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Master of Business Administration

**The Effects of Transformational Leadership on
Organizational Performance within the Makkah Health
Cluster**

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Chapter 1: Introduction

1.1 Background

Transformational leadership has emerged as a pivotal concept in organizational studies, particularly in the context of enhancing performance across various sectors, including healthcare. This leadership style is characterized by the ability to inspire and motivate followers to exceed their own self-interests for the sake of the organization, fostering an environment of innovation and change (Madanchian et al., 2021). In the healthcare sector, where the stakes are high and the need for effective leadership is critical, transformational leadership can significantly influence organizational performance by enhancing employee motivation, job satisfaction, and overall commitment to the organization (Hariadi & Muafi, 2022; Elgelal & Noermijati, 2014).

In Saudi Arabia, the healthcare system has undergone substantial reforms aimed at improving service delivery and patient outcomes. The Vision 2030 initiative emphasizes the importance of leadership in achieving these goals, highlighting the need for effective management practices that can drive organizational performance (Jing & Avery, 2011). The health cluster in Saudi Arabia, comprising various healthcare institutions, presents a unique context to study the effects of transformational leadership. The dynamic nature of healthcare, coupled with the increasing demand for

quality services, necessitates leaders who can adapt and inspire their teams to meet these challenges (Perano et al., 2019).

Research indicates that transformational leadership is positively correlated with organizational performance, particularly in environments that require adaptability and innovation (Madanchian et al., 2021; Kebede & Lemi, 2020). For instance, studies have shown that transformational leaders can enhance organizational citizenship behavior, which in turn contributes to improved performance metrics (Purwanto et al., 2021; Hariadi & Muafi, 2022). Moreover, the role of transformational leadership in fostering a positive organizational culture cannot be overstated, as it creates an environment where employees feel valued and empowered to contribute to organizational goals (Naile & Selesho, 2014).

The healthcare sector in Saudi Arabia is characterized by a diverse workforce, including professionals from various cultural backgrounds. This diversity necessitates a leadership approach that is not only transformational but also culturally sensitive and inclusive (Sertel et al., 2022). Transformational leaders in this context are expected to navigate the complexities of cultural dynamics while promoting a shared vision that aligns with the overarching goals of the healthcare system (Perano et al., 2019).

Furthermore, the interplay between transformational leadership and other variables such as job satisfaction, organizational commitment, and employee performance has been a focal point of recent studies. Transformational leadership has been shown to enhance job satisfaction, which is a critical determinant of employee performance (Hariadi & Muafi, 2022; Hidayah & Sutopo, 2017). In the context of the Saudi health cluster, understanding these relationships is essential for developing strategies that can lead to improved organizational performance and better health outcomes for the population.

1.2 Statement of the Problem

Despite the recognized importance of transformational leadership in enhancing organizational performance, there remains a significant gap in empirical research specifically examining this relationship within the Saudi healthcare context. Previous studies have predominantly focused on Western contexts, leaving a void in understanding how transformational leadership operates in the unique cultural and organizational landscape of Saudi Arabia (Jing & Avery, 2011; Rumengan et al., 2021). This gap is particularly concerning given the ongoing reforms in the Saudi healthcare system, which necessitate effective leadership to navigate the complexities of change and improve service delivery (Kebede & Lemi, 2020).

Moreover, while existing literature suggests a positive correlation between transformational leadership and various performance outcomes, the

mechanisms through which this relationship operates in the healthcare sector remain underexplored. For instance, the role of mediating factors such as employee motivation, job satisfaction, and organizational commitment in the transformational leadership-performance nexus has not been adequately addressed in the Saudi context (Hariadi & Muafi, 2022; Hidayah & Sutopo, 2017). Understanding these mediating factors is crucial for developing targeted interventions that can enhance organizational performance in healthcare settings.

Additionally, the impact of contextual factors, such as cultural dynamics and organizational structure, on the effectiveness of transformational leadership in the Saudi health cluster has not been sufficiently examined. The unique cultural context of Saudi Arabia, characterized by its collectivist values and hierarchical structures, may influence the way transformational leadership is perceived and enacted within healthcare organizations (Sertel et al., 2022). Therefore, there is a pressing need for research that not only investigates the direct effects of transformational leadership on organizational performance but also considers the contextual factors that may moderate this relationship. The current study aims to fill these gaps by investigating the effects of transformational leadership on organizational performance within the health cluster in Saudi Arabia.

1.3 Research Objectives

- 1- To assess employees' perception of transformational leadership within the Makkah Health Cluster.
- 2- To assess employees' perception of the organization's performance in the Makkah Health Cluster.
- 3- To assess the Correlation between of transformational leadership and organizational performance.
- 4- To assess the relationship between demographic variables (such as age, gender, years of experience) and employees' perceptions of transformational leadership and organizational performance.

1.4 Research Questions

- 1- How do employees perceive transformational leadership within the Makkah Health Cluster?
- 2- How do employees perceive the organization's performance within the Makkah Health Cluster?
- 3- What is the Correlation between of transformational leadership and the organization's performance?
- 4- How do demographic variables such as age, gender, and years of experience influence employees' perceptions of transformational leadership and organizational performance?

1.5 Research Hypotheses

H1: Employees perceive transformational leadership positively within the Makkah Health Cluster.

H2: Employees perceive organizational performance positively within the Makkah Health Cluster.

H3: There is a significant positive relationship between transformational leadership and organizational performance within the Makkah Health Cluster.

H4: There are significant differences in employees' perceptions of transformational leadership based on demographic variables such as age, gender, education level, and years of experience.

H5: There are significant differences in employees' perceptions of organizational performance based on demographic variables such as age, gender, education level, and years of experience.

1.6 Important of the Study

This research contributes to both the academic literature and practical applications within the healthcare leadership domain in Saudi Arabia. By examining transformational leadership and its effects on organizational performance within the Makkah Health Cluster, the study provides valuable insights into leadership practices that can enhance performance outcomes in healthcare organizations. The findings will help healthcare leaders and

policymakers in Saudi Arabia and similar contexts design leadership development programs that promote transformational leadership and improve healthcare system performance.

Additionally, this study explores the potential influence of demographic variables on employees' perceptions, offering a deeper understanding of how diverse employee groups experience leadership. The results can guide leadership strategies that are tailored to different segments of the workforce, further enhancing the effectiveness of transformational leadership in driving organizational success.

1.7 Theoretical Model

Transformational leadership theory, initially developed by James MacGregor Burns in the late 1970s, has become one of the most prominent leadership theories in management studies (Eaton, 2024). It posits that leaders can inspire and motivate followers to exceed their own self-interests for the good of the organization (Lai, 2011). This theory emphasizes four key components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Fahlevi et al., 2022). Transformational leaders are seen as change agents who foster an environment of trust, innovation, and personal development (Avolio & Bass, 1995). Transformational leadership theory focuses on the impact of leadership on team performance, emphasizing the leader's ability to inspire

and motivate followers to achieve extraordinary outcomes beyond expectations (Dionne et al., 2004).

Research by Bellé (2013) further explores the performance effects of transformational leadership, highlighting its influence on perceived social impact and job performance. Teoh et al. (2022) emphasize the effects of transformational leadership dimensions on employee performance in the hospitality industry, particularly during challenging times like the COVID-19 pandemic. Astuti et al. (2023) stress the importance of transformational leadership styles in enhancing nurses' compliance and commitment in hospital settings. Additionally, Winingsih (2022) explores the influence of transformational leadership style on knowledge sharing and employee performance in a hospital context.

1.8 Transformational Leadership

1.8.1 Definition of Transformational Leadership

Transformational Leadership: A leadership style that seeks to inspire and motivate employees by fostering innovation, creating a shared vision, and promoting individual development. It is characterized by four key dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Rachmat, 2023).

This concept was notably articulated by Bass and Avolio, who defined transformational leaders as those who are energetic, enthusiastic, and passionate about their work, focusing on the growth and development of their

followers (Fischer, 2016). The essence of transformational leadership lies in its capacity to foster significant changes within organizations by aligning the goals of the organization with the personal values and motivations of its members (Bass, 2000). This alignment not only enhances individual performance but also contributes to the overall effectiveness of the organization (Morales et al., 2008).

The transformational leadership model emphasizes the importance of leaders who can articulate a compelling vision, provide intellectual stimulation, and offer individualized consideration to their followers (Mariah, 2023). This model is particularly relevant in dynamic environments such as healthcare, where leaders must navigate complex challenges while fostering an environment conducive to innovation and high-quality patient care (Schwartz et al., 2011). Moreover, the transformational leadership approach has been linked to various positive outcomes, including increased employee satisfaction, commitment, and organizational performance (Sahid, 2023).

1.8.2 Key Components of Transformational Leadership

The key components of transformational leadership, as identified by Bass, include idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Rachmat, 2023). Idealized influence refers to the leader's ability to serve as a role model, earning the trust and respect of followers. Inspirational motivation involves the leader's

capacity to inspire and motivate followers to exceed their own self-interests for the sake of the organization. Intellectual stimulation encourages creativity and innovation by challenging the status quo and promoting problem-solving among followers (Bass, 2000).

Individualized consideration highlights the importance of recognizing and addressing the unique needs and aspirations of each follower, fostering a supportive environment that encourages personal and professional growth (Barling et al., 2000). These components collectively contribute to the effectiveness of transformational leaders in driving organizational change and enhancing employee engagement (Omaka et al., 2019). In the context of healthcare, these leadership qualities are essential for improving patient outcomes and fostering a culture of excellence among healthcare professionals (Wong & Cummings, 2007).

1.9 Organizational Performance

1.9.1 Definition of Organizational Performance:

Organizational Performance: The efficiency and effectiveness with which an organization achieves its goals, including aspects such as productivity, quality of service, employee satisfaction, and operational outcomes (Madanchian et al., 2021).

It encompasses various dimensions, including clinical outcomes, patient satisfaction, operational efficiency, and financial performance (Morales et al., 2008). The performance of healthcare organizations is

critical not only for the sustainability of the organization but also for the overall health and well-being of the populations they serve (Dong et al., 2016).

In the healthcare sector, performance metrics often include patient safety indicators, quality of care measures, and patient satisfaction scores, which reflect the organization's ability to meet the needs and expectations of patients (Wong & Cummings, 2007). Furthermore, organizational performance is influenced by various factors, including leadership styles, organizational culture, and the level of employee engagement (Schwartz et al., 2011). Transformational leadership has been shown to positively impact these factors, thereby enhancing overall organizational performance (Sahid, 2023).

1.9.2 Key Metrics of Organizational Performance in Healthcare

Key metrics of organizational performance in healthcare can be categorized into clinical, operational, and financial dimensions. Clinical metrics include patient outcomes, such as mortality rates, readmission rates, and adherence to clinical guidelines (Dong et al., 2016). These metrics are essential for assessing the quality of care provided by healthcare organizations and are often used by regulatory bodies to evaluate performance (Morales et al., 2008).

Operational metrics focus on the efficiency of healthcare delivery, including wait times, patient throughput, and resource utilization (Dong et

al., 2016). These metrics are crucial for identifying areas for improvement and ensuring that healthcare organizations can meet the demands of their patient populations effectively. Financial metrics, on the other hand, assess the economic viability of healthcare organizations, including revenue generation, cost management, and profitability (Morales et al., 2008).

The interplay between these metrics is significant; for instance, improvements in clinical outcomes can lead to enhanced patient satisfaction, which in turn can positively influence financial performance through increased patient referrals and reduced operational costs associated with poor outcomes (Dong et al., 2016). Transformational leadership plays a pivotal role in driving improvements across these metrics by fostering a culture of excellence and continuous improvement within healthcare organizations (Schwartz et al., 2011).

1.10 Transformational Leadership Impacts on Performance

1.10.1 Direct Impacts of Transformational Leadership

Motivation and Job Satisfaction: Transformational leadership has been shown to have a direct positive impact on employee motivation and job satisfaction. Studies indicate that transformational leaders inspire their followers by creating a compelling vision and fostering an environment of trust and respect (Nugraha et al., 2022). This inspirational approach not only enhances employees' intrinsic motivation but also leads to higher levels of job satisfaction, as employees feel more engaged and valued within the

organization (Safitri & Nurhadian, 2023). The positive correlation between transformational leadership and job satisfaction is particularly evident in sectors such as healthcare, where employee morale is crucial for delivering high-quality patient care (Schwartz et al., 2011).

Furthermore, transformational leaders often employ strategies that promote teamwork and collaboration, which further enhances job satisfaction among employees (Kim & Park, 2019). By encouraging open communication and recognizing individual contributions, transformational leaders create a supportive work environment that fosters employee engagement and satisfaction (Mariah, 2023). This, in turn, leads to improved performance outcomes, as satisfied employees are more likely to be productive and committed to their roles (Safitri & Nurhadian, 2023).

Staff Retention and Productivity: The influence of transformational leadership extends beyond motivation and job satisfaction to encompass staff retention and productivity. Research has demonstrated that organizations led by transformational leaders experience lower turnover rates, as employees are more likely to remain with an organization that fosters a positive and supportive culture (Cheung & Wong, 2011). Transformational leaders cultivate strong relationships with their followers, which enhances loyalty and commitment, ultimately reducing the likelihood of staff turnover (Cheng, 2023).

In addition to improving retention rates, transformational leadership has been linked to increased productivity. Employees who feel motivated and supported by their leaders are more likely to perform at higher levels and contribute to the organization's success (Farahnak et al., 2019). This relationship is particularly significant in high-stakes environments such as healthcare, where the quality of care is directly influenced by staff performance and engagement (Naderi et al., 2019). By fostering a culture of excellence and continuous improvement, transformational leaders can drive productivity and enhance overall organizational performance (Schwartz et al., 2011).

1.10.2 Indirect Impacts of Transformational Leadership

Influence on Organizational Culture: Transformational leadership has a profound indirect impact on organizational culture, shaping the values, beliefs, and behaviors that define an organization. Transformational leaders promote a culture of innovation and collaboration, encouraging employees to share ideas and take risks (Aristana et al., 2023). This cultural shift is essential for fostering an environment where creativity and problem-solving can thrive, ultimately leading to improved organizational performance (Ouyang et al., 2022).

Moreover, transformational leaders play a crucial role in establishing a shared vision and aligning organizational goals with the values of their employees (Afsar & Masood, 2017). By creating a strong sense of purpose

and commitment, transformational leaders can cultivate a positive organizational culture that enhances employee engagement and satisfaction (Caillier, 2014). This cultural alignment is particularly important in healthcare settings, where the quality of care is closely linked to the organizational culture and the behaviors of healthcare professionals (Schwartz et al., 2011).

Impact on Patient Satisfaction and Care Quality: The indirect effects of transformational leadership extend to patient satisfaction and care quality in healthcare organizations. Research has shown that transformational leadership is associated with improved patient outcomes, as engaged and motivated healthcare professionals are more likely to provide high-quality care (Elgelal & Noermijati, 2014). Transformational leaders foster a culture of excellence that prioritizes patient needs and encourages continuous improvement in care delivery (Charbonneau et al., 2001).

Furthermore, the positive relationship between transformational leadership and patient satisfaction is reinforced by the enhanced teamwork and collaboration that transformational leaders promote among healthcare staff (Jong & Hartog, 2007). When employees feel supported and valued, they are more likely to work effectively as a team, leading to better communication and coordination in patient care (Carter et al., 2012). This collaborative approach ultimately results in improved patient experiences

and outcomes, highlighting the critical role of transformational leadership in healthcare settings (Schwartz et al., 2011).

1.11 Relationship Between Transformational Leadership and Organizational Performance

The relationship between transformational leadership and organizational performance is well-documented in the literature, with numerous studies highlighting the positive impacts of transformational leadership on various performance metrics. Transformational leaders inspire their followers to exceed their own expectations and contribute to the organization's success, leading to enhanced overall performance (Gupta, 2020). This relationship is particularly evident in sectors such as healthcare, where the quality of care and patient outcomes are directly influenced by leadership practices (Sumarno, 2023).

Transformational leadership has been shown to foster a culture of innovation and continuous improvement, which is essential for organizations seeking to adapt to changing environments and meet the evolving needs of their stakeholders (Musinguzi et al., 2018). By promoting employee engagement and collaboration, transformational leaders can drive organizational performance and ensure that the organization remains competitive and responsive to challenges (Khan et al., 2020). This dynamic interplay between leadership and performance underscores the importance

of adopting transformational leadership practices in organizations aiming for excellence (Schwartz et al., 2011).

In conclusion, the concepts and theories related to transformational leadership provide a robust framework for understanding its impact on employee motivation, organizational culture, and overall performance. By fostering a supportive and inspiring environment, transformational leaders can enhance employee engagement, drive innovation, and ultimately improve organizational outcomes, particularly in high-stakes sectors such as healthcare

1.8 Factors affecting the performance of the hospital organization.

The performance of hospital organizations is influenced by a multitude of factors, ranging from human resource strategies to management practices and external environmental conditions. Understanding these factors is crucial for improving healthcare delivery and ensuring patient satisfaction. One significant aspect is the role of human resource management (HRM) strategies, which have been shown to directly affect organizational performance. For instance, Nafari and Rezaei highlight the positive correlation between effective HR strategies and hospital performance, particularly when assessed through the Balanced Scorecard framework (Nafari & Rezaei, 2021). This is further supported by Michael et al., who found that HRM policies significantly impact patient outcomes,

including mortality rates in UK hospitals (Nafari & Rezaei, 2021). Additionally, Elkomy and Cookson emphasize that performance management strategies, such as reducing patient waiting times, are critical for enhancing healthcare outcomes (Elkomy & Cookson, 2018).

Another vital factor is the political climate within the organization. Yasmeen et al. argue that organizational politics, including nepotism and favoritism, can undermine HRM practices and employee performance (Yasmeen et al., 2019). By redefining policies to mitigate these political influences, hospitals can enhance the performance of their workforce, thereby improving overall organizational effectiveness (Yasmeen et al., 2019). Furthermore, Asaria et al. assert that management quality is positively linked to hospital performance, suggesting that effective leadership and management practices are essential for achieving high performance in healthcare settings (Asaria et al., 2020). This is echoed by Khadka et al., who identify specific managerial competencies, such as communication and service delivery innovation, as critical for effective hospital management (Khadka et al., 2013).

Financial factors also play a significant role in hospital performance. Fanaei et al. note that lower salaries in military hospitals compared to other health organizations negatively impact performance outcomes (Fanaei et al., 2023). They argue that aligning salaries with performance metrics can lead to improved quality of care (Fanaei et al., 2023). Similarly, the financial

management capabilities of hospitals are crucial, as effective financial oversight can enhance resource allocation and operational efficiency (Darmastuti, 2023). This is particularly important in the context of increasing healthcare demands and the need for sustainable financial practices.

Moreover, the quality of healthcare services delivered is a fundamental determinant of hospital performance. Pourmohammadi et al. emphasize that quality indicators, such as patient satisfaction and infection rates, significantly influence hospital effectiveness and financial performance (Pourmohammadi et al., 2018). The relationship between service quality and patient satisfaction is further supported by Javed and Ilyas, who found that patients tend to report higher satisfaction levels in private hospitals compared to public ones, indicating that service quality is a critical area for improvement in public healthcare settings (Javed & Ilyas, 2018).

In addition to these factors, the implementation of knowledge management (KM) practices is increasingly recognized as a means to enhance hospital performance. Karamat et al. argue that effective knowledge management can improve patient care by ensuring that healthcare providers have access to critical patient information and best practices (Karamat et al., 2018). This aligns with the findings of Ivanković et al., who suggest that the use of performance data is essential for hospital managers to make informed decisions and improve organizational performance (Ivanković et al., 2020).

The ability to collect and utilize performance data effectively can lead to better accountability and strategic management within hospitals.

1.12 Methods to Enhance hospital performance

To enhance hospital performance, several methods can be employed. First, hospitals should focus on developing robust HRM practices that prioritize talent management. Bibi highlights the importance of talent management strategies in attracting, developing, and retaining skilled employees, which is essential for improving organizational performance (Bibi, 2018). By fostering a merit-based culture, hospitals can leverage the capabilities of their workforce to achieve competitive advantages.

Second, enhancing management quality through targeted training and development programs is crucial. Moradi et al. emphasize the need for hospital managers to possess strong relational and communication skills, which are vital for effective leadership (Moradi et al., 2020). Training programs that focus on these competencies can help managers navigate the complexities of healthcare delivery and improve overall organizational performance.

Third, implementing performance management systems that focus on key performance indicators (KPIs) can drive improvements in hospital operations. Elkomy and Cookson suggest that monitoring waiting times and other relevant performance metrics can help hospital managers assess their effectiveness and make necessary adjustments (Elkomy & Cookson, 2018).

By establishing clear performance targets and regularly evaluating progress, hospitals can enhance their service delivery and patient outcomes.

Additionally, fostering a culture of continuous improvement through feedback mechanisms can significantly enhance hospital performance. Lim and Ok argue that organizations that actively seek feedback and adapt their practices accordingly are more likely to succeed in achieving their performance goals (Lim & Ok, 2022). This approach encourages a proactive stance towards addressing challenges and leveraging opportunities for improvement.

Finally, embracing technological advancements and innovative practices can also contribute to enhanced hospital performance. Dias and Escoval highlight the need for hospitals to develop new skills and adapt their organizational structures to meet the evolving demands of healthcare delivery (Dias & Escoval, 2014). By investing in technology and innovation, hospitals can improve operational efficiency and patient care quality.

In conclusion, the performance of hospital organizations is influenced by a complex interplay of factors, including human resource strategies, management quality, financial practices, service quality, and knowledge management. To enhance performance, hospitals must adopt comprehensive strategies that address these factors holistically. By focusing on talent management, improving managerial competencies, implementing effective

performance management systems, fostering a culture of continuous improvement, and embracing innovation, hospitals can significantly improve their organizational performance and ultimately enhance patient care.

Chapter 2: Literature Review

2.1 Introduction

The purpose of this chapter is to review the existing literature on transformational leadership and its impact on organizational performance, with a specific focus on the healthcare sector.

2.2 Transformational Leadership

Transformational leadership is a leadership style that seeks to inspire and motivate followers to achieve exceptional outcomes while fostering an environment of innovation and change (Metz et al., 2019; . This leadership approach is characterized by four key components: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Eyal & Roth, 2011). Idealized influence refers to the leader's ability to act as a role model, earning the trust and respect of followers. Inspirational motivation involves articulating a compelling vision that inspires followers to commit to organizational goals. Intellectual stimulation encourages creativity and problem-solving, while individualized consideration emphasizes the importance of recognizing and addressing the unique needs of each follower (Hansbrough & Schyns, 2018).

Research has shown that transformational leaders can significantly impact their followers' attitudes and behaviors, leading to higher levels of job satisfaction, organizational commitment, and performance (Saravo et al., 2017; Liu, 2023). For instance, studies indicate that transformational

leadership is positively correlated with employee engagement and organizational citizenship behavior, which are critical for fostering a collaborative and productive work environment (Purwanto et al., 2021; Chou et al., 2013). Moreover, transformational leadership has been linked to improved team dynamics and performance, as leaders who exhibit transformational behaviors tend to cultivate trust and cohesion among team members (Chou et al., 2013; Vanesa, 2021).

In the context of healthcare, transformational leadership is particularly relevant due to the sector's inherent complexities and the need for continuous improvement in service delivery (Saravo et al., 2017). Leaders who adopt a transformational approach can effectively navigate the challenges posed by rapid changes in healthcare policies, technological advancements, and patient expectations. By fostering a culture of innovation and collaboration, transformational leaders can enhance the overall performance of healthcare organizations (Metz et al., 2019; Liu, 2023).

2.3 Organization's Performance

Organizational performance refers to the effectiveness and efficiency with which an organization achieves its goals and objectives. It encompasses various dimensions, including financial performance, operational efficiency, employee satisfaction, and customer satisfaction (Wen et Al., 2023). In the healthcare sector, organizational performance is often measured through

indicators such as patient outcomes, service quality, and employee engagement (Liu, 2023).

The relationship between leadership styles and organizational performance has been a focal point of research, with transformational leadership emerging as a significant predictor of positive performance outcomes (Curtis et al., 2017; Rachmat, 2023). Studies have demonstrated that organizations led by transformational leaders tend to exhibit higher levels of innovation, adaptability, and employee morale, all of which contribute to enhanced performance (Hariani & Masdupi, 2019; Wen et Al., 2023). Furthermore, transformational leadership has been associated with improved organizational commitment and reduced turnover intentions among employees, which are critical factors in maintaining a high-performing workforce (Robertus et al., 2020; Purwanto et al., 2021).

In the context of Saudi Arabia's healthcare sector, organizational performance is particularly crucial given the ongoing reforms aimed at improving service delivery and patient care (Jing & Avery, 2011). The Vision 2030 initiative emphasizes the need for effective leadership to drive these changes, highlighting the importance of aligning organizational goals with the broader objectives of the healthcare system (Perano et al., 2019). As such, understanding the factors that influence organizational performance, including leadership styles, is essential for achieving the desired outcomes in this sector.

2.4 The Impact of Transformational Leadership on Organizational Performance

Numerous studies have explored the impact of transformational leadership on organizational performance, revealing a consistent positive relationship between the two constructs (Curtis et al., 2017; Liu, 2023). Transformational leaders are known to inspire and motivate their followers, leading to increased levels of job satisfaction, commitment, and performance (Metz et al., 2019; Wen et Al., 2023). For instance, research has shown that transformational leadership enhances employee engagement, which is a critical determinant of organizational performance (Lai et al., 2020; Chou et al., 2013). Engaged employees are more likely to go above and beyond their job requirements, contributing to improved service delivery and patient outcomes in healthcare settings (Hariani & Masdupi, 2019; Purwanto et al., 2021).

Additionally, transformational leadership fosters a culture of innovation and continuous improvement, which is essential for organizations operating in dynamic environments such as healthcare (Saravo et al., 2017; Liu, 2023). Leaders who encourage creativity and support their employees in taking calculated risks are more likely to drive organizational performance through the development of new ideas and solutions (Wen et Al., 2023; Liu, 2023). This is particularly relevant in the context of Saudi Arabia's healthcare sector, where leaders must navigate the complexities of reform and adapt to

changing patient needs and expectations (Jing & Avery, 2011; Perano et al., 2019).

Moreover, the impact of transformational leadership on organizational performance is often mediated by factors such as organizational commitment and job satisfaction (Purwanto et al., 2021; Rachmat, 2023). Transformational leaders who prioritize the well-being and development of their followers are more likely to cultivate a committed workforce that is aligned with the organization's goals. This alignment ultimately translates into improved performance outcomes, as employees are more motivated to contribute to the organization's success (Metz et al., 2019; Curtis et al., 2017).

2.5 Relationship Between Demographic Variables and Employee' Perceptions of Transformational Leadership and Organizational Performance

Demographic variables, such as age, gender, education level, and work experience, can significantly influence employees' perceptions of transformational leadership and organizational performance (Arrippin & Wahab, 2023; Hussain et al., 2016). Research suggests that employees' backgrounds and experiences shape their expectations and interpretations of leadership behaviors, which in turn affects their engagement and performance (Wen et Al., 2023; Hussain et al., 2016). For instance, younger employees may have different expectations regarding leadership styles

compared to older employees, potentially leading to variations in how transformational leadership is perceived and enacted within organizations (Arrippin & Wahab, 2023; Hussain et al., 2016).

Furthermore, studies have indicated that gender can play a role in shaping perceptions of leadership effectiveness. Female employees may respond differently to transformational leadership behaviors compared to their male counterparts, influencing their levels of job satisfaction and organizational commitment (Hussain et al., 2016; Hansbrough & Schyns, 2018). Additionally, educational background and work experience can impact employees' understanding of leadership dynamics, leading to differing perceptions of transformational leadership's effectiveness in driving organizational performance (Arrippin & Wahab, 2023; Hussain et al., 2016).

In the healthcare sector, where teamwork and collaboration are essential, understanding the relationship between demographic variables and employees' perceptions of transformational leadership is critical for fostering an inclusive and supportive work environment (Metz et al., 2019; Wen et Al., 2023). Leaders who are aware of these dynamics can tailor their approaches to meet the diverse needs of their workforce, ultimately enhancing organizational performance (Liu, 2023; Arrippin & Wahab, 2023).

2.6 Summary of Past studies

The study titled "Effects of Transformational Leadership on Organizational Identification and Adaptive Performance in the Health Care Industry" by Fan (2023) aimed to examine the effects of transformational leadership on employees' adaptive performance and organizational identification within the healthcare industry. The study was conducted in healthcare-related enterprises in Shandong Province, China, with a sample of 300 participants from 36 healthcare enterprises. The results showed that transformational leadership significantly improved employees' adaptive performance and positively influenced their organizational identification, fostering a stronger emotional connection and sense of belonging. Additionally, organizational identification mediated the relationship between transformational leadership and adaptive performance, indicating that employees who identified more with their organization performed better (Fan, 2023).

The study titled "The Effect of Transformational Leadership and Organizational Culture on Employee Performance" by Vidhia (2023) aimed to analyze the influence of transformational leadership and organizational culture on employee performance at Pancasila University Jakarta, Indonesia. The study used a sample of 100 employees and found that transformational leadership had a significant positive impact on employee performance, improving it by 53.3%. Organizational culture also positively influenced

performance, contributing to a 46.3% improvement. The study concludes that both leadership style and organizational culture are important factors in enhancing employee performance and should be considered when designing organizational policies (Vidhia, 2023).

The study titled "The Effect of Transformational Leadership, Organizational Culture, and Management Control System on Employee Performance with Organizational Commitment as the Intervening Variable at CV Makmur Jaya Abadi Surabaya City" by Pamungkas et al. (2023) aimed to investigate the effects of transformational leadership, organizational culture, and management control systems on employee performance, with organizational commitment as a mediating factor. The study used a sample of 243 employees and found that transformational leadership significantly influenced organizational commitment, which in turn enhanced employee performance. However, leadership did not have a direct impact on performance, suggesting that commitment plays a key mediating role in the relationship between leadership and performance (Pamungkas et al., 2023).

The study titled "Exploring the Impact of Transformational Leadership on Employee Performance: Insights into Organizational Effectiveness and Leadership Behavior" by Hamdan et al. (2024) aimed to explore how transformational leadership behaviors influence employee performance in various organizational contexts. The mixed-methods study, conducted in Indonesia, found that transformational leadership significantly

enhanced task, contextual, and adaptive performance. Key leadership traits such as idealized influence, intellectual stimulation, and inspirational motivation were positively associated with improved employee outcomes. Additionally, organizational culture was found to moderate the relationship between leadership and performance (Hamdan et al., 2024).

The study titled "The Effects of Transformational Leadership and Organizational Culture on Employee's Performance: Case Study at Nippon Paint Company Branch in Bengkulu City" by Agustina et al. (2023) aimed to investigate the effects of transformational leadership and organizational culture on employee performance. The study, conducted with 53 employees, found that transformational leadership had a significant positive effect on performance. Organizational culture did not have a significant effect, but when combined with leadership, the overall impact on performance was notable, explaining 15.5% of the variance in performance outcomes (Agustina et al., 2023).

The study titled "The Effect of Transformational Leadership on Employee Performance Through Job Satisfaction and Organizational Commitment" by Putri & Meria (2022) aimed to explore how transformational leadership impacts employee performance in the food and beverage industry in Indonesia. The study used Structural Equation Modeling (SEM) to analyze data from 135 respondents and found that transformational leadership had a significant positive effect on performance.

Furthermore, both job satisfaction and organizational commitment mediated this relationship, suggesting that leadership's impact on performance was enhanced through these mediators (Putri & Meria, 2022).

The study titled "The Influence of Transformational Leadership Behavior, Human Resource Practices, Employee Involvement on Organizational Performance" by Arifianto et al. (2024) aimed to investigate the impact of transformational leadership behavior, human resource practices, and employee involvement on organizational performance. Conducted at the Banyuwangi Regency Transportation Service, Indonesia, with a sample of 130 employees, the study found that transformational leadership had a direct positive effect on organizational performance. The study also highlighted the importance of human resource practices, such as training and appraisals, and employee involvement in enhancing performance outcomes (Arifianto et al., 2024).

The study titled "The Impact of Transformational Leadership and Social Interaction on Organizational Performance in the Viewpoint of Knowledge Management: An Empirical Study in the Banking Sector of Pakistan" by Lashari & Rana (2018) aimed to assess how transformational leadership and social interaction affect organizational performance through knowledge management. The study, conducted with 270 managers from various banks in Pakistan, found that transformational leadership significantly enhanced knowledge management, which in turn improved

organizational performance. Social interaction also played a role in enhancing these outcomes (Lashari & Rana, 2018).

The study titled "The Effect of Transformational Leadership on Employees During Organizational Change – An Empirical Analysis" by Faupel & Süß (2018) aimed to analyze how transformational leadership influences employee behavior during organizational change. The study, conducted in Germany across various industries, found that transformational leadership significantly improved work engagement and positive perceptions of organizational change. These factors mediated the relationship between leadership and employee performance, leading to better support for organizational change initiatives (Faupel & Süß, 2018).

The study titled "The Impact of Transformational Leadership and Compensation Towards Motivation and Its Implications on Organizational Performance at the Education and Training Center of the Ministry of Communication and Information" by Adhi & Aima (2021) aimed to analyze the impact of transformational leadership and compensation on employee motivation and organizational performance. The study used a sample of 42 respondents from the Education and Training Center in Indonesia and found that transformational leadership had a significant positive impact on motivation and performance. Motivation acted as a partial mediator, confirming that leadership improves performance through enhanced employee motivation (Adhi & Aima, 2021).

The study titled "Relationship of Transformational Leadership, Organizational Learning, and Organizational Performance" by Mutahar et al. (2015) aimed to investigate the impact of transformational leadership on organizational performance, with organizational learning as a mediator. The study, conducted in the telecom sector in Saudi Arabia with 70 employees, found that transformational leadership significantly improved organizational learning, which in turn enhanced performance. This study emphasizes the importance of fostering a learning culture to optimize leadership's effects on performance (Mutahar et al., 2015).

The study titled "The Effect of Transformational Leadership and Organizational Commitment on Employee Performance with Organizational Citizenship Behavior as Intervening Variables" by Vipraprastha et al. (2018) aimed to explore the effects of transformational leadership and organizational commitment on employee performance, with organizational citizenship behavior (OCB) as a mediator. The study, conducted in Indonesia with 88 employees, found that transformational leadership indirectly improved performance through its positive impact on OCB. Leadership did not have a direct effect on performance, but its influence through OCB was significant (Vipraprastha et al., 2018).

The study titled "The Impact of Transformational Leadership on Organizational Performance: A Case Study at the University of Jordan" by Alsayyed et al. (2020) aimed to investigate the impact of transformational

leadership on organizational performance, focusing on four dimensions: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. The study, conducted with 280 administrative employees at the University of Jordan, found that idealized influence and intellectual stimulation had the most significant impact on performance, while the other dimensions were less influential (Alsayyed et al., 2020).

The study titled "The Impact of Transformational Leadership on Organizational Performance via the Mediating Role of Corporate Social Responsibility: A Structural Equation Modeling Approach" by Alrowwad et al. (2017) aimed to explore how transformational leadership affects organizational performance through corporate social responsibility (CSR). Conducted in Jordan's pharmaceutical sector with 217 respondents, the study found that transformational leadership significantly improved CSR, which in turn enhanced organizational performance. Leadership did not have a direct impact on performance, but CSR acted as a key mediator (Alrowwad et al., 2017).

The study titled "The Impact of Transformational Leadership on Organizational Performance: Evidence from Jordan" by Orabi (2016) aimed to analyze the relationship between transformational leadership and organizational performance in the banking sector. Conducted with 249 employees from three banks in Jordan, the study found that transformational leadership significantly improved performance, with the components of

inspirational motivation, intellectual stimulation, and individualized consideration contributing the most to performance outcomes (Orabi, 2016).

The study titled "The Mediating Effect of Family Work Balance and Psychological Capital on The Relationship between Leadership Style and Teachers' Job Performance" by Wen & Jantan (2023) aimed to explore the mediating roles of family-work balance and psychological capital in the relationship between leadership style and job performance. Conducted in China's higher vocational colleges, the study found that transformational leadership significantly improved job performance through its positive impact on psychological capital and family-work balance, suggesting that leadership indirectly enhances performance by supporting work-life balance (Wen & Jantan, 2023).

2.7 Gap in Literature

Despite the extensive research on transformational leadership and its impact on organizational performance, there remains a notable gap in the literature regarding the specific context of the Saudi healthcare sector. Most existing studies have primarily focused on Western contexts, leaving a void in understanding how transformational leadership operates within the unique cultural and organizational landscape of Saudi Arabia (Jing & Avery, 2011; Rumengan et al., 2021). This gap is particularly concerning given the ongoing reforms in the Saudi healthcare system, which necessitate effective

leadership to navigate the complexities of change and improve service delivery (Perano et al., 2019; Kebede & Lemi, 2020).

Moreover, while previous studies have established a positive correlation between transformational leadership and organizational performance, the mechanisms through which this relationship operates in the healthcare sector remain underexplored. For instance, the role of mediating factors such as employee motivation, job satisfaction, and organizational commitment in the transformational leadership-performance nexus has not been adequately addressed in the Saudi context (Curtis et al., 2017; Liu, 2023). Understanding these mediating factors is crucial for developing targeted interventions that can enhance organizational performance in healthcare settings.

Additionally, the impact of contextual factors, such as cultural dynamics and organizational structure, on the effectiveness of transformational leadership in the Saudi health cluster has not been sufficiently examined. The unique cultural context of Saudi Arabia, characterized by its collectivist values and hierarchical structures, may influence the way transformational leadership is perceived and enacted within healthcare organizations (Sertel et al., 2022; Rumengan et al., 2021). Therefore, there is a pressing need for research that not only investigates the direct effects of transformational leadership on organizational performance but also considers the contextual factors that may moderate this relationship.

2.8 Distinctions of the Current Study

This study uniquely examines the Saudi healthcare sector within the Makkah Health Cluster, addressing an underexplored context. Previous research has predominantly focused on Western or Asian settings (Fan, 2023; Vidhia, 2023), leaving a gap in understanding transformational leadership within Saudi Arabia's distinct organizational culture, marked by collectivist values and hierarchical structures (Sertel et al., 2022; Rumengan et al., 2021).

Further distinguishing this study is its alignment with the Saudi Vision 2030 reforms, which aim to elevate healthcare quality and accessibility. While the positive effects of transformational leadership are well-documented (Pamungkas et al., 2023; Hamdan et al., 2024), the impact of leadership during such transformative reforms has not been emphasized, making this research particularly relevant to Saudi healthcare's current needs.

Additionally, this study investigates mediating factors like employee motivation and job satisfaction, which are less examined in Saudi healthcare. Although some studies have explored these mediators in other settings (Putri & Meria, 2022; Lashari & Rana, 2018), their specific influence within the Saudi context remains underexplored, despite the potential to shape leadership outcomes significantly (Curtis et al., 2017; Liu, 2023; Alsayyed et al., 2020; Alrowwad et al., 2017).

The study also considers how Saudi Arabia's cultural and structural dynamics may moderate leadership effectiveness, a factor often overlooked in prior research (Jing & Avery, 2011; Kebede & Lemi, 2020). By examining these contextual influences, the study aims to deliver a culturally relevant perspective on transformational leadership within Saudi healthcare.

Finally, unlike general studies, this research's focus on a health cluster allows for in-depth insights into leadership within a coordinated healthcare network. This targeted approach is expected to yield practical strategies for enhancing performance across clustered healthcare facilities, adding value to regional health systems

2.9 Theoretical Framework of the Study

The Transformational Leadership Theory, initially developed by James MacGregor Burns in the late 1970s, has become one of the most prominent leadership theories in management studies (Eaton, 2024). This theory posits that leaders have the ability to inspire and motivate followers to exceed their own self-interests for the benefit of the organization (Lai, 2011). As a leadership style, transformational leadership emphasizes the importance of visionary leadership that fosters trust, personal growth, and a strong sense of organizational commitment.

Key Components of Transformational Leadership: Transformational leadership theory highlights four essential components that define how leaders can influence organizational outcomes (Fahlevi et al., 2022):

Idealized Influence: Leaders act as role models, gaining trust, respect, and admiration from followers. They exhibit high ethical standards and create a sense of shared mission and values within the organization. Inspirational Motivation: Leaders communicate a compelling vision that inspires followers to achieve more than what they believed was possible. They motivate employees by setting high expectations and articulating a clear purpose for their efforts. Intellectual Stimulation: Leaders encourage creativity and innovation by challenging followers to think critically and approach problems from new perspectives. This component fosters an environment where employees feel empowered to question the status quo and propose novel solutions. Individualized Consideration: Leaders offer personalized support and mentorship to their followers, addressing individual needs and aspirations. This creates a supportive atmosphere that enhances personal development and increases job satisfaction. Transformational leaders are seen as change agents, fostering an environment of trust, innovation, and personal development (Avolio & Bass, 1995). Through their leadership behaviors, transformational leaders inspire followers to perform beyond expectations, resulting in enhanced team and organizational performance (Dionne et al., 2004). The link between transformational leadership and organizational performance has been widely explored in various industries and sectors. For example, research by Bellé (2013) demonstrates that transformational leadership has a significant effect

on perceived social impact and job performance. Leaders who exhibit transformational behaviors are able to foster a sense of purpose and alignment with organizational goals, which enhances both individual and collective performance. In challenging environments, such as the hospitality industry during the COVID-19 pandemic, transformational leadership has been shown to positively affect employee performance, as emphasized by Teoh et al. (2022). In healthcare settings, transformational leadership has been found to play a crucial role in improving organizational outcomes. Astuti et al. (2023) highlight the importance of transformational leadership styles in enhancing nurses' compliance and commitment, particularly in hospital environments where leadership behaviors directly influence the quality of patient care. Similarly, Winingsih (2022) explores the influence of transformational leadership on knowledge sharing and employee performance in hospital contexts, reinforcing the positive impact of leadership on fostering collaboration and driving organizational success.

The theoretical framework of this study is based on the Transformational Leadership Theory and its influence on organizational performance within the Makkah Health Cluster. By employing transformational leadership behaviors such as idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration, leaders in the healthcare sector are expected to positively

impact the organization's overall performance, including operational efficiency, employee productivity, and quality of service.

By examining the relationship between transformational leadership and organizational performance, this framework provides a structured approach to understanding the role of leadership in improving performance outcomes in healthcare settings, supported by empirical evidence from previous studies (Dionne et al., 2004; Bellé, 2013; Astuti et al., 2023).

2.10 Conceptual framework



Figure 2-1 Conceptual framework

The conceptual framework of this study is designed to explore the relationships among transformational leadership, organizational performance within the Makkah Health Cluster in Saudi Arabia.

2.11 Summary

In summary, the current study aims to fill these gaps by investigating the effects of transformational leadership on organizational performance within the health cluster in Saudi Arabia. By exploring the mediating roles of employee motivation, job satisfaction, and organizational commitment, as well as considering the influence of cultural and contextual factors, this research seeks to provide a comprehensive understanding of how transformational leadership can be leveraged to enhance organizational performance in the Saudi healthcare sector.

Chapter 3: Research Methodology

3.1 Introduction

This chapter outlines the methodology employed in this study to investigate the impact of transformational leadership on organizational performance within the Makkah Health Cluster in Saudi Arabia. The research methodology includes the research design, sampling strategy, population, sample size, data collection procedures, and the analytical tools used for data analysis. The primary goal of this chapter is to provide a clear and systematic explanation of the processes used to gather and analyze the data required to answer the research questions.

3.2 Research Design

This study utilizes a quantitative research design to assess employees' perceptions of transformational leadership and organizational performance, as well as the impact of transformational leadership on organizational performance. A quantitative approach was chosen because it allows for objective measurement and statistical analysis of the relationships between variables. Data was collected using structured surveys, which provided numerical data for analysis. The use of a quantitative design enabled the study to draw conclusions based on measurable evidence and to assess the extent to which transformational leadership influences organizational performance.

3.3 Setting

The Makkah Health Cluster encompasses various hospitals and healthcare centers, representing a complex healthcare system with multiple levels of management. As healthcare settings are dynamic environments that require effective leadership to manage resources, personnel, and patient care outcomes, understanding the role of transformational leadership is essential. Leaders within this cluster are responsible for influencing the behaviors and performance of medical and non-medical staff, and the adoption of transformational leadership behaviors is expected to have a direct impact on overall organizational performance.

By examining how leadership behaviors affect factors like employee satisfaction, productivity, and operational efficiency, this study provides valuable insights that can inform leadership strategies and organizational development within the Makkah Health Cluster and the broader Saudi healthcare system.

3.4 Population's

The population for this study consists of employees working within the Makkah Health Cluster in Saudi Arabia, which includes various healthcare facilities. The total population is approximately 500 employees, including clinical and non-clinical staff working in different departments. These employees were selected as the target population because they interact

with healthcare leaders and are directly involved in the organization's operations and performance.

3.5 Sampling Method

A convenience sampling method was used in this study to select participants from the population. Convenience sampling allows for easy access to respondents who are readily available and willing to participate in the study. This non-probability sampling method was chosen due to time and resource constraints, making it a practical approach for reaching employees in the healthcare cluster. Despite its limitations, such as potential bias in the selection of respondents, convenience sampling was deemed appropriate given the nature of the study and the objective of collecting timely data from employees.

3.6 Sample Size

The sample size for this study was calculated using Resoft software program, which is commonly used to determine the appropriate sample size for quantitative studies. Based on the total population of 500 employees and considering a 95% confidence level with a 5% margin of error, the sample size was calculated to be 218 participants. This sample size is sufficient to provide a representative overview of employees' perceptions of transformational leadership and organizational performance within the Makkah Health Cluster.

3.7 Data Collection Procedure

The data collection for this study was conducted using Google Forms, an online survey platform that facilitates easy distribution and collection of responses. The structured questionnaire was distributed electronically via email to employees within the Makkah Health Cluster. The use of an online platform allowed for greater reach and convenience, enabling participants to respond at their own pace and from different locations.

3.8 Research Instrument

The primary research instrument used in this study was a structured questionnaire. The questionnaire was divided into three parts:

Part 1. Demographic Information: This section collected basic demographic information, including age, gender, education level, years of experience, and job role. These demographic variables were used to assess potential relationships between these factors and employees' perceptions of transformational leadership and organizational performance.

Part 2: Transformational Leadership Questionnaire

This section adapted from (Kılıç & Uludağ, 2021). To assess perceptions of transformational leadership. The MLQ contains 21 items, each rated on a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree). The total score provides an overall measure of perceived transformational leadership. Score Range: Minimum: 21 (if the respondent

strongly disagrees with all items). Maximum: 105 (if the respondent strongly agrees with all items). Low Score (21–49): Suggests that the leader demonstrates few transformational leadership behaviors, showing limited inspiration, motivation, intellectual stimulation, or individualized consideration. Moderate Score (50–84): Indicates the leader occasionally displays transformational leadership but has areas for improvement, such as consistency in providing inspiration or individualized attention. High Score (85–105): Reflects a leader who consistently engages in transformational leadership behaviors, serving as a role model, motivating and inspiring employees, stimulating creativity, and offering individualized support. Significance: Higher scores on the MLQ indicate leaders who foster a work environment that promotes creativity, motivation, and professional growth, which can positively impact employee satisfaction and performance.

Part 3: Organizational Performance Questionnaire: This section adapted from (Kılıç & Uludağ, 2021). To measured employees' perceptions of organizational performance, including aspects such as productivity, efficiency, and fairness. The questionnaire consists of 6 items, also rated on a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree), with the total score reflecting overall organizational performance. Score Range: Minimum: 6 (if the respondent strongly disagrees with all items). Maximum: 30 (if the respondent strongly agrees with all items). Low Score (6–14): Indicates that employees perceive the organization as underperforming, with

issues like low productivity, inefficiency, and poor utilization of employee skills. Moderate Score (15–24): Suggests that the organization is functioning adequately but could improve in areas such as productivity and employee treatment. High Score (25–30): Reflects a well-performing organization that is productive, efficient, and fair, utilizing employee skills effectively.

Significance: A higher score on this questionnaire correlates with more positive perceptions of the organization's effectiveness, productivity, and fairness. Effective leadership, particularly transformational leadership, often drives higher organizational performance through enhanced employee engagement and motivation.

3.9 Data Analysis

Once the data was collected, it was exported from Google Forms into SPSS (Statistical Package for the Social Sciences) for analysis. The data analysis procedure involved the following steps:

1. Descriptive Statistics: Descriptive statistics, including frequencies, percentages, means, and standard deviations, were used to summarize the demographic characteristics of the sample and participants' responses to the transformational leadership and organizational performance questions.

2. Inferential Statistics: To test the research hypotheses and assess the relationship between transformational leadership and organizational performance, inferential statistics such as correlation analysis and regression

analysis were conducted. Correlation analysis was used to examine the strength and direction of the relationship between transformational leadership and organizational performance. Regression analysis was employed to determine the extent to which transformational leadership predicted organizational performance.

3. Analysis of Demographic Variables: To assess the impact of demographic variables (age, gender, years of experience) on employees' perceptions of transformational leadership and organizational performance, ANOVA (Analysis of Variance) and t-tests were performed. These tests allowed the study to determine whether significant differences existed between different demographic groups in their perceptions of leadership and performance.

3.10 Ethical Considerations

Several ethical considerations were taken into account during the research process. First, participants were informed of the purpose of the study, and their informed consent was obtained before completing the survey. Participation was voluntary, and respondents were free to withdraw from the study at any time without any consequences. Confidentiality was maintained throughout the data collection process. The survey was anonymous, and no personally identifiable information was collected. All data was stored securely, and only the researcher had access to the raw data.

Chapter 4: Results

4.1 Demographic Informations

The demographic data shows that the majority of respondents in the study were relatively young, with 62.4% falling within the 20-29 years age group, suggesting that the workforce in the Makkah Health Cluster is predominantly young. In terms of gender, there is a clear majority of male employees (68.8%), which could reflect gender distribution trends in certain healthcare sectors in Saudi Arabia. Educational attainment is high, with 71.6% of the participants holding a bachelor's degree, indicating a well-educated workforce. Nurses make up the largest job role category at 61.3%, highlighting the significant representation of clinical staff in the sample. Over half of the participants have between 1-5 years of experience (54.6%), suggesting that a substantial portion of the workforce is relatively new but not inexperienced. The majority of respondents (58.3%) are married, which may impact their perceptions of leadership and organizational performance. More details on following table Table 1:

Table 4:1 Demographic Information

Demographic Information		N	percentage %
Age	20– 29 year	136	62.4%
	30 – 39 year	55	25.2%
	40 – 49 year	22	10.1%
	50 year and above	5	2.3%
Gender	Male	150	68.8%
	Female	68	31.2%

Educational level	Diploma	18	8.3%
	Bachelor's Degree	156	71.6%
	Master's Degree	38	17.4%
	Doctoral Degree (PhD)	6	2.8%
Position /Jop Role	Nurse	133	61.3%
	Physician	37	17.1%
	Administrative Staff	22	10.1%
	Technician	6	2.8%
	Supervisor/Manager	19	8.8%
Years of Experience	Less than 1year	15	6.9%
	1-5 years	119	54.6%
	6-10 year	52	23.9%
	11-15 years	20	9.2%
	16-20 years	8	3.7%
	More than 20 year	4	1.8%
Marital status	Single	63	28.9%
	Married	127	58.3%
	Divorced	17	7.8%
	Widowed	11	5.0%

4.2 Employees' Perceptions of Transformational Leadership

The results in of current study indicate that employees perceive transformational leadership to be well-practiced within the Makkah Health Cluster. The mean scores across all items range from 4.11 to 4.34, indicating a generally high level of agreement with statements describing transformational leadership behaviors. The highest mean scores are seen for items such as "Talks optimistically about the future" (4.34) and "Considers the moral and ethical consequences of decisions" (4.33), reflecting strong

confidence in leadership's ethical considerations and positive future vision. The relatively lower mean for "Helps subordinates to develop their strengths" (4.11) suggests that while leaders are perceived positively overall, there may be room for improvement in individualized development support. Overall, these results show that transformational leadership is viewed favorably by employees, which could positively impact organizational outcomes

Table 4:2 Employees' perceptions of transformational leadership

Items	Mean	S.D
1. Acts in ways that build respect.	4.26	1.07
2. Instills pride in being associated with him/her.	4.28	1.01
3. Talks about important values and beliefs.	4.28	1.02
4. Goes beyond self-interest for the good of the group.	4.30	1.03
5. Considers the moral and ethical consequences of decisions.	4.33	1.02
6. Emphasizes the importance of having a collective sense of mission.	4.30	1.03
7. Displays a sense of power and confidence.	4.33	1.00
8. Talks optimistically about the future.	4.34	1.01
9. Talks enthusiastically about what needs to be accomplished.	4.33	1.02
10. Articulates a compelling vision of the future.	4.33	1.03
11. Expresses confidence that goals will be achieved.	4.32	1.01
12. Develops a team attitude and spirit among members of staff.	4.33	1.02
13. Re-examines critical assumptions to question whether they are appropriate.	4.33	1.01
14. Gets subordinates to look at problems from many different angles.	4.33	1.01
15. Suggests new ways of looking at how to complete assignments.	4.33	1.01

16. Seeks different perspectives when solving problems.	4.33	1.02
17. Encourages rethinking of ideas that have never been questioned before.	4.30	1.01
18. Spends time teaching and coaching.	4.32	1.01
19. Treats subordinates as individuals rather than just as members of a group.	4.32	1.00
20. Considers subordinates as having different needs, abilities, and aspirations to others.	4.33	1.00
21. Helps subordinates to develop their strengths.	4.11	1.01
Total	90.38	20.63

4.3 Employees' Perceptions of Organizational Performance

The perceptions of organizational performance are also generally positive, as evidenced by the mean scores in Table 3, ranging from 4.11 to 4.35. The highest-rated item, "People of my race/national origin group are treated with respect in my organization" (4.35), suggests that employees feel respected and valued for their diversity, which is a key element in a positive workplace culture. Similarly, the high mean for "In the past 2 years, the productivity of my work unit has improved" (4.33) reflects a perceived increase in productivity, which is a direct indicator of enhanced organizational performance. The relatively lower score for "My organization provides fair and equitable treatment for employees" (4.11) may point to areas where the organization could focus on ensuring fairer treatment and equal opportunities. Overall, employees' perceptions of the organization's performance are favorable, suggesting that the Makkah Health Cluster is viewed as a well-performing entity.

Table 4:3 Employees' perceptions of organizational performance.

Items	Mean	S.D
1. My organization has made good use of my knowledge and skills in looking for ways to become more efficient.	4.29	1.01
2. In the past 2 years, the productivity of my work unit has improved.	4.33	1.03
3. The work performed by my work unit provides the public a worthwhile return on their tax dollars.	4.31	1.01
4. People of my race/national origin group are treated with respect in my organization.	4.35	1.01
5. The quality of work performed by my current coworkers in my immediate work group is high.	4.31	1.01
6. My organization provides fair and equitable treatment for employees and applicants in all aspects of personnel management.	4.11	.99
Total	25.70	5.86

4.4 Relationships Between Employees' Perceptions of Transformational Leadership and Demographic Variables

Table 4 shows the relationships between employees' perceptions of transformational leadership and various demographic variables. The results indicate significant differences in how transformational leadership is perceived based on gender, educational level, and years of experience. Gender: Male employees perceive transformational leadership more positively (mean = 92.48) than female employees (mean = 85.79), with the difference being statistically significant ($p = 0.011$). This suggests that male

employees may have more favorable interactions with or perceptions of their leaders compared to female employees.

Educational Level: Educational attainment plays a significant role in shaping perceptions of transformational leadership ($p = 0.000$). Employees with a Doctoral Degree had the highest mean score (105), indicating they perceive leadership more positively, while those with a Diploma had the lowest perception (mean = 66.50). This finding suggests that higher education may correlate with a greater appreciation or understanding of transformational leadership behaviors.

Years of Experience: There is also a significant relationship between years of experience and perceptions of leadership ($p = 0.000$). Employees with more than 20 years of experience had the highest perception of transformational leadership (mean = 105), whereas those with less than 1 year of experience had the lowest perception (mean = 67.53). This implies that more experienced employees might have a deeper recognition of transformational leadership qualities, possibly due to more exposure to different leadership styles over time.

Table 4:4 Relationships between employees' perceptions of transformational leadership and their demographic variables

variables	category	N	Mean	S.D	F	P-value
Age	20– 29 year	135	92.07	21.75	F=2.524	p=0.059
	30 – 39 year	55	84.82	19.00		
	40 – 49 year	22	90.64	16.80		
	50 year and above	5	105.00	0.00		
Gender	Male	149	92.4765	19.53	t= 2.234	p=0.011
	Female	67	85.79	22.33		
Educational level	Diploma	18	66.50	34.70	F=11.320	p=0.000
	Bachelor's Degree	155	92.94	17.70		
	Master's Degree	38	88.95	16.91		
	Doctoral Degree (PhD)	6	105.00	0.00		
Position /Jop Role	Nurse	132	90.86	23.05	F=1.656	p=0.161
	Physician	37	86.4865	16.44		
	Administrative Staff	22	84.82	17.18		
	Technician	6	94.67	20.64		
	Supervisor/Manager	19	99.00	8.36		
Years of Experience	less than 1year	15	67.53	35.92	F=7.283	p=0.000
	1-5 years	118	94.74	16.88		
	6-10 year	52	87.19	19.43		
	11-15 years	20	82.85	19.72		
	16-20 years	8	101.25	7.02		
	More than 20 year	4	105.00	0.00		
Marital status	Single	63	86.70	26.88	F=2.216	p=0.087
	Married	126	93.39	15.95		
	Divorced	17	84.47	20.96		
	Widowed	11	86.18	23.45		

4.5 Relationships Between Employees' Perceptions of Organizational Performance and Demographic Variables

Table 5 examines the relationship between demographic variables and employees' perceptions of organizational performance, showing significant differences based on gender, educational level, and years of experience.

Gender: Similar to perceptions of leadership, male employees report significantly higher perceptions of organizational performance (mean = 26.36) than female employees (mean = 24.19), with a p-value of 0.011. This suggests that male employees may feel more positively about the organization's performance, which could reflect differences in work experiences or expectations between genders.

Educational Level: There is a significant relationship between education level and organizational performance ($p = 0.000$). Employees with a Doctoral Degree reported the highest perceptions of organizational performance (mean = 29.50), while those with a Diploma reported the lowest (mean = 19.05). Higher educational attainment may align with higher expectations and understanding of organizational processes, contributing to more positive performance perceptions.

Years of Experience: Years of experience also significantly impact perceptions of organizational performance ($p = 0.00$), with employees who have more than 20 years of experience reporting the highest score (mean = 29.25). Conversely, employees with less than 1 year of experience reported the lowest perception (mean = 18.93). This indicates that experienced employees may perceive the organization as performing better,

possibly due to their familiarity with organizational processes and outcomes over time.

Table 4:5 Relationships between employees' perceptions of organizational performance and their demographic variables

variables	category	N	Mean	S.D	F	P-value
Age	20– 29 year	136	25.95	6.17	F=1.802	p=0.148
	30 – 39 year	54	24.39	5.57		
	40 – 49 year	22	26.50	4.65		
	50 year and above	5	29.40	1.34		
Gender	Male	150	26.36	.550	t=2.554	p=0.011
	Female	67	24.19	6.39		
Level of education	Diploma	18	19.05	10.21	F=10.158	p=0.000
	Bachelor's Degree	155	26.18	4.98		
	Master's Degree	38	26.26	4.93		
	Doctoral Degree (PhD)	6	29.50	1.22		
Position /Job Role	Nurse	133	25.61	6.48	F=1.839	p=0.123
	Physician	36	25.14	4.79		
	Administrative Staff	22	24.04	5.06		
	Technician	6	26.83	6.31		
	Supervisor/Manager	19	28.68	2.06		
Years of Experience	less than 1year	15	18.93	10.28	F=6.839	p=0.00
	1-5 years	119	26.70	4.83		
	6-10 year	51	25.10	5.47		
	11-15 years	20	24.10	5.81		
	16-20 years	8	29.37	.92		
	More than 20 year	4	29.25	1.50		
Marital status	Single	63	24.32	7.59	F=2.732	p=0.045
	Married	126	26.63	4.54		
	Divorced	17	24.11	5.74		
	Widowed	11	25.27	6.87		

4.6 Correlation Between Transformational Leadership and Organizational Performance

Table 6 highlights the strong positive correlation between transformational leadership and organizational performance, with a Pearson correlation coefficient of 0.960 and a p-value of 0.000. This very high and statistically significant correlation indicates that transformational leadership is closely linked to better organizational performance within the Makkah Health Cluster. As transformational leadership behaviors (such as inspiring vision, fostering teamwork, and promoting ethical decision-making) increase, employees perceive an improvement in organizational performance (such as efficiency, productivity, and fair treatment). This finding emphasizes the critical role that effective leadership plays in driving organizational success, particularly in complex environments like healthcare.

Table 4:6 Correlation between transformational leadership and organizational performance

Pearson Correlations		
	Organizational performance	
Transformational leadership	Pearson Correlation	.960
	P- value	.000

Chapter 5: Discussion

5.1 Introduction

This chapter discusses the results of the study in light of the research objectives and existing literature. The purpose of this chapter is to interpret the findings, explore their implications, and provide insights into how transformational leadership affects organizational performance within the Makkah Health Cluster in Saudi Arabia. Additionally, the chapter examines the impact of demographic variables on employees' perceptions and addresses the study's limitations, practical implications, and suggestions for future research.

5.2 Perceptions of Transformational Leadership

In the current study, employees' perceptions of transformational leadership within the Makkah Health Cluster are overwhelmingly positive, with high mean scores (ranging from 4.11 to 4.34). This perception reflects strong leadership behaviors, particularly in ethical decision-making and future vision, as evidenced by items such as "Talks optimistically about the future" (4.34) and "Considers the moral and ethical consequences of decisions" (4.33). The slightly lower mean for "Helps subordinates to develop their strengths" (4.11) suggests a potential area for growth in individualized development support.

These results align with the findings of Fan (2023), who reported that transformational leadership fosters organizational identification and adaptive performance by exhibiting visionary, ethical, and supportive behaviors. Similarly, Hamdan et al. (2024) found that transformational leadership behaviors such as idealized influence and intellectual stimulation were strongly correlated with improved employee outcomes in Indonesia. The high perception of ethical leadership and optimism in the current study supports these conclusions, indicating that transformational leaders in the Makkah Health Cluster are seen as effective in motivating employees and guiding organizational vision.

However, the current study also identifies an opportunity for improvement in individualized support, as seen in the lower score for "Helps subordinates to develop their strengths." This finding contrasts with Putri & Meria (2022), who demonstrated that individualized consideration, a key aspect of transformational leadership, had a significant impact on employee performance when mediated by job satisfaction and organizational commitment. The relatively lower score in the Makkah Health Cluster may be attributed to cultural or structural differences in leadership practices within Saudi Arabia, where leaders may focus more on collective outcomes rather than individualized employee development. Future leadership training could address this gap by emphasizing personalized employee development.

5.3 Perceptions of Organizational Performance

The current study found generally favorable perceptions of organizational performance, with mean scores ranging from 4.11 to 4.35. The highest-rated item, "People of my race/national origin group are treated with respect in my organization" (4.35), highlights the organization's focus on inclusivity and diversity, which can contribute to a positive workplace culture. Additionally, the perception that "the productivity of my work unit has improved" (4.33) indicates that employees believe their organization's performance has improved in recent years.

These findings are consistent with the results of Vidhia (2023) and Agustina et al. (2023), who both demonstrated that transformational leadership positively influences employee performance and productivity. The emphasis on respect and inclusivity in the Makkah Health Cluster is an important contributor to these positive perceptions, aligning with Lashari & Rana (2018), who noted that transformational leadership and social interaction enhance knowledge management and organizational performance through fostering respect and trust.

However, the relatively lower score for "My organization provides fair and equitable treatment for employees" (4.11) suggests that there may still be concerns about fairness and equity in the Makkah Health Cluster. This contrasts with findings from Adhi & Aima (2021), who demonstrated that transformational leadership, when combined with fair compensation,

directly improves organizational performance. The disparity in the current study may be due to structural or hierarchical challenges unique to the Saudi Arabian healthcare system, where traditional norms might influence perceptions of fairness. Addressing this issue could further enhance organizational performance by ensuring that all employees feel fairly treated and valued.

Additional, the findings of the current study are broadly consistent with previous research, affirming that transformational leadership positively impacts organizational performance. In agreement with studies such as Faupel & Süß (2018) and Mutahar et al. (2015), the current study confirms that transformational leadership behaviors are perceived positively by employees and lead to enhanced performance outcomes. The high scores for productivity and respect in the workplace support the view that transformational leadership fosters a conducive environment for performance improvements.

Where the current study differs slightly is in its identification of specific areas for improvement, such as individualized employee development and perceptions of fairness. These divergences may be explained by cultural or organizational factors unique to Saudi Arabia. For example, as highlighted by Orabi (2016), transformational leadership's impact on performance can vary depending on the cultural context. In the case of the Makkah Health Cluster, the hierarchical nature of healthcare

organizations and the broader cultural emphasis on collective leadership might explain the relatively lower emphasis on individualized support.

5.4 Influence of Demographic Variables

Regarding perceptions of Transformational Leadership and Demographic Variables, the current study found significant demographic differences in how transformational leadership is perceived, particularly in relation to gender, educational level, and years of experience.

Gender: Male employees perceived transformational leadership more positively than female employees, with a statistically significant difference ($p = 0.011$). This finding differs from some previous studies, such as Fan (2023) and Putri & Meria (2022), which did not report significant gender differences in leadership perceptions. However, the results align with Pamungkas et al. (2023), who found that perceptions of leadership can vary by gender, possibly due to differing workplace interactions or expectations. The cultural context of Saudi Arabia may also explain this difference, as gender roles and dynamics in the workplace can influence perceptions of leadership. Male employees in the Makkah Health Cluster might have more direct interactions with leaders or benefit from leadership styles that align more with their professional expectations.

Educational Level: Employees with higher educational attainment, particularly those with doctoral degrees, reported more positive perceptions of transformational leadership compared to those with lower levels of

education. This result is consistent with Vidhia (2023) and Hamdan et al. (2024), who found that higher levels of education correlate with a better understanding and appreciation of leadership behaviors. Highly educated employees may have more experience with leadership concepts, making them more likely to recognize and value transformational behaviors. Conversely, employees with less education may focus more on immediate job-related outcomes rather than leadership qualities.

Years of Experience: The finding that employees with more years of experience perceive transformational leadership more positively is in line with Mutahar et al. (2015), who reported that experienced employees often recognize leadership qualities more effectively due to prolonged exposure to different leadership styles. In the current study, employees with more than 20 years of experience reported the highest perceptions of transformational leadership, likely due to their long-term involvement in the organization and their ability to compare different leadership approaches over time. In contrast, employees with less than 1 year of experience may lack the context or experience to fully appreciate transformational leadership traits.

Regarding perceptions of Organizational Performance and Demographic Variables, Similar demographic trends were observed in employees' perceptions of organizational performance, with significant differences based on gender, educational level, and years of experience.

Gender: Male employees reported significantly higher perceptions of organizational performance than female employees ($p = 0.011$), a result consistent with their more favorable perceptions of leadership. This aligns with Adhi & Aima (2021), where male employees expressed more positive organizational experiences. The gender difference in performance perceptions may reflect differing job roles, responsibilities, or work experiences, with male employees possibly being more exposed to organizational outcomes or feeling more positively engaged in organizational activities.

Educational Level: The positive relationship between educational level and perceptions of organizational performance is consistent with previous studies, such as Lashari & Rana (2018), which suggested that employees with higher education levels tend to have a deeper understanding of organizational processes and performance metrics. Employees with doctoral degrees may have higher expectations and a better grasp of organizational strategies, making them more likely to perceive the organization as performing well. In contrast, employees with diplomas might have a more limited understanding of organizational complexities, leading to lower performance perceptions.

Years of Experience: As with leadership perceptions, employees with more years of experience reported higher perceptions of organizational performance. This finding mirrors Alsayyed et al. (2020), where experienced

employees had more favorable views of performance due to their familiarity with organizational practices and results over time. Newer employees may still be acclimating to the organization, making it harder for them to assess performance effectively.

5.5 Correlation Between Transformational Leadership and Organizational Performance

The current study found a very strong positive correlation between transformational leadership and organizational performance (Pearson coefficient = 0.960, $p = 0.000$), which is consistent with a large body of previous research. For example, Agustina et al. (2023) and Orabi (2016) also identified transformational leadership as a key driver of improved organizational outcomes, including productivity, efficiency, and employee satisfaction. The current study's findings confirm that as transformational leadership behaviors increase, so do perceptions of organizational performance, suggesting that leadership is a critical factor in achieving success within the healthcare sector.

The strength of this correlation in the current study is particularly notable, as it exceeds the correlations reported in some other studies, such as Mutahar et al. (2015), who found a slightly weaker but still significant link between leadership and performance. The difference may be explained by the specific healthcare context of the Makkah Health Cluster, where leadership behaviors like ethical decision-making and vision-setting are

crucial for organizational success, especially in a complex and rapidly changing environment like healthcare.

5.6 Implications for Practice

The findings of this study have several practical implications for the Makkah Health Cluster and similar healthcare organizations:

1. **Leadership Development Programs:** Given the strong positive impact of transformational leadership on organizational performance, healthcare organizations should invest in leadership development programs that emphasize transformational leadership skills, such as vision-setting, ethical decision-making, and team-building.
2. **Tailored Leadership Approaches:** The significant differences in perceptions based on demographic variables suggest that leadership approaches should be tailored to address the diverse needs of employees. For example, targeted strategies may be needed to ensure that female employees feel equally supported by leadership.
3. **Fostering Inclusivity:** The high rating for respect for diversity highlights the importance of maintaining an inclusive work environment. Continued efforts to promote fairness and inclusivity can enhance organizational culture and contribute to better performance.
4. **Employee Engagement:** Given the strong link between leadership and performance, leaders should focus on maintaining high levels of employee

engagement through regular feedback, professional development opportunities, and recognition of achievements.

5.7 Limitations of the Study

While this study provides valuable insights, it is important to acknowledge several limitations:

Convenience Sampling: The use of convenience sampling may limit the generalizability of the findings. The sample may not fully represent all employees within the Makkah Health Cluster, and as such, the results should be interpreted with caution.

Self-reported Data: The reliance on self-reported data through surveys introduces the potential for response bias, where participants may provide socially desirable answers rather than reflecting their true perceptions.

Cross-sectional Design: The cross-sectional nature of the study means that it captures perceptions at a single point in time. Longitudinal studies would be useful in determining how perceptions of leadership and performance evolve over time.

5.8 Recommendations for Future Research

Future research could expand on this study by:

1. **Longitudinal Studies:** Conducting longitudinal studies to assess how perceptions of transformational leadership and organizational performance change over time.

2. Exploring Other Leadership Styles: Investigating the impact of other leadership styles, such as transactional or servant leadership, on organizational performance in healthcare settings.
3. Qualitative Research: Incorporating qualitative methods, such as interviews or focus groups, to gain a deeper understanding of employees' experiences and perceptions of leadership.
4. Cultural Comparisons: Examining how cultural factors influence the effectiveness of transformational leadership in different regions of Saudi Arabia or other countries.

5.9 Conclusion

In conclusion, this study demonstrates the significant positive impact of transformational leadership on organizational performance within the Makkah Health Cluster. The findings highlight the importance of effective leadership in fostering a productive and inclusive work environment, with implications for leadership development and organizational practices. By continuing to invest in transformational leadership behaviors, healthcare organizations can improve performance outcomes and enhance the quality of care provided to patients.

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Appendixes

Appendix A: Demographic and Professional Characteristics Questionnaire

Variable	Answers
1. Age	☐ 20 – 29 years ☐ 30 – 39 years ☐ 40 – 49 years ☐ 50 years and above
2. Gender	☐ Male ☐ Female
3. Educational Level	☐ High School Diploma ☐ Bachelor's Degree ☐ Master's Degree ☐ Doctoral Degree (PhD)

4. Position/Job Role	☐ Nurse ☐ Physician ☐ Administrative Staff ☐ Technician ☐ Supervisor/Manager
5. Years of Experience in the Healthcare Sector	☐ Less than 1 year ☐ 1 – 5 years ☐ 6 – 10 years ☐ 11 – 15 years ☐ 16 – 20 years ☐ More than 20 years
6. Marital Status	☐ Single ☐ Married ☐ Divorced ☐ Widowed

Appendix B: Transformational Leadership Questionnaire. Participants will respond to each item on a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Items	1	2	3	4	5
Acts in ways that build respect.					
Instills pride in being associated with him/her.					
Talks about important values and beliefs.					
Goes beyond self-interest for the good of the group.					
Considers the moral and ethical consequences of decisions.					
Emphasizes the importance of having a collective sense of mission.					
Displays a sense of power and confidence.					
Talks optimistically about the future.					
Talks enthusiastically about what needs to be accomplished.					
Articulates a compelling vision of the future.					

Expresses confidence that goals will be achieved.					
Develops a team attitude and spirit among members of staff.					
Re-examines critical assumptions to question whether they are appropriate.					
Gets subordinates to look at problems from many different angles.					
Suggests new ways of looking at how to complete assignments.					
Seeks different perspectives when solving problems.					
Encourages rethinking of ideas that have never been questioned before.					
Spends time teaching and coaching.					
Treats subordinates as individuals rather than just as members of a group.					
Considers subordinates as having different needs, abilities, and aspirations to others.					
Helps subordinates to develop their strengths.					

Appendix C: Organizational Performance questionnaire.

Participants will respond to each item on a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree)

Items	1	2	3	4	5
My organization has made good use of my knowledge and skills in looking for ways to become more efficient.					
In the past 2 years, the productivity of my work unit has improved.					
The work performed by my work unit provides the public a worthwhile return on their tax dollars.					
People of my race/national origin group are treated with respect in my organization.					
The quality of work performed by my current coworkers in my immediate work group is high.					
My organization provides fair and equitable treatment for employees and applicants in all aspects of personnel management.					

Abstract English

Background: Transformational leadership has been widely recognized for its positive impact on organizational performance, particularly in healthcare settings, where effective leadership is critical for delivering quality care and improving operational outcomes. In the context of Saudi Arabia's healthcare sector, limited research has been conducted to explore this relationship, specifically within the Makkah Health Cluster. **Aim:** This study aims to assess the perceptions of employees regarding transformational leadership and organizational performance, and to investigate the relationship between transformational leadership and organizational performance within the Makkah Health Cluster. Additionally, the study examines the influence of demographic variables on employees' perceptions of leadership and performance. **Methodology:** A quantitative, cross-sectional study was conducted using structured surveys distributed through Google Forms. A total of 218 employees participated, representing clinical and non-clinical staff. Descriptive statistics, t-tests, ANOVA, and Pearson correlation analysis were used to analyze the data, focusing on demographic variables such as age, gender, education, and years of experience. **Results:** The findings revealed that employees held positive perceptions of both transformational leadership and organizational performance, with a very strong positive correlation between the two ($r = 0.960$, $p = 0.000$). Significant differences were observed based on gender, education, and experience, with males, more experienced employees, and those with higher educational

attainment reporting higher perceptions of leadership and performance.

Conclusion: The study highlights the critical role of transformational leadership in enhancing organizational performance in the healthcare sector. Investing in leadership development programs and adopting tailored leadership strategies could further improve performance outcomes in the Makkah Health Cluster.

Keywords: *Transformational leadership, Organizational performance, Healthcare, Makkah Health Cluster, Saudi Arabia*

الملخص

الخلفية: تم الاعتراف على نطاق واسع بالقيادة التحويلية لتأثيرها الإيجابي على الأداء التنظيمي، وخاصة في بيئات الرعاية الصحية، حيث تعتبر القيادة الفعالة أمرًا بالغ الأهمية لتقديم رعاية عالية الجودة وتحسين النتائج التشغيلية. وفي سياق قطاع الرعاية الصحية في المملكة العربية السعودية، تم إجراء بحث محدود لاستكشاف هذه العلاقة، وخاصة داخل مجمع مكة الصحي. **الهدف:** تهدف هذه الدراسة إلى تقييم تصورات الموظفين فيما يتعلق بالقيادة التحويلية والأداء التنظيمي، والتحقق في العلاقة بين القيادة التحويلية والأداء التنظيمي داخل مجمع مكة الصحي. بالإضافة إلى ذلك، تدرس الدراسة تأثير المتغيرات الديموغرافية على تصورات الموظفين للقيادة والأداء. **المنهجية:** أجريت دراسة كمية مقطعية باستخدام استطلاعات منظمة موزعة من خلال نماذج Google. شارك ما مجموعه 218 موظفًا، يمثلون الموظفين السريريين وغير السريريين. تم استخدام الإحصاءات الوصفية واختبارات t وتحليل التباين وتحليل ارتباط بيرسون لتحليل البيانات، مع التركيز على المتغيرات الديموغرافية مثل العمر والجنس والتعليم وسنوات الخبرة. **النتائج:** كشفت النتائج أن الموظفين لديهم تصورات إيجابية لكل من القيادة التحويلية والأداء التنظيمي، مع وجود ارتباط إيجابي قوي جدًا بين الاثنين ($r = 0.960$, $p = 0.000$). لوحظت فروق كبيرة بناءً على الجنس والتعليم والخبرة، حيث أفاد الذكور والموظفين الأكثر خبرة وأولئك الذين لديهم مستوى تعليمي أعلى بتصورات أعلى للقيادة والأداء. **الاستنتاج:** تسلط الدراسة الضوء على الدور الحاسم للقيادة التحويلية في تعزيز الأداء التنظيمي في قطاع الرعاية الصحية. يمكن أن يؤدي الاستثمار في برامج تنمية القيادة وتبني استراتيجيات قيادية مخصصة إلى تحسين نتائج الأداء بشكل أكبر في مجموعة مكة الصحية.

الكلمات المفتاحية: القيادة التحويلية، الأداء التنظيمي، الرعاية الصحية، مجموعة مكة الصحية،

المملكة العربية السعودية