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Active Leadership Can Promote Leadership Effectiveness in Healthcare Organizations

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Abstract

Background and Objectives: Healthcare organizations often fail to realize their strategic goals due to the lack of effective leadership. To address this efficiency, the potential factors influencing the management performance should be identified. Thus, the purpose of this study was to evaluate hospital managers' leadership style and explore the relationship between leadership style in hospital executive managers and their leadership readiness and leadership effectiveness.

Methods: The study sample included the entire (no. 96) C-level healthcare executives currently employed in Iran University of Medical Sciences, including chief executive officer (CEO), chief financial officer (CFO), chief human resource officer (CHRO), chief information officer (CIO), chief nursing officer (CNO), and chief operating officer (COO). The study instrument was a questionnaire asking about the respondents' leadership style questions, leadership effectiveness and leadership readiness. The collected data were analyzed using Pearson's correlation coefficient and single-variable and multi-variate regression.

Findings: Transformational leadership was the dominant leadership style among the executive managers. Leadership readiness was revealed to be significantly correlated with transformational leadership ($P < 0.05$). Moreover, leadership effectiveness showed significant correlation with transformational/transactional leadership style ($P < 0.05$).

Conclusions: Our study suggests that adopting active management, which represents both transformational and transactional managing style, can lead to improved leadership effectiveness in healthcare organizations.

Keywords: Hospital management, Healthcare organization, Leadership style, Leadership effectiveness, Leadership reediness, Transformational leadership, Transactional leadership

Background and Objectives

Irrespective of various converging interpretations, effective leadership remains a vital element of any organizations' success [1-3]. Leadership is one of the main requirements for many organizations [4]. Dynamic and effective leadership is a major characteristic of successful organizations [5]. Scholars Egri and Herman (2000), Greenfield (2007) and Sanders, Davidson, and Price (1996) affirm that all leaders have their own strengths. Equally, Greenfield (2007) and Miller (1988) posit that every organization strives to create an approach to leadership that best meets its expectation of success [6-8]. Additionally, the expectancy of productive leaders is a shared aim of most organizations in spite of magnitude, and is constructed and cultivated around the essential standards of the executive role. As such, one of the several apparent links to successful administrative leadership is the leader's style of leading and its relevance to the organization. According to Sashkin and Sashkin (2003), effectual leadership is not always a characteristic that the professional or paraprofessional inherits; nonetheless, the ability to lead successfully is considered a key requirement in all authoritative positions. Sashkin and Sashkin (2003) also posit that multiple attributes should be considered when articulating an insight into the nature of

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leadership [9]. Thus, reading varying lists of traits or attributes that characterize leaders and leadership is common. Egri and Herman (2000) and Miller (1988) assert that management and subordinates hold leaders to norms that demonstrate auspicious qualities of leadership within the organization.

Harris and Kuhnert (2008) state that leadership styles are understood within the context inside the organization in which the leader serves in many disciplines [10]. However, more attention is placed upon such aspects as the leader's inspiration, execution and persona as they relate to the leader's success [11, 12]. Early studies [13, 14] conveyed styles of leadership that replicated the culture at the time and became proverbial as acknowledged leadership styles for several eras. For example, Lee (2008) believes that traditional styles of leadership (authoritarian or autocratic, participative or democratic, and delegative) are no longer given singular prominence. What's more, recent extensively discussed studies on alternative leadership styles include servant leadership, transformational leadership, and transactional leadership [15-19]. Consequently, when considering the numerous leadership styles within non-healthcare organizations, and how each affects daily performance, Mill (2007) rationalizes that operational leaders are the catalysts for organizations; therefore, they must determine the most vital effective leadership strategy desired [20].

Bass and Bass (2008) note that involving the interaction of multiple variables of leadership is a complex process [21]. Equally important, many theories have been developed to explicate leadership approaches, behavior styles, and best practices. Moreover, the scholars assert effective leaders' perceptions of the apt leadership approach and behavioral style. Also initial trait theories suggest that leadership attributes are inherent within the individual, cannot be learned [22]. According to Kreitner and Kinicki (2010), the Full Range Leadership Theory (FRLT) proposes that executive leaders' demeanor fluctuates over a continuum from one leadership style to the next [23].

According to Ng, Ang and Chan (2008), despite increased research and writing on establishing, mediating and developing strong leaders within the healthcare discipline, there exists a dilemma [24]. Hence, the problem is, the best practices and leadership styles that would deliver the optimal outcomes for inexperienced and experienced C-level healthcare executives employed in a leadership role [25]. Furthermore, given the inimitable expectations of C-level healthcare executive leaders, the need for an empirical study that explores discerned leadership styles, leadership readiness, leadership effectiveness of C-level healthcare executives, and the potential association of their demographic variables is highly advantageous for future C-level healthcare executives. Accordingly, Rath and Conchie (2008) found that investing in the strengths and development of executive leaders are imperative. Providing tools to help leaders understand their sensed leadership style and how it influences their ability to serve as leaders is an elemental short and long-term resource for prospective C-level healthcare executives.

Understanding self-perceived leadership style(s) is noteworthy, and can facilitate strategic plans for snowballing flexibility in the unremitting changing C-level executive leadership roles.

There exists a lack of empirical data regarding self-perceived leadership styles and on the impact such styles upon the performance of C-level healthcare executives. Also review of the current research brings no data forth on the types of leadership styles of C-level healthcare executives and their executive roles [26]. As a result, the present study aims to survey the leadership styles of Hospital managers affiliated to Iran University of Medical Sciences, Tehran, Iran.

Methods

This study has employed an analytical and a cross-sectional descriptive research approach. It is an applied research due to the use of data and research findings in the health care organizations. The study sample includes the entire C-level healthcare executives (no. 96) currently employed in 16 hospitals of Iran University of Medical Science, chief executive officer (CEO), chief financial officer (CFO), chief human resource officer (CHRO), chief information officer (CIO), chief nursing officer (CNO), and chief operating officer (COO). The census sampling method was used in this study.

Theoretical information was collected by using library resources, the Internet, articles, journals and related dissertations, and the required data were gathered by questionnaire. The questionnaire was composed of demographic information and leadership style questions. Likert-type scale was used in the questionnaire and the purpose of gathering data and the necessity of their cooperation were explained to the participants.

Demographic data included age, gender, education, work experience, etc. The second questionnaire was related to leadership styles, and its Validity and reliability has been assessed in previous studies. The study utilized Bass and Avolio's Multifactor Leader-

ship Questionnaire 5X (MLQ 5X). However, Moghly (2001) performed the test twice on the same sample to retest the reliability of the questionnaire. The findings indicated a significant positive correlation and adequate questionnaire reliability. Cronbach's alpha formula was used to determine the internal consistency and intermediate variables of Multifactor Leadership Questionnaire, and finally, the Cronbach's alpha coefficient of 93% was achieved. showing that the questionnaire's reliability is high.

Descriptive statistical techniques (charts, frequency tables, mean, median, mode, variance, standard deviation and standard error) and inferential statistics (analysis of variance, two-sample t-test, and correlation coefficient) were used for data analysis. SPSS software was used for convenience.

Results

In this study, 57.4% of the participants were men and the rest were women. The average age of the surveyed managers was about 44 years, and their average work experience was estimated to be about 6.1 years. Other demographic and background characteristics of the managers are shown in Table 1.

Data analysis (Table 2) showed that the average score of transformational leadership style was at about 4.34, the mean score of transactional leadership style was 3.74, and the score of laissez-faire leadership style was 2.42. So according to the scores of each style, transformational leadership style is the dominant style of management.

The two-sample t-test, correlation and variance were used to investigate the relationship between the leadership styles and the demographic variables (marital status, age, gender, work experience, education level, employment status, management, leadership training courses, and training period0. There was a significant correlation (P = 0.009) between transformational leadership and business management experience. The correlation coefficient of 0.282 shows a direct relationship between these two variables. It is noteworthy that no significant relationship was found between the other variables (P > 0.05).

Table 1 Demographic and professional characteristics of the study participants

Variable	N	%
Gender *(n=94)*		
Male	54	57.4
Female	40	42.6
Marital status *(n=93)*		
Single	13	14
Married	80	86
Occupation *(n=96)*		
COH	16	16.7
C-level	16	16.7
CNO	16	16.7
CFO	16	16.7
CEO	16	16.7
COO	16	16.7
Age *(n=83)*		
28-35	15	20.5
36 43	16	21.2
44 51	38	52.1
> 51	4	5.5
Education *(n=93)*		
Under graduate	43	46.2
Graduate	30	32.3
Sub-specialist	5	5.4
General Physician	9	9.7
Specialist	2	2.2
Physician Fellowship	4	4.3
Work experience *(n=85)*		
0 6 years	59	69.4
7 12 years	12	14.1
13 18 years	11	12.9
>18 years	3	3.5
Training courses *(n=95)*		
Yes	63	66.3
No	32	33.7
Period of training *(n=96)*		
≥ 100	67	69.8
100 200	13	13.5
200 300	6	6.3
300 >	10	10.4

Discussion

According to the scores of each style, transformational leadership style is the dominant style of management among Iran Medical University Managers. Burns defines transformational leadership as a process in which leaders and followers promote each other to a higher level of ethics and motivation. The leaders try to manifest the characteristics of creativity and noble ideals such as freedom, justice, equality, peace and humanity. Distinguishing characteristic of transformational leadership is a common goal; the leader's and the followers' goals are separate but interrelated.

Most managers in the study reported that they have

different leadership styles; however, they use one of them more than the other styles [27].

Pourfarzad *et al* evaluated the performance of supervisors' leadership style and defined it as the dominant leadership style [28]. However, Akhtari *et al* showed that the dominant leadership style and management style is participatory, but nursing staff considered the managers leadership style autocratic [29]. Shakour *et al* identified autocratic leadership as the dominant leadership style of managers [30].

Similar to Olive *et al*. (1998), our findings showed transformational leadership as the most common form of effective leadership organization. According to Sanei, nurses whose supervisors use transformational leadership styles have the highest job satisfaction . The findings of Blankenship revealed that the employees who perceive transformational leadership style as their boss leadership style have higher job satisfaction [31]. In addition, there is a similarity between transformational leadership style results in internal management among different studies.

Overall, the results of this study have important practical applications in the field of evaluation by the individual's perception of leadership styles. C-level healthcare executives will do well if they integrate and practice both transactional and transformational leadership behaviors. Additionally, they should note that relying solely on transformational or transactional leadership can have unintended and potentially adverse consequences [32]. For example, transactional leadership without idealized influence, idealized inspiration and individual consideration can decrease the motivation, satisfaction, morale and effort of subordinates, which, in turn, will hinder organizational performance. In addition, relying solely on transactional leadership (reward or punishment) will eventually hinder the creativity and productivity of subordinates, thus reducing the C-level executives' ability to solve the emerging problems the healthcare organizations may face in the 21st century [33]. Furthermore, transactional leadership may be ineffective if the C-level healthcare executives lack the necessary reputation or resources to provide the needed rewards.

On the other hand, relying merely on transformational leadership and failing to provide direction and rewards (transactional leadership) can create confusion and ambiguity among subordinates with the total absence of transactional leadership [26, 32]. Therefore, it is essential that C-level healthcare executives blend both transformational and transactional leadership together.

For example, transactional leadership is necessary in maintaining day-to-day operations within the healthcare organizations and achieving best organizational practices. Additionally, in a transactional environment, C-level healthcare executives can establish clear expectations, provide feedback to their subordinates, communicate needed information and offer rewards and punishments to achieve desired performance [34]. In doing so, subordinates will know their responsibilities and the potential rewards in return for certain levels of performance.

The findings of this study also imply that in order to be effective, a C-level healthcare executive leader should know how to manage (transactional leadership) and lead (transformational leadership) their subordinates. Management skills (transactional leadership) can assist the C-level healthcare executives in thinking more carefully about organizational problems while leadership skills (transformational leadership) can help bring feelings and inspiration. In other words, relying on only one leadership style may disrupt order and create unrealistic demands for organizational change within the healthcare industry.

Moreover, the present study demonstrates the positive and significant effects of active leadership (transformational and transactional) in contrast to laissez-faire (passive/avoidant) leadership. This finding calls for policymakers to adopt the transformational leadership style together with transactional leadership (contingent reward) as a core leadership strategy within the healthcare organizations.

Overall, most studies recommend that healthcare executives utilize transformational leadership styles

Table 2 Descriptive statistics of the quantitative variables

Variables	Mean	SD
Age	44.2	5.94
Job experience	6.07	5.78
The period of training	156	152
Transformational leadership	4.34	0.32
Transactional leadership	3.74	0.3
Laissez-faire leadership	2.42	0.54

Table 3 Correlations between leadership style and work experience

		Transformational leadership	Transactional leadership	Laissez-faire leadership
Experience	Correlation coefficient	0.282	0.171	-0.049
	P-value	0.009	0.118	0.659

[34, 35]. According to Luthans, Youssef and Avolio (2006), the reliance on transactional leadership styles will clearly fall short of the leadership challenges confronting most organizations today [36].

However, research studies have found that transformational leadership is the most desirable approach to leadership, and has been shown to be effective across leading corporations. Contrary to organizations that have adopted transformational leadership principles as their core leadership strategy [32], many healthcare organizations have yet to do so. For example, the ever increasing changes that have occurred in the society over the past two years require more effective and adaptive healthcare leaders who possess the skills to bring necessary transformations into the healthcare organizations, and have the ability to develop others into being more productive and creative.

Therefore, as the need for increasing new leadership skills and competency, leadership training and development programs have become more crucial than ever before. Bass and Avolio (1994) suggested that transformational leadership should be taught to all individuals at all levels of an organization to affect the overall performance. Previous studies conducted in military settings and business establishments have demonstrated that training can indeed enhance transformational and transactional leadership. It has also been revealed that transformational and transactional leadership training can increase a leader's effectiveness and the satisfaction of subordinates with their leaders [26].

Dye (2002) posits that effective leadership is essential to navigate the obstacles the healthcare systems will face in the 21st century [37].

Furthermore, the industry is suffering from a leadership gap that can be closed only by identifying and nurturing C-level healthcare executives with the greatest potential to become strong and effective leaders.

Competing Interests

The authors declare no competing interests.

Authors' Contributions

The authors contributed equally to this study.

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