LEADERSHIP STYLES, AND THEIR RELATIONSHIP WITH QUALITY MANAGEMENT PRACTICES IN PUBLIC HOSPITALS IN SAUDI ARABIA

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ABSTRACT

The purpose of this study was to determine the relationships between leadership styles (transformational leadership style, transactional leadership style and laissez-faire leadership styles), and quality management practices in Saudi public hospitals. A quantitative research design was adopted to collect data, test hypotheses, and answer the research questions. A cross-sectional survey method was used to conduct this study. Results of the study revealed that the transformational leadership style has a significant, positive relationship with quality management practices. However, the transactional and laissez-faire leadership styles were found to significantly and negatively relate to quality management practices. Based on the results, it is recommended that hospitals recruit leaders with transformational style, and also hold seminars to train current leaders to become more transformational.

Keywords: Leadership Styles; Transformational Leadership Style; Transactional Leadership Style; Laissez-Faire Leadership Style; Quality Management Practices

1. INTRODUCTION

Throughout the world, the healthcare sector is struggling to provide quality healthcare to citizens while managing costs (Walston, Al-Harbi, & Al-Omar, 2008). Healthcare organizations recognize the need to provide quality services if they want to survive as a healthcare provider that is intended to meet the physical, psychological, and social needs of people seeking care (Raja, Deshmukh, & Wadhwa, 2007). According to Khan (2011), quality is the focus of most organizations as it is considered to be the main competitive and business practice; quality management has become a strategic tool to achieve superior performance and competitiveness. Top management support is essential and the most important factor for quality management in providing a clear direction to employees’ satisfaction (Ng, Goh, & Eze, 2010). Antonaros (2010) argue that leadership is about the skills, abilities, behaviour, and knowledge necessary for the success of quality initiatives, which is significant given the number of organizations striving to weave quality programs into their overall strategic orientation. Additionally, Anderson, Rungtusanatham, Schroeder, and Devaraj (1995), Laohavichien, Fredendall, and Cantrell, (2009) contend that leadership traits are essential to achieve quality improvements in product, processes, and services. Top management’s commitment and involvement are necessary to bring about quality enhancement in any organization. Several studies show that continuous quality improvement implementation and similar strategies require a long-term commitment of several years in order to result in a successful outcome (Laohavichien, Fredendall, & Cantrell, 2009).

A notable aspect of successful quality management (QM) is leadership (Bass & Avolio, 1994). The Malcolm Baldrige National Quality Award’s (MBNQA) Criteria for Performance Excellence are some of the most widely used quality criteria for QM. One of the key categories in MBNQA is leadership (Idris & Ali, 2008) and it highlights the importance of leadership in achieving quality performance. This category emphasizes how senior
managers can guide an organization and encourage superior performance. It also promotes visionary leadership as a core value and concept. Moreover, quality gurus stress that leadership is vital for effective implementation of total quality management initiatives (Khan, 2010).

According to Bass and Avolio (1994), the turbulent healthcare environment shows that it poses challenges and has made management aware of the need for appropriate leadership as healthcare professionals function in an environment of uncertainty, disorder, and ambiguity. The current turbulent environment requires speed, innovation, and flexibility, with which traditional organizational practices are unable to cope with. Suffice it to say, the right leadership in an organization can stimulate a group to articulate innovative ideas. These are known as the “strong forces” of leadership, which can shift the focus from quantity to quality and speed (Bass & Avolio, 1999). Quality and speed can provide an organization with a competitive edge; these two factors can be responsible for the long-term success of an organization. Leadership can facilitate qualitative change by changing associates’ viewpoints. Hence, leadership style influences the quality environment.

In summary, the concepts of leadership styles and quality management practices (QM) are very critical in organizations. The application of these concepts often determines how organizations achieve their goals and objectives (Khan, 2011). Even though these concepts are related to a greater extent, they also differ in terms of their meaning and application in the organizations. It is important to point out that in as much as they may be different concepts, the success of each of these approaches in the organization depends on the working of the other; that is, when applied in a given organization, the two are rarely separable because they are intertwined (Goetsch & Davis, 2011).

Hence, leadership requires many things, but the most important is service to others. The combination of competencies, characteristics, traits and methods of each style will yield an effective leadership mode capable of driving quality management and sustaining long-term evolution in the organization. A synthesized integration of these leadership styles will drive forward the leader’s ability to effectively influence the organization and therefore impact quality management practices. To begin with, it is important to understand the role of the leadership styles and organizational culture on the quality management practices in public hospitals in Saudi Arabia, especially when the results of studies on specific leadership styles have not been clear or consistent.

2. PROBLEM STATEMENT
Damanhouri (2002) investigated TQ management standards and related indicators in public hospitals in Saudi Arabia. He found that the application of QM in Saudi Arabian hospitals is very weak and at a low level. He reasoned lack of top management commitment and vision as problems that hinder the application of quality. He also emphasizes future studies to be carried out to examine the effect of other elements of leadership that are not included in the study to determine the stage of the implementation of quality management in public hospitals in Saudi Arabia. This conclusion is consistent with Al Touri’s (1998) study, which found that QM programmes in Saudi Arabian hospitals are ineffective and at low level of implementation. Al-Touri also suggested that quality improvement could be developed for hospitals within Saudi Arabia by comprehensively investigating the QM programme issues. Therefore, the issue of QM would be investigated in the reported theoretical gap to overcome the aforementioned practical problem.

From the theoretical perspective, there has not been an adequate examination of the issue of QM practices in health services. According to Laohavichien et al. (2009), existing leadership theory has not been utilized in the area of QM. They state that, “Much of the existing QM research, however, has not used any constructs from leadership theory to evaluate the importance of leadership in QM” (p. 8). These authors assert that further research is necessary to incorporate both transactional and transformational leadership into QM models. Also, Lakshman (2006) asserts that, “the role of leadership in managing quality is relatively unaddressed in the leadership literature; research on quality management as a legitimate role of the leaders has not received much attention” (p. 41). The author emphasizes that his theoretical framework opens the door to further research in the leadership behaviors by examining the behavior of both specific and general behavioral dimensions associated with total quality management philosophy which have not been addressed in the traditional behavioural paradigm of leadership research. A similar recommendation is offered by Berson and Linton (2005), who highlight the need for future research in examining the relationship between leadership styles and quality management practices. Ovretveit (2005) asserts that some of the existing research has raised questions about the amount of influence managers have over quality improvement, and the evidence proving which management actions are effective for quality improvement is not strong. Sousa and Voss (2002) also suggest that further research should be conducted to examine the relationship between QM and leadership styles. Thus, based in the gaps identified, the researcher is interested in investigating the effect of leadership styles specifically related to transformational, transactional, and laissez-faire leadership on QM practices in Saudi Arabian hospitals.
3. LEADERSHIP STYLES AND QUALITY MANAGEMENT PRACTICES

The present research draws from leadership style, and quality management practice theories. Theories of quality management practices form the basis of this research, particularly Anderson et al.’s (1995) theory that traced Deming’s (1982) management method development. Review of literature indicates that Anderson et al. made the first attempt to synthesize quality management theory from Delphi method-based research, using it with both managers and academic sources closely related to quality (Rungtusanatham, Forza, Filippini, & Anderson, 1998; Fisher, Barfield, & Mehta, 2005; Chowdhury, Paul, & Das, 2007). However, Anderson et al. pointed out that in Deming’s management method, the basic premise is creating an organizational system that fosters quality management practices implementation including customer focus, continuous improvement, and teamwork, which all require effective leadership.

In addition, the leadership theory applied in the current research is drawn from Bass’s (1985) theory. Bass’s work on the theory of transformational leadership grew out of James MacGregor Burns’s (1978) qualitative examination of charismatic political leaders (Howell & Avolio, 1993) as well as House’s (1971) theory of charismatic leadership (Yukl & Van Fleet, 1982), which stemmed from ideas originating from the early work on charisma by Weber (Bass, 1990).

The development of leadership theories and quality management practices share the common objectives of improving organizational performance and enhancing the work experience of organizational members. But it is unclear what specific leadership styles are most effective in organization pursuing quality management practices. It is however evident that the role of leadership is a key factor in effective quality management in organizations as all excellence models include leadership as an enabling driver. The role of leadership includes long-term commitment to innovation and creativity. Managing human resources is a strategic issue that requires managerial capability. Knowledge is an important organizational resource, and leadership plays a key role in facilitating the acquisition of that knowledge. Thus, leaders must have the ability to realize formulated vision by managing quality elements to transform the firm into using quality managerial practices (Idris & Ali, 2008). This is possible through a transformational leader, who has the capability to inspire and direct subordinates.

Moreover, authors have found that top management support is essential for quality improvement. Salaheldin (2009) concurred to this notion based on an exploratory study conducted on the specific problems that Qatar Steel Company faced in the implementation of the quality program. The study revealed that lack of support from top management was the biggest impediment to TQM implementation. When commitment and support from the top management was forthcoming, Quality Circles (QC) implementation led to an atmosphere of cooperation and brought in many positive results, like quality improvement, productivity increases, and improved management style.

Added to the importance of top management in TQM implementation, Deming predicted that visionary leadership was essential for an effective QM program. Several case studies support the claim that effective QM requires top management to provide a clear direction to employees (Laohavichien et al., 2009).

The importance of leadership has been highlighted even in the MBNQA (Anderson et al., 1995). Accordingly, Pannirselvam and Ferguson (2001) studied the strength of the relationships among the various quality management constructs as well as between quality management and organizational performance. They found that leadership considerably—whether directly or indirectly—affected all system units.

A more comprehensive effort was exerted by Anderson et al. (1995) who tried to develop a theory of quality management to describe and explain the effectiveness of Deming’s Management Method. The seven constructs that could capture the essence of the Deming method include visionary leadership, learning, internal and external cooperation, process management, employee fulfillment, continuous improvement, and customer satisfaction. The empirical study by Anderson et al. (1995) conducted in Japanese-owned and American-owned plants found that employee fulfillment is directly related to customer satisfaction. The authors emphasized that organizational leadership impacts the creation of organizational form and institutes organizational practices for the sake of organizational survival. The study concluded that innovation is essential for achieving quality improvements in product, processes, and services. This leads to employee satisfaction, which enhances customer satisfaction and consequently the theoretical survival of the organization. However, what is sought is not merely the survival of the firm, but TQM. Organizational leadership should be responsible for innovation, not just the survival of the firm.

In a related study, Berson and Linton (2005) examined the relationship between leadership style and the establishment of a quality environment in research and development settings (R&D). They found that both
transactional contingent-reward leadership and transformational leadership lead to a quality environment in the R&D section of a telecommunications firm, but in the latter case, it is not significant. The role of contingent-reward leadership is less important than that of transformational leadership. Transformational leadership also leads to employee satisfaction. Leaders have to deal with uncertain goals and performance targets. Transformational leadership, which comprises inspirational leadership, can lead to multiple outcomes in technology environments and have an extraordinary impact on the employees, thereby impacting quality.

Another related study by Laohavichien et al. (2009) tested the influence of both transactional and transformational leadership on a firm’s quality improvement. Through a study of quality managers in the United States, the study found that although transformational leadership affects infrastructure and core quality management, transactional leadership does not affect either. To date, no studies have used leadership theories to determine the impact on quality management practices; hence, Laohavichien et al.’s study is significant. Leaders influence employees and this enhances quality performance or processes and products. The study also found that transformational leadership provides visionary leadership for successful quality management. However, transactional leadership does not decrease the quality, according to this study, which is contrary to previous findings.

With regards to the impacts of leadership style and quality management practices on company performances, Idris and Ali (2008) carried out a study based on the empirical evidence from business firms in Malaysia. They found that the ability to adapt to change is critical to survive in the new global economic order. This ability, in the form of transformational leadership, combined with the best practice capability, could lead to organizational success. The study found that transformational leadership—mediated by best practice management—can enhance financial performance. In other words, an effective management approach can bring about much-needed organizational change. The transformational leaders establish the vision and through effective communication, they motivate followers to achieve that vision.

To sum up, the various studies concur as to what practices can be termed under quality and which factors are responsible for quality improvement. Literatures from different sources, pertaining to different industrial sectors and from different nations, have been reviewed. Top management support has been emphasized by most researchers and authors in regard to contributing to quality performance. The literature review suggests that quality improvement is influenced by several factors, including top management support, training, workforce management, process management, employee involvement, and overall employee relations. Quality of the physical product is not sufficient to maintain a sustained advantage. Customer relationships are an integral part of the system for enhancing quality performance. Top management support and commitment, which most papers have discussed, are nothing but another name for leadership. Transactional leadership has not been found to be of significance in quality improvement primarily because this type of leadership is associated with rewards and punishment, and hence an exchange. Meanwhile, transformational leadership could impact quality management practices because top management or leaders play the role of motivators who guide subordinates. Overall, when an organization has transformational leaders, it is able to engage and involve the employees who—when motivated—give their best. This leads to product and process quality improvement in a people-oriented culture. In addition, when firms have a customer-centred approach, they focus on customer satisfaction. To derive customer satisfaction, firms must realize that internal customers (i.e. employees) need to be satisfied first. Thus, quality improvement is directly related to leadership styles.

4. RESEARCH METHODOLOGY
4.1 Research Design
The purpose of the study is to determine the impact of leadership styles on quality management practices in public hospitals in Saudi Arabia. A quantitative research design was adopted to collect data, test hypotheses, and answer the research questions. A cross-sectional survey method was used to conduct this study. The targeted population for this study is 225 MOH public hospitals in Saudi Arabia. Probability sampling was used to select the sample because the MOH hospitals are spread across the country. According to the Health Statistical Year Book (2007), there are 225 MOH hospitals in Saudi Arabia, located in 21 health regions across the country. Probability sampling provides an equal probability of inclusion from each unit of the population. The sampling is thus a representative of the entire population (Bryman & Cramer, 1994, p. 100). In a quantitative study, to get near accurate results, the sample size should be reasonably large so that a subset of the larger population can be formed (Krejcie & Morgan, 1970, as cited by Sekaran, 2003). The desired sample size for this study is 144 hospitals which covers about 64% of the total population (Krejcie & Morgan, 1970, as cited by Sekaran, 2003).

Through stratified random sampling, 108 general hospitals and 36 specialist hospitals were included in this study. To determine the sample size in each region, the researcher applied the stratified random sample technique on the master’s list. After choosing the participating hospitals for the sample and after dividing them
into groups and regions, the researcher used simple random sampling. A random number table was used to determine the subjects. A random number table is a listing of random numbers where we can choose the quantity of random numbers desired, the maximum and minimum values of numbers in the table. Moreover, in the present study, the quality department managers and other department’s managers were considered to be the right respondents for this study to represent the sample under study (Lagrosen, & Lagrosen, 2005; Lau, Zhao, & Xiao, 2004; Saraph, Benson, & Schroeder, 1989; Shortell et al., 1995a; Wilson & Collier, 2000; and Wu, Wiebe, & Politı, 1997).

4.2 Instruments

4.2.1 Leadership Styles

Theory of transformational leadership proposed by Bass (1985) was further developed by Avolio and Bass (1995) who extended the theory by integrating a level-of-analysis framework. Avolio and Bass have also developed Multi-factor Leadership Questionnaire (MLQ) whereby its latest version (Form-5x-short) includes the full range leadership (Transformational, transactional, and laissez-faire) and was used in the present study to measure leadership styles. The Bass and Avolio MLQ scale was adapted in this research owing to its extensive development and validation of scale and because it is considered one of the best instruments available to evaluate leadership styles. The internal consistency, validity and reliability of the scale have been empirically tested. The reliability for all items and for each leadership factor scale was reported to range from .74 to .94 (Avolio & Bass, 1995) and exceed the standard reliability cut-off of .70, as recommended by Fornell and Larcker (1981). Thirty six items were asked, covering the entire range of leadership. The instrument begins from transformational at one end to highly avoidant at the other end. All the leadership styles had nine items and each was rated on a five-point scale, ranging from ‘1’ (not at all) to ‘5’ (frequently, if not always).

4.2.2 Quality Management Practices

Data of quality management practices was obtained through the use of questionnaire. The seven constructs that are the most common principles of quality management practices were included with the exception of leadership owing to the independent investigation of this principle as the predictor variable (Adam, 1994; Ahire, Golhar, & Waller, 1996; Ahmed, 2009; Anderson, Jerman, & Crum, 1998; Antony, Leung, Knowles, & Gosh, 2002; Awan, Bhatti, Qureshi, & Bukhari, 2009). These constructs include employee focus, strategic quality planning, customer focus, quality information and performance, continuous improvement and innovation, process management, and role of the quality department. All these items were rated on a five-point scale, ranging from ‘1’ “Strongly Disagree” to ‘5’ “Strongly Agree.” The instrument includes 41 items that are selected after a careful review of the literature. The instrument has been tested, validated and refined with a focus in the context of healthcare.

4.3 Data Collection

Once the instrument was finalized and its validity tested, data collection was initiated. The questionnaires, prepared in both Arabic and English languages, were distributed in selected hospitals. A cover letter was sent along with the questionnaire informing the respondents of the purpose and the authenticity of the research. To prove the authenticity, the approval of Medical Research Ethical Committee, MREC from the MOH was enclosed along with the detailed confidentiality clause.

A survey package was sent to 182 public hospitals in Saudi Arabia, and 140 were returned, giving a response rate of 77 percent. Also, the researcher used SPSS v 18.0 for Windows, as it is the standard software package used to analyze data in researches.

5. RESULTS AND DISCUSSION

Data analysis commenced with the inspection and review of the data in order to ascertain its suitability for analysis. In order to carry out an exhaustive data analysis, it was considered proper to follow the procedures outlined by Hair, Black, Babin, Anderson, and Tatham (2006), which included examining data patterns that were missed out and adhering to statistical assumptions, identification of outliers, and a review of skewness and kurtosis.

After considering all the above recommendations, the researcher found no missing data or any outliers. Moreover, the Cronbach’s alpha in terms of measurements related to the lower limits of acceptance is found to be such that $\alpha > 0.70$. In view of such circumstances, all measures were found to be having considerable reliability.

Correlation analysis can be defined as the statistical method that is adopted in describing the strengths and direction taken by the linear relationship amongst two different variables (Pallant, 2001). The extent of...
relationships relative to measuring the strength and significance of the correlation amongst different is aptly demonstrated by Pearson’s correlation coefficient (r) that has considerable high levels. Cohen’s (1988) research puts forth processes in explaining the strengths and the extent to which the relationships amongst two variables with ranges from .10 to .29 are indications of a low level of correlation; .30 to .49 implies a moderate level of relationship; .50 to 1 implies higher levels of relationships.

Table 1.1 provides a summary of the correlation of different variables that is portrayed and supplemented with details for the given hypotheses.

**Hypothesis 1:**
It is evident from Table 1.1 that transformational leadership behaviors are related with quality management practices. The correlation coefficient values relative to the examined relationships amongst the two was found to be .368, which can be termed as a positive moderate correlation at the given levels whereby \( p < .01 \). As a significant positive relationship exists, therefore, there is a support for this hypothesis. In organizations where transformational leadership characterizes the functioning of top management, it becomes possible to involve and engage workers through motivational strategies, thus enabling them to give their best. This leads to the improvement of product and services and the development of people oriented culture. Additionally, organizations adopting customer centred approaches mostly focus on customer satisfaction. In order to achieve customer satisfaction organizations have to understand that employees are internal customers that need to be motivated and satisfied first. Such aspects clearly imply that quality management practices are considerably dependent on transformational leadership styles being used in the organization. Furthermore, the findings of this research are consistent with other studies that linked this style to higher organizational performance (Bass & Avolio, 1999; Bass, 1990; Idris & Ali, 2008; Yukl, 1999). Their findings are equally relevant to the Saudi healthcare sector because it is important to define the critical factors that affect the quality management practices thereby affecting organizational performance. So, transformational leadership style was found to be the style that most positively affects quality management practice and therefore impacts organizational performance and thereby offering a great deal of practical solutions to improving quality management practices in Saudi public hospitals.

**Hypothesis 2:**
As shown in Table 1.1, behaviors relative to transactional leadership styles are related with quality management practices. It was found that the values for correlation coefficients in terms of the examined relationships amongst the two variables are -.432, which is suggestive of moderate negative correlation at the well accepted level of \( p < .01 \). Therefore, there is a support for this hypothesis. Correlation analysis between the transactional leadership style and quality management practices revealed that transactional leadership is negatively associated with quality management practices. This result is not in line with studies of Berson and Linton (2005), Podsakoff, MacKenzie, Moorman, & Fetter (1990), and Yukl (1999), who indicated that the transactional leadership style can reward followers who participate to accomplishing quality objectives, and punish those who do not participate, a technique which eventually results in managing short-term objectives. However, the negative association between the transactional leadership style and quality management practices is expected given the fact that transactional leadership has been noted to result in lower quality and productivity than transformational leadership (Masi & Cooke, 2000) and given the fact that passive avoidant leadership has been uniformly associated with negative performance (Bass & Avolio, 1999). Accordingly, transactional leadership is not considered to be effective in improving quality mainly because it relates mostly to punishments and rewards, which implies exchange and this findings are consistent with the findings of Avolio (1994), Avolio and Bass (2004), and Sosik and Dionne (1997). In their studies, they mentioned that corrective transactional leadership (i.e. the active and passive forms of management by exception) is not supportive of effective organizational performance and thus could not be supportive of quality management practices.

**Hypothesis 3:**
As evident from Table 1.1, laissez-faire leadership behaviors have a relationship with quality management practices. It was found that the value of correlation coefficient for the analyzed relationship amongst the two variables is -.706, which is significant at \( p < .05 \). Hence, this hypothesis is supported. The findings confirmed this association and analysis found that a laissez-faire leadership style is negatively associated with quality management practices; a result in line with studies by Bass (1990), Sosik and Dionne (1997) and Vouzas and Gotzamani, (2005). In their studies, they mentioned that the laissez-faire leadership style is incompatible with the leadership behaviours which are necessary for effective quality management thereby leading to lack of task concentration, work quality problems, and poor productivity.
6. CONCLUSION
The study was directed to examine the leadership styles (transformational leadership style, transactional leadership style and laissez-faire leadership styles), and quality management practices in Saudi public hospitals. The research began with the exploration of the current state of quality management practices in public hospitals and the relevant factors that may result in the application of quality management practices that can be used to facilitate better quality systems in public hospitals. It is hoped that the findings of the study will contribute to the body of knowledge and the understanding of quality management practices in hospitals which has not been given ample attention.

REFERENCES
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### Table 1.1

**Summary of Correlations of Variables**

<table>
<thead>
<tr>
<th></th>
<th>TF</th>
<th>TS</th>
<th>LZ</th>
</tr>
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<tbody>
<tr>
<td>QMP</td>
<td>Pearson Correlation</td>
<td>0.368**</td>
<td>-0.432*</td>
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<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td>0.008</td>
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<td></td>
<td>N</td>
<td>91</td>
<td>37</td>
</tr>
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*Correlation is significant at the 0.05 level (2-tailed).

Note. QMP = Quality Management Practices; TF = Transformational Leadership Style; TS = Transactional Leadership Style; LZ = Laissez-faire Leadership Style