



## INFLUENCE OF LEADERSHIP ON ORGANISATIONAL OUTCOME-AN EMPIRICAL STUDY ON THE SUPER SPECIALTY HOSPITALS

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*"Effective leadership is not about making speeches or being liked; leadership is defined by results not attributes." —Peter Drucker*

### Abstract

Leadership is one of the most fundamental factors which influence a company's performance. It is believed that an organization's overall success is influenced by the efficiency of its leaders. Every organization's Leader must excite employees, enhance efficiency, achieve development, and foster a positive environment, which is clearly not a simple task in today's competitive environment. Leaders are always attempting to find out which leadership style is the most successful for improving organisational outcomes and accomplishing their performance goals. The purpose of the present study is to investigate how leadership affects organisational outcomes in super specialty hospitals. The scope of the study is restricted to Super Specialty Hospitals in Ernakulum and Thiruvananthapuram. The findings revealed a positive relationship between leadership and organisational outcomes.

**Keywords:** Leadership, Organisational Outcomes, Organisation Success, Super Specialty Hospitals

### Introduction

Leadership is one of the key concepts in management and many researchers have developed theories and frameworks for understanding leadership. Some have made distinctions between charismatic, heroic, and transformational leadership styles. Other experts describe the difference between managers and leaders, as well as the personality and cognitive traits that are most likely to predict leadership success. The numerous elements of leadership demonstrate how complicated a concept it is and how tough it can be to lead effectively.

The health-care environment is demanding, with challenges that are specific to its peculiarities. Such challenges include internal forces resulting from growing demands for openness and accountability, increased stakeholder impact, and shortages of health care professionals. External forces include changing demographics, economic factors, globalisation, government regulations, and advances in medical and information technology. Hence, the health care industry is marked by on-going reforms arising from factors both within and outside its control. To realize the goals of the health care organisations, effective leadership is essential at all levels.

### Understanding Leadership

Many social scientists have studied leadership, but there has never been an accepted definition universally. However, Leadership is defined as the process of influencing people's behaviour in such a



way that they work voluntarily and enthusiastically to attain group goals. Warren Bennis, popularly regarded as a discoverer of leadership studies, defined leadership as 'a function of knowing yourself, having a vision that is well communicated, building trust among colleagues, and taking effective action to realize your own leadership potential'. Peter Drucker, views leader as 'someone who has followers' and famously quoted that 'management is doing things right; leadership is doing the right things.

### **Theories of leadership**

A number of different leadership theories have sought to explain what makes good leaders succeed.

- Great Man theory- An old, out-of-date belief that claims leaders are born, not formed.
- Trait theory- With similarities to the Great Man theory, it claims that some people are born with certain attributes (for example, flexibility, ambition, and assertiveness) that make them particularly suited to leadership in a variety of contexts.
- Behavioural theory- This theory focuses on what leaders actually do despite the personal qualities or in born traits that they own.
- Contingency theory- Depending on the situation and the demands and characteristics of their followers, effective leaders establish different ways of interacting with them.
- Transactional leadership- Under this, leader motivates followers either by positive rewards or negative punishments
- Transformational leadership- People will follow a leader who inspires them with his or her vision, passion, and zeal.

### **Importance of Leadership in Health Care Industry**

In the healthcare industry, the term 'leadership' is frequently used instead of 'management.' The key functions of leadership and management, however, include organising, planning, controlling, implementing, budgeting, and conducting analysis. It yields a method for effectively utilising and achieving organisational goals. Effective leadership is critical for implementing innovations and building a sound culture in the healthcare industry.

Some of the reasons why leadership is critical in the health-care industry are listed below.

- Helps in achieving Organisational Goals
- Recognize employee's potential
- Facilitate a Sense of Belonging among employees
- Boosts Confidence and Job Satisfaction
- Improves Skills and Abilities
- Aids in Change Management

### **Super / Multi Specialty Hospitals**

As the world struggles with the greatest pandemic in modern history, it is more crucial than ever to know the healthcare system. Various hospitals and health care facilities can be found everywhere. With the rising number of cases of various ailments, it is becoming increasingly difficult and impractical to maintain travelling to different sites for different treatments. Many new ailments have emerged as a result of our sedentary lifestyle, and they require multi-specialists to treat. A multi-specialty hospital is one that offers treatment for a wide range of disorders and diseases, as well as a highly qualified team of doctors and specialists. The patients are well-cared as well as customised attention is given to each patient. The current study focuses on multi-specialty hospitals in Thiruvananthapuram and Ernakulum District only.

### **Need And Significance of The Study**

Previous research has indicated that leadership has a direct impact on organisational outcomes such as job performance and organizational behaviour. Effective leaders have the ability to impact organisational outcomes such as employee performance, a pleasant work environment, employee commitment and so on. Leaders have a positive impact on their followers' achievement not



simply through psychological empowerment but also through work engagement. Leaders can influence the employability of the followers (Kraimer, Seibert, & Astrove, 2015; Raghuram, Gajendran, Liu, & Somaya, 2016; Vincent-Höper, Muser, & Janneck, 2012) and play a prominent role in this process (Rapp, Ahearne, Mathieu, & Schillewaert, 2006). Effective leaders create a work atmosphere that reduces job burnout while also improving job performance. (Shuck & Herd, 2012).

## Methodology

The study is empirical in nature. The purpose of the study was to see how leadership influences organizational outcomes. The present study focuses on super Specialty Hospitals in Thiruvananthapuram and Ernakulum District alone. As per the list of empanelled hospitals for super specialty service by Insurance Medical Services - Government of Kerala, there are 6 super specialty hospitals in Trivandrum and 8 hospitals in Ernakulum, out of a total of 14 hospitals. To analyse the impact of leadership on organisational outcome, primary data was obtained from five middle level leaders from each of the fourteen hospitals. Purposive sampling method was used for the sampling process and the total sample size for the study was limited to seventy.

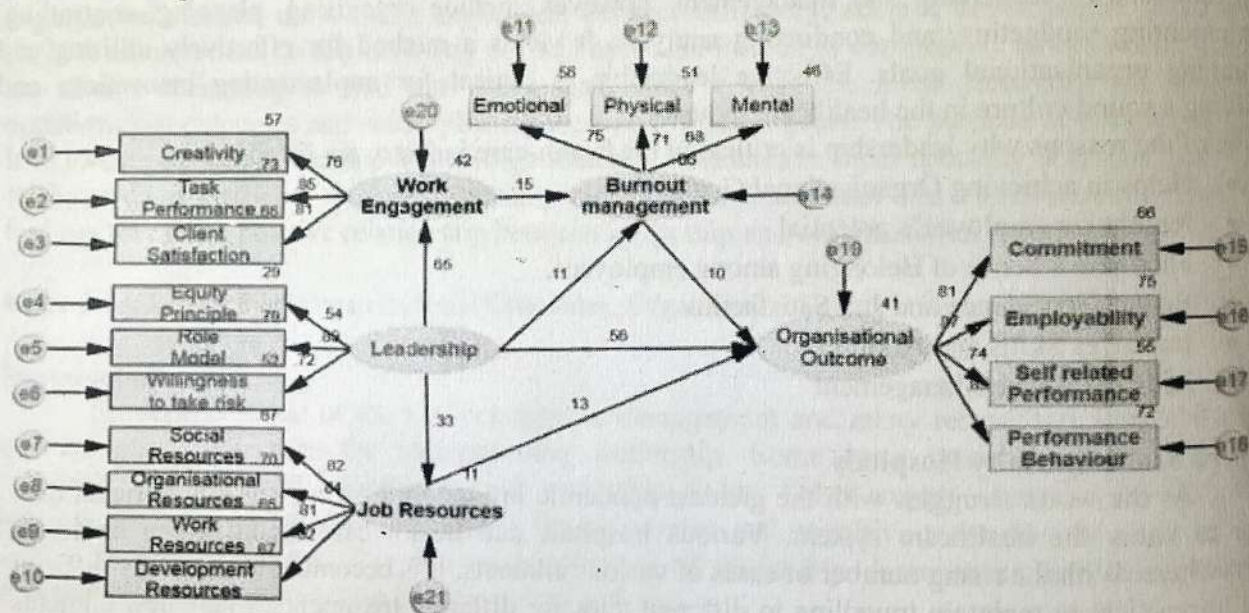
## Objectives of the Study

The primary objective of the study is to empirically evaluate the impact of leadership on organisational outcome in super specialty hospitals in Thiruvananthapuram and Ernakulam.

As per the conceptual framework, the following hypothesis has been developed:

**Hypothesis 1 (H1):** There is goodness of fit relationship between leadership and organisational outcome.

## Structural Equation Model



In the present Structural Equation Model Leadership to a great extent influences Work Engagement, Job Resources and Organisational Outcome. Work engagement refers to a worker's level of excitement and commitment to their job. It is characterised by Creativity, Task Performance and Client Satisfaction. Leadership is directly related to Equity Principle, Role Model and Willingness of the leader to take risk. Equity Principle is the ability of a leader to make responsible and fair decisions in a variety of situations, particularly when faced with various problems. A role model is someone others look to as a good example. As a role model; a leader should be someone who can be idolized. Job resources are the physical, social or organizational factors that help employees to achieve goals. Social resources refer to attributes such as peer and supervisor support, social network, and so on. which helps in getting the work done. Organisational



resources refer to what an organization owns such as human resources, financial resources, physical resources, and information resources. Work resources refer to any factors that are necessary to accomplish a task. An effective leadership can positively contribute to organisational outcomes such as Commitment, Employability, self-related performance and performance behaviour. Commitment refers to an employee's passion for the responsibilities allocated to him or her at work. "Employability is having a set of skills, knowledge, understanding and personal attributes. Self-related performance refers to a person's conviction in his or her ability to carry out the behaviours required to achieve specified performance goals. Performance Behaviour specifies and measures the behaviour that is needed to achieve the desired result. Employee burnout management is influenced by leadership to a limited extent. Burnout management is concerned with the management of work-related stress, which is characterised by physical, emotional, and mental tiredness, as well as a sense of diminished accomplishment and loss of personal identity. Hence, this is the general structural relationship between leadership and organisational outcomes. An attempt has been made to analyse how Leadership influences organisational outcomes in Super specialty hospitals.

### Result and Discussion

In the present study the following are the variables to examine the Influence of Leadership on Organisational Outcome at the Super Specialty Hospitals. Unobserved, endogenous variables

Burnout management, Work Engagement, Organisational Outcome and Job Resources. Observed, endogenous variables are Role model, Physical, Task performance, Employability, Commitment, Self related performance, Performance behaviour, Mental, Emotional and Creativity. Unobserved, exogenous variables are Leadership and all error variables. Thus, the total number of variables in the model is 43, number of observed variables are 17, number of unobserved variables are 26, number of exogenous variables are 22 and number of endogenous variables are 21.

**Table 1.1 Regression Weights: Influence of Leadership on Organisational Outcome at the Super Specialty Hospitals**

Relationship			Estimate	S.E.	C.R.	Stand ardis ed	P	R <sup>2</sup>
Work Engagement	<---	Leadership	.685	.067	10.291	.649	***	.421
Burnout management	<---	Leadership	.112	.092	1.225	.109	.221	
Job Resources	<---	Leadership	.463	.082	5.634	.330	***	.109
Burnout management	<---	Work Engagement	.148	.087	1.707	.152	.088	.057
Organisational Outcome	<---	Leadership	.487	.053	9.147	.559	***	.410
Organisational Outcome	<---	Job Resources	.079	.031	2.529	.127	.011	
Organisational Outcome	<---	Burnout management	.084	.045	1.883	.099	.060	
Role model	<---	Leadership	1.315	.090	14.528	.891	***	.698
Physical	<---	Burnout management	.961	.093	10.335	.711	***	.651
Task performance	<---	Work Engagement	.955	.055	17.201	.853	***	.294
Employability	<---	Organisational Outcome	1.000			.868		.515
Commitment	<---	Organisational	.928	.047	19.635	.812	***	.667



Relationship			Estimate	S.E.	C.R.	Standardised	P	R <sup>2</sup>
		Outcome						
Self-related performance	<---	Organisational Outcome	.989	.058	17.155	.742	***	.675
Performance behaviour	<---	Organisational Outcome	1.076	.051	20.893	.847	***	.660
Mental	<---	Burnout management	.932	.091	10.230	.675	***	.573
Emotional	<---	Burnout management	1.000			.745		.555
Creativity	<---	Work Engagement	.877	.056	15.580	.757	***	.456
Client Satisfaction	<---	Work Engagement	1.000			.813		.717
Development resources	<---	Job Resources	.974	.054	17.884	.821	***	.550
Social resources	<---	Job Resources	.928	.052	17.753	.816	***	.659
Willingness to take risk	<---	Leadership	1.000			.718		.754
Equity principle	<---	Leadership	.740	.074	10.005	.542	***	.727
Organisational resources	<---	Job Resources	1.000			.807		.505
Work resources	<---	Job Resources	.967	.053	18.242	.835	***	.793

Source: primary data

According to the unstandardized Regression Weight all relations are statistically significant except Leadership on Burnout management; Work Engagement on Burnout management and Burnout management on Organisational Outcome based on the P value of Critical ratios. According to the standardised Regression weight, the partial regression weight score is high for establishing the relationship between Leadership on Role model. That means when there is one-degree standard deviation change in the Leadership, the variance on Role model can be attributed to 89.1%. Similarly, when establishing the relationship between Organisational Outcome to Employability, a high partial regression weight is noted which is 86.8%.

The coefficient of determination of all the dependent variables is very high except Job Resources, Burnout management and Task performance. According to the above table the coefficients of determination of the Work resources is high which 79.3% and for Willingness to take risk is 75.4%. Hence it is clear that all the coefficient of determination values is comparatively high.

Based on the model fit summary all the values are high that is CMIN value of the model is 162.676, DF 112, P value 0.001. CMIN/DF is 1.452. This shows that there is structural relationship in influencing the Leadership on Organisational Outcome at the Super Specialty Hospitals. Moreover, the RMR value is .058, GFI .955, AGFI .939, NFI .953, RFI .942, CFI .985 and RMSEA .034. This shows that there is high structural relationship seen in influencing the Leadership on Organisational Outcome at the Super Specialty Hospitals.



## Conclusion

The crux of any organisation whether profit making or non-profit making organisation is solely determined by how satisfied the lower-level employees are. If they are mentally, physically, and emotionally fit, they will strive hard to help an organisation achieve its long-term goals. In the present study even though the leadership has many manifold functions on different segments of the organisation, it is found that its role is confined to a minimal extent in promoting the burnout management. Employee burnout management, particularly in the medical sector, must be prioritised due to the nature of the work environment and the amount of stress and strain that employees face. This could be accomplished by implementing the following suggestions: (1) Cultivate a healthy work environment (2) Implement Flexible Work Schedules (3) Initiate Wellness Programmes (4) Adopt new HR Tools (5) Encourage employees to maintain Work Life Balance (6) Build Social Connection (7) Practice Open Communication.

In order to achieve long-term success, leadership must focus on the emotional, physical, and mental well-being of employees. Otherwise, it may result in employee turnover, absenteeism, dissatisfaction, and decreased productivity. Hence, if all of these elements are addressed, the organisations will be sustainable.

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