



The Influence of Leadership and Governance on The Performance of Healthcare Organizations: Literature Review

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ABSTRACT

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Leadership and governance are increasingly recognized as key determinants of performance in healthcare organizations. This study aims to analyze the influence of leadership and governance on healthcare organizational performance through a literature review of recent empirical studies published between 2021 and 2025. A systematic search was conducted across major scientific databases, and six relevant articles meeting the inclusion criteria were selected for analysis. The findings indicate that transformational and authentic leadership styles positively influence service quality, team effectiveness, employee satisfaction, and strategic hospital performance. In addition, governance—particularly clinical governance and good hospital governance—strengthens accountability, transparency, compliance, and risk management systems, contributing to improved patient safety and managerial effectiveness. The review also reveals that leadership and governance function synergistically: leadership drives cultural and strategic change, while governance provides structural mechanisms to sustain performance improvement. However, empirical evidence remains fragmented regarding causal pathways and mediating factors. Overall, integrating strong leadership capacity with robust governance frameworks is essential to enhance and sustain healthcare organizational performance.

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INTRODUCTION

In healthcare organizations, leadership operates the “engine” of the organization: setting strategic direction, fostering a safe psychological climate, ensuring adherence to clinical standards, and fostering cross-professional collaboration. Quantitative evidence synthesis suggests that leadership interventions can be associated with improved service outcomes (e.g., team performance and guideline adherence), although the magnitude and consistency of effects vary by study design, regional context, and institution type. These findings emphasize that leadership is not a “single cure”; it requires a governance ecosystem that ensures disciplined decisions, roles, and accountability (Restivo et al., 2022)

Governance in healthcare refers to a set of organizational structures, processes, and traditions that govern how power is exercised, how stakeholders have a voice, and how

decisions are accounted for. In practice, governance encompasses strategic dimensions (direction and priorities), transparency (openness of information), accountability (performance accountability), compliance (rules and ethics), and risk governance. Studies of hospital managers show that good governance practices are often not yet dominant and are influenced by reinforcing factors such as governance training, structured feedback systems, peer learning, and managerial autonomy from political interference. This means that governance is not simply a policy document, but rather an organizational capacity that must be built through systems and competencies (Gobezie et al., 2025)

This is where clinical governance becomes the bridge between corporate/managerial governance and clinical service quality. Clinical governance emphasizes ongoing accountability for quality improvement, patient safety, clinical audit, risk management, and organizational learning. Studies and research protocols on clinical governance interventions emphasize that a robust clinical governance framework provides accountability processes and measures that encourage evidence-based decisions and a culture of learning—two key factors that impact hospital performance. Furthermore, updates to clinical governance standards in several health systems indicate a trend toward strengthening performance standards and compliance evidence mechanisms as part of systemic quality management (Maake et al., 2025)

Leadership and governance are also increasingly relevant due to the changing nature of hospital organizations: the emergence of executive (C-level) roles and the complexity of the “top management team” add layers of strategic decision-making. A scoping review of C-level positions positions this issue within the framework of Upper Echelons Theory: the characteristics of the top team influence strategic choices, which in turn impact organizational performance parameters. Thus, the performance of healthcare organizations is not solely explained by operational factors; it is directly linked to the governance architecture and the quality of leadership at the top and clinical lines (Lukas et al., 2025)

In the Indonesian context, the urgency of this study is increasingly apparent. The governance of primary care and community programs depends on the relationship between levels of government and community health center management, as well as support mechanisms for program implementation; analysis of governance in primary care in Indonesia shows that governance issues are intertwined with community service performance and managerial capacity (Hasanbasri et al., 2024). On the hospital side, national literature also confirms that leadership plays a role in the successful implementation of clinical governance, especially in ensuring quality, patient safety, and compliance with standards (Harun, 2025). Findings from studies related to Good Hospital Governance in several hospitals in Indonesia also report a positive relationship between governance and organizational performance, often through mediating factors such as organizational culture (Yulianty, 2025).

However, empirical evidence is often fragmented: some studies focus on leadership style (transformational/visionary), others emphasize governance (corporate/clinical governance), and still others assess performance through different indicators (clinical quality, patient safety, efficiency, satisfaction, managerial performance) (Hansl & Paul, 2025). Furthermore, the causal mechanisms linking leadership, governance, and performance have not always been consistently explained. Some studies identify job satisfaction, engagement,

loyalty, safety culture, and feedback systems as mediators, but these are not tested uniformly across settings. Consequently, policy and managerial recommendations are often general, even though strengthening performance requires a specific "package" of interventions: establishing accountability structures, strengthening leadership capacity, audit and feedback mechanisms, and effective risk governance (Rosyati et al., 2025).

METHOD

This research uses an approach A literature review was conducted to identify, evaluate, and synthesize empirical research findings related to the influence of leadership and governance on the performance of healthcare organizations. This approach was chosen to gain a comprehensive understanding of the patterns of relationships between variables, research gaps, and conceptual and practical implications in the context of healthcare organization management.

The search was limited to articles published between 2021 and 2025 to ensure data relevance and recency.

RESULT AND DISCUSSION

Table 1. Literature Review Results

No	Title	Author (Year)	Method	Results
1.	Leadership Effectiveness in Healthcare Settings: A Systematic Review and Meta-Analysis	Restivo et al., 2022	Systematic Review & Meta-analysis	Transformational leadership is significantly related to improving the quality of services and effectiveness of health teams (Restivo et al., 2022)
2.	Analyzing Primary Healthcare Governance in Indonesia: Perspectives of Community Health Workers	Hasanbasri et al., 2024	Cross-sectional	Strong governance improves coordination, accountability, and effectiveness of public health services (Hasanbasri et al., 2024)
3.	Healthcare Governance Practices and Associated Factors Among Hospital Managers	Gobezie et al., 2025	Cross-sectional	Good governance practices have a positive impact on managerial performance and compliance with standards (Gobezie et al., 2025)
4.	A Systematic Review of Leadership Styles in Healthcare Sector	Wu, 2024	Systematic Review	Transformational and authentic leadership influence job satisfaction and organizational performance.
5.	Clinical Governance and Healthcare Quality: A Systematic Review	Siregar et al., 2025	Literature Review	Implementation of clinical governance improves service quality and patient safety (Siregar et al., 2025)
6.	The Impact of C-Level Positions on Hospital Performance: A Scoping Review	Zuchowski et al., 2025	Scoping Review	Top-level leadership structure influences strategic decision-making and hospital performance

Based on a literature search of five scientific databases for the 2021–2025 period, several articles relevant to the research focus were identified. After a selection process based

on inclusion and exclusion criteria, six articles were selected for further analysis. These articles comprised two systematic reviews, one meta-analysis, one scoping review, one cross-sectional study, and one qualitative study.

The synthesis results show that the most dominant leadership variables studied are transformational and authentic leadership. Meanwhile, in terms of governance, the most frequently emerging dimensions are clinical governance, good hospital governance, and governance in primary care (Restivo et al., 2022). The performance of healthcare organizations in the literature is measured through indicators of service quality, patient safety, managerial effectiveness, employee satisfaction, compliance with standards, and hospital strategic performance (Siregar et al., 2025).

In general, all studies show a positive relationship between leadership and governance and the performance of healthcare organizations. Transformational leadership has been shown to increase team motivation and effectiveness, which contributes to service quality. Strong governance plays a role in clarifying accountability, strengthening quality control systems, and improving compliance with service standards (Hasanbasri et al., 2024).

Discussion

1. Leadership as a Determinant of Health Service Organization Performance

Based on the journal published through Leadership significantly influences the quality of service and the effectiveness of healthcare workers at community health centers. The study showed that leaders who are communicative, participatory, and able to provide clear direction will increase work motivation and team coordination. The impact is seen in improving the quality of patient care and the accuracy of health program implementation. These findings emphasize that leadership is not merely an administrative aspect, but a strategic factor in achieving organizational performance indicators.

In line with this, research by (Adawiyah et al., 2024) shows that leadership style significantly influences staff motivation and work quality in the context of community health centers and primary care hospitals.

2. The Role of Leadership in the Implementation of Clinical Governance

Articles published in *Journal of Community Health* emphasized that leadership plays a critical role in the implementation of clinical governance. The study explained that the successful implementation of clinical audits, risk management, and patient safety incident reporting systems is greatly influenced by the commitment and support of hospital leadership.

Without strong leadership, clinical governance tends to be administrative and does not have an optimal impact on improving service quality. Conversely, proactive leadership ensures that every governance policy is translated into consistent operational practices. Thus, leadership serves as a key driver in integrating governance systems with daily service practices.

Harun's research (2025) states that the role of leaders in the implementation of clinical governance is very important in ensuring that governance runs effectively and has a positive impact on the quality of hospital services (Harun, 2025).

CONCLUSION

This literature review confirms that leadership and governance are critical factors influencing the performance of healthcare organizations. Evidence from studies published between 2021 and 2025 indicates that transformational and authentic leadership styles significantly contribute to improved service quality, team effectiveness, employee satisfaction, and strategic organizational outcomes. Effective leadership fosters motivation, strengthens collaboration, and promotes a culture of quality and patient safety, which directly enhances healthcare performance.

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