The Impact of Leadership Styles on Healthcare Organizational Culture and Performance:

(Review Artical)

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Abstract

Background: Healthcare systems have faced significant challenges in recent years, such as rising costs, technological advancements, and increased patient expectations. This has led to a greater focus on achieving sustainability and maintaining quality care at an affordable cost. Managers and decision-makers have sought to control healthcare expenses through various input and output control measures, but these approaches have had limited success in addressing the underlying issues.

Aim of Study: This review aims to examine the impact of leadership styles on healthcare organizational culture and performance, as a potential approach to enhancing the value generated by health systems.

Methods: We conducted a comprehensive literature review using PubMed, Emerald, and Science Direct databases to identify relevant studies on the topic. They included both theoretical and empirical studies, without any time constraints, and selected 27 publications based on their adherence to research criteria and relevance to the subject matter.

Results: The review suggests that leadership plays a crucial role in enhancing the value generated by health systems, strategies, and professionals. Over the past five years, there has been a growing body of evidence highlighting the importance of leadership in the performance of healthcare organizations, which in turn affects the sustainability and global reach of healthcare systems.

Conclusion: The findings of this review suggest that the effective management and leadership of healthcare organizations can have a significant impact on their organizational culture and overall performance, potentially contributing to the sustainability and quality of healthcare systems.

Key Words: Healthcare system – Management – Leadership – Performance.

Introduction

OVER the past ten years, healthcare systems have been focused on achieving sustainability and maintaining quality at an affordable cost, which has been their main goal. In recent years, there has been a significant advancement in technology and diagnostic science, resulting in increased life expectancy and higher expectations from patients. Consequently, there was an increase in healthcare expenses, as seen during the current economic downturn. This posed a significant challenge for healthcare systems to sustain their financing and allocate resources for innovation, meeting consumer demands, and addressing epidemiological concerns [1-4].

The importance of management and the effective management of value:

Equity and accessibility concerns arise when patients are expected to fund these expenses themselves [5]. Quality and costs are two interconnected factors that societies grapple with as they seek to lower expenses. Meanwhile, stakeholders on the opposite side are exerting force to achieve enhancements in quality and accessibility. The growing recognition of the patient as the focal point of the healthcare system has heightened concerns about the quality of services. The cost crisis and the efforts to control expenses in the western region since 1960, driven by technological advancements and advancements in diagnostic science, have compelled many healthcare organizations to prioritize cost containment over the efficiency of care. This has had a detrimental impact on sustainability. The issue of sustainability and inefficiency can be resolved by allocating additional funds and public resources to address rising insurance costs. In response, physicians and staff advocated for a refund...
of the healthcare system, which was caught in a cycle of dependence on tax-based systems [6-8].

Physicians prioritize patient care, efficacy, and evidence-based approaches, but often overlook efficiency and cost management. To address managerial and sustainability challenges, a strategic vision that focuses on efficiency, cost control, and the whole population is necessary. Throughout history, the clinical procedures and the independence of doctors in terms of their professional and cultural decisions have been seen as non-negotiable [9-13]. Managers have been hesitant to interfere with this freedom. In market-based healthcare systems, some level of control has been exerted via contractual responsibilities. Nevertheless, attempts have been made to conduct control trials using input-output evaluations in tax-based systems [14]. The primary strategies used to regulate and oversee healthcare expenditure, particularly during the 1980s, were meticulous planning and comprehensive allocation of resources. Possible forms of input control might include limitations on the number of beds, procurement, and personnel. The concept of output control, which emerged in the 1990s, involves regulating diagnostic tests, prescriptions, and medical visits. In the late 1990s, outcome measurements were controlled by ensuring that the needs of health care, morbidity, and mortality metrics were covered.

The healthcare systems only superficially addressed the challenges associated with the techniques and substance of care delivery procedures. In the early 1990s, the use of tools, approaches, and techniques for clinical pathways, process reengineering, and lean management was inconsistent and limited. Additionally, in the late 1990s, methods and tools for clinical governance and auditing started to flourish. For many years, the influence of managers, whether they were business or general managers, on clinical processes was completely restricted [15-17].

Managers and decision makers are focusing on controlling inputs in order to gain control over the price of health systems due to the recent financial crisis. As a result, restrictions are being imposed on health systems, such as limiting purchasing policies, testing new technology, and making changes to staffing. The thrusting and prices for healthcare services are now under reconsideration and being reduced. Almost without exception, existing expenses refer to the current inputs. The continual focus on input and resource meticulousness has many biases and negative consequences. Firstly, cost reduction measures do not explicitly support constitutional intervention in the industrious practices used by individuals employed and administrative personnel at healthcare companies. Additionally, both input control and cost reduction measures may have an equal impact on both high-performing and low-performing institutions within the same healthcare system. Moreover, as the cutbacks are made horizontally, it eventually leads to a decline in internationality. If we do not attempt to alter the method of delivering healthcare services, reductions will primarily impact the availability, standard, and fairness of these services [18,19].

In the early 1970s, the challenge of sustaining medical care systems was addressed by implementing the concept of allocating a fixed quantity of a specific resource to each individual. This approach was considered one of the most effective solutions to ensure patients’ access to high-quality care while maintaining economic feasibility and fairness. Implementing a fixed allocation of a specific commodity for each individual facilitated the integration of diverse perspectives aimed at enhancing decision-making prioritization [20] and improving the understanding and effectiveness of the medical practice “black box” through a reformed care delivery process [21]. It is no longer acceptable to utilize improper drugs, therapies, diagnostics, unjustified medicine, inconsistent practices, herbal treatments, or wasteful allocation of resources. The allocation of expensive bio medicines, medical equipment, and prostheses for patients with poor prognosis, anticipated negative consequences, and limited life expectancy are the primary concerns of social and public insurance. Nevertheless, implementing a policy that restricts each individual to a predetermined quantity of a certain resource resulted in only a marginal decrease in overall availability, mostly due to a lack of agreement on which services to sacrifice and a little political willingness to confront difficult choices.

**Aim of work:**

Promoting the allocation of a specific commodity in a limited quantity to each individual should be promoted, with a focus on establishing a professional framework to enhance the involvement of doctors in addressing these difficulties. Utilizing leadership models may be advantageous in this context. Based on recent studies and discussions, it has been found that leadership plays a crucial role in enhancing the value generated by health systems, strategies, and professionals. Almost all health systems are actively monitoring the management and supervision of their healthcare institutions [22-25]. Over the past 5 years, there has been a growing body of evidence suggesting that leadership is important. This section presents some of the latest studies and research on leadership and its impact on the performance of
health organizations, which in turn affects the sustainability and global reach of healthcare systems.

**The impact of management and leadership on health systems:**

Recently, both academics and doctors have shown renewed interest in the impact of leadership and management on the effectiveness of health systems and organizations. For this systematic study, we used PubMed, Emerald, and Science Direct as sources of English references. The important terms retrieved to align with survey topics were management pursuit, health care services, health care organizations, leadership impact, quality, and health care performance. The review included both theoretical and empirical studies, without any time constraints. In addition, we included the relevant studies from prominent worldwide research institutions such as the London School of Economics. We conducted a comprehensive scientific study that includes the methodologies, conclusions, and findings. We selected 27 publications and studies based on their adherence to research criteria and relevance to the topic matter.

In the late 1990s, several research patterns started to show improvement, as seen by the findings of reviews. However, recent experimental findings indicate a growing focus on evaluating the impact of leadership on clinical performance and other components of the healthcare system. Perhaps, this transformation is due to healthcare executives facing conflicting external demands from stakeholders, which arise from both dysfunctional organizational pressures and increasing market power. When faced with a complex circumstance, organizations would exert extra effort in the areas of “leadership and management” to find a solution [23]. Some scholars [20] argue that relying on target-based performance management can result in unintended and misaligned consequences. These may include distorting clinical priorities, fostering gambling, intimidation, and harassment of employees, as well as undermining trust among individuals and staff.

Although it is necessary to enhance the process of establishing performance goals for healthcare systems, we must also determine if effective leadership endeavors may positively impact performance. The studies examining the impact of leadership on performance in healthcare can be categorized into four main groups: 1) Research that investigates the influence of leadership activities on performance, such as planning, regulation, coordination, management, and commanding; 2) Studies that focus on the impact of leaders’ qualifications on performance, including their backgrounds, professional history, and training experience; 3) Projects that explore the effect of involving staff in the management process on productivity; and 4) Research that analyzes the influence of organizational culture and leadership styles on productivity.

**The impact of leadership actions on performance:**

In previous studies, no correlations were discovered between performance and management [21]. However, within the same research, [21] there were some arguments against the existence of a four-way link between excessive operations, leadership, and performance. During a three-month period, the waiting time requirement specified in the patient’s file was utilized for inpatient admission. Despite recent studies highlighting the relationship between leadership and performance, Bloom’s study on 1100 hospitals revealed a significant correlation between leadership in cardiology and orthopedic surgery departments and performance.

The implementation of enhanced leadership activities has been shown to have a substantial effect on reducing morbidity and death rates. In addition, effective leadership has shown prudent economic measures by successfully raising the revenue generated per bed. Operational management is an integral part of the curriculum, since it is actively used in healthcare organizations [22]. The notion of efficiency, quality, and productivity, known as lean management, was developed between 1998 and 2008. Over 33 researches have reviewed these approaches at various institutions, identifying instances of lean transition and documenting favorable outcomes. Furthermore, other researches have consistently demonstrated a strong positive correlation between leadership and organizational success. However, it is important to note that leadership should not be equated with management. Several studies have shown that management include activities such as creating, budgeting, regulating, staffing, and commanding, whereas problem-solving and leadership techniques involve providing guidance, inspiring individuals, and aligning them. In addition, leaders have the ability to engage in various managerial practices that have an impact on the performance of individuals and teams.

A survey was conducted, consisting of 60 experimental articles that examined the relationship between leadership in healthcare and the satisfaction of individuals and teams. A longitudinal experimental research was conducted to evaluate the link between organizational performance and leadershio behaviors. The study also discovered the correlation between leadership and employee retention as well as performance [24]. Quantitative method-
The most effective management practices for the more enthusiastic role of doctors as managers and leaders. Studies have shown that managers who possess clinical qualifications demonstrate the most effective management practices [25-27]. The top hospitals in the United States are headed by physicians, who hold the post of chief executive officers. According to World Report league tables and United States news, 16 out of the top 21 ranked hospitals were led by clinicians. In the Italian National Health Service (NHS), leaders with a clinical background and extensive experience in numerous healthcare organizations can achieve high levels of managerial success [28-30].

The impact of leadership traits on the functioning of an organization:

The second categorization of papers examined the correlation between managers’ attributes (such as training history, background, and career) and organizational success. These essays aim to advocate for the more enthusiastic role of doctors as managers and leaders. Studies have shown that managers who possess clinical qualifications demonstrate the most effective management practices [25-27]. The top hospitals in the United States are headed by physicians, who hold the post of chief executive officers. According to World Report league tables and United States news, 16 out of the top 21 ranked hospitals were led by clinicians. In the Italian National Health Service (NHS), leaders with a clinical background and extensive experience in numerous healthcare organizations can achieve high levels of managerial success [28-30].

The impact of staff engagement in leadership on performance:

The third category of study stems from the notion of clinician involvement in the leadership process and its advantages. Certain studies concentrate on techniques for quantifying and enhancing this level of engagement in order to enhance organizational effectiveness. This study group examines the effectiveness of “clinical-leaders” in inspiring their colleagues, specifically in clinical practices, compared to non-medical leaders. However, they strive to win over their colleagues to assure the value of leadership in performance improvement [31]. Many researches have also considered the risks of this mixing process and the resistance that may result from it, in which the clinician become the manager of the hospital [26]. Others, nevertheless, debate that the participation of doctors in management is important and makes a positive effect on performance [11,13]. More precisely, some articles entail the relation between leader physicians and high performance in best practice hospitals [32].

Furthermore, neoteric proof proposes a clear relation between medical participation and measures of improved performance in England [33]. Based on the concept of medical participation “as energetic and favorable engagement of clinicians within their ordinary working activities to preserve, and boost the organizational performance which itself acknowledge this pledge in reinforcing and heartening best quality of care” [34]. This definition developed a credible sincere indicator of medical participation (Medical Engagement Scale). The researchers collected data from almost 4000 physicians across 40 secondary care funds and discovered that death rates had shown considerable improvement with increased levels of doctor engagement. Additionally, they discovered a decrease in negative occurrences, preservation of the service economy, fiscal condition, care quality, and the achievement of objectives across all services.

An analysis of the 10 funds with the most significant levels of clinical involvement and those with the lowest levels of performance, as determined by the ratings of the Care Quality Commission. Understanding how revolutionary beneficial changes in service distribution may be implemented effectively by non-participated, non-cooperative, and furious medical professionals is very difficult. Furthermore, the emphasis on ideas such as targeted care, clinical administration, and service lines in healthcare institutions compels leaders with strong management abilities to effectively implement new models of organizational performance enhancement, as shown by several studies. Significantly, this will enhance both the clinical and financial performance to the maximum extent. Additionally, several researches suggest that the loss of skilled managers as a result of cost-cutting measures might jeopardize performance [31-36].

The impact of different leadership styles and the prevailing company culture on overall performance:

The fourth set of researchers showed that there is a strong connection between organizational culture, performance, and leadership styles. Different healthcare companies exhibit diverse leadership styles and organizational cultures, which may be associated with performance indicators and organizational achievements. An evaluation of the cultural aspects of hospitals with high and low performance reveals that the top-performing hospitals distinguish themselves from lower-performing ones through their leadership style, which is transactional rather than charismatic. Additionally, these hospitals have a management approach that emphasizes multidisciplinary performance management, a clear vision, and the use of managerial practices and tools, including financing, business planning, and strategic planning. However, scholars caution against the po-
tential risks associated with cultural changes aimed at emulating the features of high-performing hospitals, such as an excessive focus on goals and a narrow perspective.

A recent study demonstrated that hospitals with high performance and those with low performance differ significantly in several key areas. These include their organizational goals and values, the level of engagement from senior leadership, the frequency of staff presence, the presence of experts in cardiac care, and the effectiveness of communication among teams. These differences have a direct impact on the mortality rates associated with acute myocardial infarctions. Medication reconciliation, quick response teams, and clinical practice standards were implemented as regimens for the management of myocardial infarction. Although these characteristics were present in all organizations, they were not consistently able to distinguish hospitals with high performance from those with poor performance [36].

Ultimately, these studies are connected to a study that demonstrates that simply having leadership practices in place does not necessarily lead to improved performance. Instead, it is important to also have educational and training initiatives that encourage clinician involvement in the management process. The primary objective of the four data sources in our literature is to highlight that leadership does indeed impact organizational performance, but this impact is often influenced by specific circumstances and context.

Constraints of literature and challenges encountered in further research:

The current study reveals the presence of evidence that supports a positive impact of leadership on performance. However, it is important to take into account certain limitations of this literature. Initially, the testimony is growing, although it still lacks conclusive evidence. Specific limitations of this research include the use of qualitative descriptive methods instead of experimental methods [10,25,29]. Additionally, there are concerns about the accuracy of scoring leadership practices, especially in quantitative research [37]. Furthermore, there is a lack of evidence demonstrating causal relationships between management dimensions and performance [38].

Moreover, several studies have shown the potential risks that future experimental research may encounter. Firstly, the indicators used to evaluate leadership practices may be attributed to the verified existence of formal procedures, tools, and management responsibilities. Physicians may engage in a deceitful procedure by assuming official administrative duties as part of a “tutelary” tactic. Furthermore, physicians choose to assume administrative positions, such as heading a department, in order to safeguard their professional autonomy, status, and influence. However, they fail to carry out the expected administrative duties associated with this position [39]. Nevertheless, the criteria used to evaluate leadership practices should be grounded in an understanding of authentic involvement in and commitment to leadership responsibilities. Furthermore, this literature did not examine the causal link. Hospitals encounter significant external risks that might impact the financial performance of the business, particularly in relation to the consensus building process influenced by political factors [40].

Conclusion:

Reducing expenses without taking into account the achieved results may be perilous and self-destructive, resulting in false “savings” and limited access to treatment. Hence, the future global presence and sustainability of healthcare organizations will rely on enhancing the notion of value, which refers to the outcome in relation to cost. The establishment of value is closely linked to the capacity to control the opaque nature of the healthcare process. Therefore, it is necessary to prioritize outcome indicators, especially when considering its unique multidimensional nature. In addition, it is important to evaluate and manage expenditures by considering the whole costs of the care cycle, which are connected to the patient’s clinical condition. It is insufficient to just consider the cost of a particular service. The management of value will compel us to address the issue of artificial variance among staff in the handling and use of medicines, recommendations, paths, timing, resources, and diagnostics [41]. This also includes dealing with vindicatory medicine [42] and making judgments based on cost-benefit analysis. The meticulous oversight should be exclusively evaluated in hospitals and wards, as well as the architectural layout and management.

In the past two decades, health organizations have consistently reorganized their governance and structure. However, these efforts will be ineffective unless they are accompanied by the advancement of leadership skills. It is crucial to understand how to enhance the development of leadership capabilities in health organizations. Although the current evidence is inconclusive and limited in several respects, it consistently indicates leadership. Leadership has a significant role in several areas. Performance is closely linked to the practices, styles, and cultural qualities of leadership, which are con-
nected to strategies and values. Furthermore, there is enough data indicating that medical organizations overseen by clinicians exhibit superior performance and quality compared to those managed by non-physicians [43,44]. This suggests that clinicians, as managers, have superior leadership skills compared to managers without medical backgrounds. This disparity arises due to the distinct viewpoints held by physicians, which vary from those of others. This sequence may be more efficient since physicians possess more expertise and discernment, especially in the process of decision making.

Based on the findings and identified limitations of this study, it is recommended that future research should focus on several areas. Firstly, there should be a stronger emphasis on determining the strength of association between leadership roles, practices, and performance. Additionally, efforts should be made to conduct experimental research in order to better understand the relationships between these factors. It is also important to clearly define the methods and indicators used in the research, as well as determine the true proportional value of specific aspects of leadership. Furthermore, it would be beneficial to identify the key motivators that drive professionals towards adopting leadership practices. The appropriate role of clinical managers and the influence of specific medical backgrounds should also be investigated. Lastly, research should explore transitional leadership and identify which clinical backgrounds are most effective in promoting and facilitating positive changes to improve performance.

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تأثير أنماط القيادة على ثقافة المؤسسات الصحية والأداء: استعراض

اقترحة أنظمة الرعاية الصحية تواجه تحديات كبيرة في السنوات الأخيرة، مثل ارتفاع التكاليف والتكنولوجيات الخلفية. وقد أدى ذلك إلى تركيز أكبر على تحقيق الاستدامة والحفاظ على رعاية ذات جودة بتكلفة معقولة. سعت الإداريون وصناع القرارات إلى السيطرة على نفقات الرعاية الصحية من خلال تدابير مختلفة للرقابة على المداخن والمخرجات، لكن هذه النهج لم يحقق نجاحًا كبيرًا في معالجة المشاكل الأساسية.

هدف العمل: يهدف هذا الاستعراض إلى دراسة تأثير أنماط القيادة على ثقافة المؤسسات الصحية والأداء، كنهج محتمل لتعزيز القيم التي تولدها أنظمة الرعاية الصحية.

لحديد الدراسات Science Direct وEmerald وPubMed أجرينا استعراضًا شاملًا للأدبيات باستخدام قواعد بيانات ذات الصلة بالموضوع. شملت الدراسات النظرية والتجريبية، دون قيود زمنية، وتم اختيار 27 بحثًا استنادًا إلى التزامهما بمعايير البحث وصلحتها بالموضوع.

النتائج: يشير الاستعراض إلى أن القيادة تلعب دورًا حاسمًا في تعزيز القيم التي تولدها أنظمة الرعاية الصحية والاستراتيجيات والممارسات. خلال السنوات الخمس الماضية، كان هناك تزايد في الأدلة تسلط الضوء على أهمية القيادة في أداء منظمات الرعاية الصحية، مما يؤدي بدوره إلى استدامة ونطاق الرعاية الصحية على المستوى العالمي.

الاستنتاج: تشير نتائج هذا الاستعراض إلى أن الإدارة والقيادة الفعالة لمؤسسات الرعاية الصحية يمكن أن تكون لها تأثير كبير على ثقافاتها التنظيمية وأدائها العام، مما قد يسهم بشكل كبير في استدامة وجودة أنظمة الرعاية الصحية.