in this review. The most influential in creating a healthy climate, team collaboration, and facilitation innovation, were transformational and servant leadership among the different types of leaderships studied.

Transactional and autocratic modes of leading have their benefits in some spaces, particularly those that demand stringent adherence to rules or the need for rapid decision making; but they are poor in terms of long term interest and far less likely to sustain esfuerzos and flexibility. Democratic leadership can yield favorable results in collaborative care environments — but may not be best for situations that require a more time-sensitive response.

The success of any particular leadership style, of course, is dependent on the culture of the organization, the context, and the challenges that healthcare organizations are facing. If healthcare organizations want to succeed in cultivating healthcare excellence, a flexible, situational, evidence-based approach to leadership — one that uses a combination of multiple styles where appropriate — may be the best approach.

Investment of funds into developing programs geared towards emotional intelligence, ethical leadership, strategizing politician mentality can produce the outcome of a resilient healthcare system. Subsequent research is needed into hybrid leadership models, along with their quantified impacts on both the clinical and administrative aspects of health care efficiency.

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